

Dated \_\_\_\_\_ 201

**OPERATING MARGINS  
GAS DELIVERY SERVICES AGREEMENT – LNG STORAGE AND IMPORTATION**

**BETWEEN**

**NATIONAL GRID GAS PLC**

**AND**

**[SERVICE PROVIDER]**

CONTRACT LOG No:

**nationalgrid**

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**THIS AGREEMENT** is made the                      day of

**BETWEEN:**

- (1) **National Grid Gas plc**, (Registered No.2006000) whose registered office is at 1-3 Strand, London WC2N 5EH ("**NGG**") acting as Operating Margins Manager; and
- (2) [**Service Provider**] (Registered No.-----) whose registered office is at [**Registered address**] ("**Service Provider**").

**WHEREAS:**

- (A) NGG is the operator of the NGG System, and requires the Service from the Terminal in order to support its operation of the NGG System; and
- (B) The Service Provider has entered into an LNG Storage Contract with the Storage Operator to allow it to utilise the Terminal, and the Service Provider is willing to provide the Service to NGG, all in accordance with the terms and conditions of this Agreement.

**NOW IT IS HEREBY AGREED**

**1. Definitions and Interpretation**

- 1.1 Except as is otherwise expressly provided herein or unless the context otherwise requires, the terms defined in this Clause shall have the following meanings and derivative expressions shall be construed accordingly:

"**Acquired Quantity**" has the meaning given in Clause 13.2(i);

"**Active Year**" means any Year in which the Service Provider shall provide the Service to NGG in accordance with this Agreement, as more specifically set out in paragraph 1 of Schedule 1;

"**Additional Quantity**" has the meaning given in Clause 13.2;

"**AELD**" has the meaning given in Clause 7.5(a)(i);

"**Affected Party**" has the meaning given in the Network Code in relation to Force Majeure;

"**Affiliate**" means, in respect of any person (the relevant person), another person that directly or indirectly controls or is controlled by the relevant person or is, together with the relevant person, under the common control of another person, for which purpose control shall mean beneficial ownership of fifty per cent (50%) or more of the voting shares of a company or other entity or of the equivalent rights to determine the decisions of such a company or other entity;

"**Agreement**" means this agreement and the Schedule attached hereto;

"**Applicable Anti-Bribery Laws**" means

- (a) the United Kingdom Bribery Act 2010;
- (b) the United States of America Foreign Corrupt Practices Act 1977; and
- (c) any applicable laws, regulations and other legally binding measures relating to bribery, corruption or similar activities of any country or countries in which any of the obligations of the Agreement are to be or are performed;

"**Assignor**" has the meaning given in Clause 12.4;

"**Associated Person**" has the meaning given to it in section 8 of the Bribery Act 2010;

**“Available Delivery Capacity”** means Delivery Capacity held by the Service Provider;

**“Available LNG-in-store”** means the amount of LNG-in-store owned by the Service Provider minus its Minimum Inventory;

**“Available Quantity”** has the meaning given in Clause 4.2;

**“Base Interest Rate”** means the rate of interest, expressed as a percentage rate per annum, determined as LIBOR plus one (1) percentage point per annum;

**“Base Specification”** has the meaning given in the GTCs;

**“Berthing Slot”** means an entitlement, under an LNG Storage Contract, on a specific occasion to berth and unload an LNG Tanker at the Terminal;

**“Business Day”** means any Day, other than Saturday, Sunday, any public holidays in England, and any other Day on which banks in England are closed for business;

**“Change in Law”** means:

- (a) the enactment, commencement, adoption, promulgation, making or imposition of any Legal Requirement or (irrespective of whether having legal force) International Standard; or
- (b) the amendment, modification, re-enactment or repeal, or change in interpretation or in application, of any Legal Requirement or (irrespective of whether having legal force) International Standard

which either occurs after the date of this Agreement and was not (before such date) foreseeable with reasonable certainty by reason of a formal announcement or by the Government or other relevant Competent Authority;

**“Change Notice”** has the meaning given in Clause 17.10;

**“Competent Authority”** means any court of competent jurisdiction and any local, national or supra national agency, authority, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or of the European Union, including, for the avoidance of doubt, the Gas and Electricity Markets Authority;

**“Compliant Gas”** means gas which complies with the Gas Entry Conditions;

**“Confidential Information”** has the meaning given in Clause 15.1;

**“Consent”** means any consent, permit, licence, approval, authorisation, registration, notification, concession, acknowledgement, clearance, decision, waiver or similar thing required to be obtained by NGG or the Service Provider from any Competent Authority for the performance of any of its obligations under this Agreement;

**“Day”** means a day commencing at 00:00 hours and ending at 23:59 hours;

**“Default”** has the meaning given in Clause 19.2;

**“Default Interest Rate”** means the rate of interest, expressed as a percentage rate per annum, determined as LIBOR plus three (3) percentage points per annum;

**“Defaulting Party”** has the meaning given in Clause 19.2;

**“Delivery Capacity”** means capacity, expressed in GWh/Gasday, held pursuant to an LNG Storage Contract which entitles a Shipper (provided it has Available LNG-in-store) to have gas delivered from the Terminal at the Gas Delivery Point;

**“Directive”** means any present or future directive, request, requirement, instruction, condition of or limitation in any necessary Consent, or direction or rule of any Competent Authority, (but, if not having the force of law, only if compliance therewith is customary for the person to whom it is addressed) and includes any modification, extension or replacement thereof then in force;

**“Dispute”** has the meaning given in Clause 20.1;

**“Effective Delivery Rate”** means:

(a) in the case of an NGG Nomination submitted prior to the Initial Nomination Deadline:

$$QN / 24$$

(b) in the case of an NGG Renomination submitted where no NGG Nomination was previously submitted for the Gasday:

$$QN / H$$

(c) in the case of any other Renomination:

$$IWR_p + ((QN - QN_p) / H)$$

where:

QN is the NGG Nomination Quantity under the NGG Nomination or NGG Renomination;

H is the number of hours from the effective time of the NGG Renomination to the end of the Gasday;

IWR<sub>p</sub> is the Effective Delivery Rate under the NGG Nomination prevailing immediately before the effective time;

QN<sub>p</sub> is the NGG Nomination Quantity under the NGG Nomination prevailing immediately before the effective time;

Provided always that the Effective Delivery Rate shall never be less than zero.

**“End Date”** means the date specified in paragraph 4.2 of Schedule 1;

**“Entry Close-out Date”** has the meaning given in the Network Code;

**“Excess Gas”** has the meaning given in Clause 13.6(a);

**“Expert”** means an individual appointed as Expert in accordance with Clause 20;

**“Firm NTS Entry Capacity”** has the meaning given in the Network Code;

**“Force Majeure”** has the meaning given in the Network Code;

**“gas”** or **“natural gas”** means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15° C and an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state;

**“Gas Charge”** means a charge calculated in accordance with clause 10.1(c);

**“Gasday”** has the same meaning as the term “Day” in the Network Code with the first Gasday being the Start Date;

**“Gas Delivery Point”** means the System Entry Point(s) at which the Terminal is connected to the NGG System;

**“Gas Entry Conditions”** means the limits or other requirements as to the composition, pressure, temperature and other characteristics of gas delivered or tendered for delivery to the NGG System at the Gas Delivery Point, as from time to time prescribed in the applicable Network Entry Agreement;

**“GWh”** means a GigaWatt hour or one million (1,000,000) kWh;

**“Heren”** means the publication “European Spot Gas Markets” (or its successor) published by ICIS;

**“Initial Nomination Deadline”** has the meaning given in Clause 9.1;

**“International Standard”** means the standards and practices from time to time in force applicable to the ownership, design, equipment, operation or maintenance of LNG tankers or unloading terminals established by the International Maritime Organisation, the Oil Companies International Marine Forum (OCIMF) or Society of International Gas Tankers and Terminal Operators (SIGTTO) (or any successor body of the same); and/or any other internationally recognised agency or organisation with whose standards and practices it is customary for international operators of such tankers or terminals to comply;

**“Invoice Due Date”** has the meaning given in Clause 10.7;

**“Joule”** has the meaning given in ISO 1000-1981(E);

**“kWh”** means a kiloWatt hour or three million six hundred thousand (3,600,000) Joules;

**“Legal Requirement”** means any legislation, licence or Directive;

**“letter of credit”** means an unconditional irrevocable standby letter of credit in a form acceptable to NGG;

**“LIBOR”** means, in respect of any day, the offered rate per annum quoted by Barclays Bank PLC London to prime banks in the London Interbank Market at 11:00 hours for a deposit of a principal sum equivalent to the sum in question for a period commencing on such day and ending one month later, provided that if the said rate is not quoted on any day, the rate last quoted shall be used. If Barclays Bank PLC ceases to quote a rate, reference shall be made to another clearing bank as agreed by NGG and the Service Provider;

**“Localised Transportation Deficit”** has the meaning given in the Network Code;

**“LNG”** means natural gas in a liquid state at or below its boiling point and at or near atmospheric pressure;

**“LNG-in-store”** has the meaning given in the Service Provider’s LNG Storage Contract;

**“LNG Tanker”** means an ocean-going LNG vessel;

**“Lost Service Compensation”** means compensation payable by the Service Provider to NGG in respect of a reduction of levels of Service in accordance with Clause 7;

**“Maintenance Period”** means the period specified in paragraph 3 of Schedule 1 (as may be amended from time to time in accordance with clause 8.5) during which the Maximum Delivery

Rate is reduced as a result of the withdrawal of the Terminal or any part thereof from service for maintenance;

“**Market Balancing Buy Action**” has the meaning given in the Network Code;

“**Maximum Delivery Rate**” has the meaning given in Clause 4.3;

“**Minimum Inventory**” means the quantity (in cubic metres (m<sup>3</sup>)) of LNG specified as such or determined as such in accordance with the Service Provider’s LNG Storage Contract;

“**Monthly Service Fee**” means the amount determined in accordance with Clause 10.1(a);

“**Network Code**” means the network code published by NGG pursuant to its gas transporter’s licence, as such network code is modified and amended from time to time;

“**Network Entry Agreement**” means the Network Entry Agreement entered into, or to be entered into, by the Storage Operator and NGG and relating to the Gas Delivery Point, as amended from time to time;

“**NGG Licence**” means the gas transporter’s licence granted, or treated as granted, to NGG pursuant to section 7(2) of the Gas Act 1986;

“**NGG Nomination**” means a notification made by NGG pursuant to Clause 9 of any requirement for delivery of gas to NGG by the Service Provider at the Gas Delivery Point;

“**NGG- Related Change**” has the meaning given in Clause 17.4;

“**NGG Renomination**” means an NGG Nomination submitted after the Initial Nomination Deadline, either to revise an NGG Nomination already submitted or as the first NGG Nomination submitted by NGG for the Gasday;

“**NGG Renomination Quantity**” means the amount of gas, in GWh, specified in an NGG Renomination;

“**NGG System**” means the national transmission system operated by NGG, the conveyance of gas through which is authorised by the gas transporter’s licence issued to NGG;

“**Nomination Quantity**” has the meaning give in Clause 9.1;

“**Non-Compliant Gas**” means gas which does not comply with the Gas Entry Conditions;

“**Non-Defaulting Party**” has the meaning given in Clause 19.3;

“**notice**” has the meaning given in Clause 21.1;

“**Overrun Delivery Charge**” means a charge calculated in accordance with Clause 10.1(b);

“**Overrun Gas Charge**” means a charge calculated in accordance with Clause 10.1(d);

“**Party**” means either NGG or the Service Provider as a party to this Agreement, and “**Parties**” shall be construed accordingly;

“**person**” means any individual, corporation, partnership, trust, unincorporated organisation or other legal entity;

“**Planned Works**” means any such works in relation to the Terminal as are referred to in Clause 8.1;



**“Planned Works Period”** means any period during which Planned Works are to be carried out as shown in the prevailing Planned Works Statement;

**“Planned Works Statement”** means the statement of Planned Works issued by the Storage Operator to the Service Provider in accordance with the Service Provider’s LNG Storage Contract, as such statement is from time to time revised in accordance with the provisions of the Service Provider’s LNG Storage Contract;

**“pounds sterling”** or **“£”** means the currency of the United Kingdom of Great Britain and Northern Ireland;

**“Reallocation Notice”** has the meaning given in Clause 6.14;

**“Reallocation Quantity”** has the meaning given in Clause 6.14;

**“Reasonable and Prudent Operator”** means a person seeking in good faith to perform its contractual obligations, and in so doing, and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator, complying with all applicable international standards and practices, engaged in the same type of undertaking under the same or similar circumstances and conditions;

**“Required Credit Rating”** has the meaning given in Clause 11.1;

**“Security Document”** has the meaning given in Clause 11.1;

**“Security Provider”** has the meaning given in Clause 11.1;

**“Service”** means the holding of LNG-in-store and the delivery of gas to NGG at the Gas Delivery Point, in accordance with this Agreement;

**“Service Provider’s LNG Storage Contract”** means the LNG Storage Contract entered into between the Service Provider and the Storage Operator (as amended, supplemented, assigned or novated from time to time);

**“Service Fee”** means the amount specified in paragraph 5.1(a) of Schedule 1;

**“Service Quantity”** has the meaning given in Clause 4.1;

**“service reduction notice”** has the meaning given in Clause 7.1;

**“Service Transfer”** means a transfer from one Shipper to another of Storage Capacity and/or Delivery Capacity and/or a transfer in respect of LNG-in-store in respect of the Terminal and made in accordance with the provisions of the relevant Shipper LNG Storage Contract;

**“Shipper”** means any person (other than NGG) with whom the Storage Operator has entered into a Shipper LNG Storage Contract which remains for the time being in force, and shall (for the avoidance of doubt) include the Service Provider;

**“Shipper LNG Storage Contract”** means a contract entered into between a Shipper and the Storage Operator, pursuant to which such person is entitled to utilise the Terminal for the unloading and storage of LNG and the delivery of gas;

**“Start Date”** means the date specified in paragraph 4.1 of Schedule 1;

**“Storage Capacity”** means capacity, in cubic metres (m<sup>3</sup>), held pursuant to a Shipper LNG Storage Contract which entitles a Shipper to unload LNG from an LNG Tanker into, and to hold LNG-in-store in, the Terminal;

“**Storage Operator**” means [LNG IMPORTATION TERMINAL] Limited (company number -----);

“**Storage Operator Force Majeure**” has the same meaning as Force Majeure save that the Affected Party is the Storage Operator and the event or circumstance affects the Storage Operator’s ability to perform its obligations under the Service Provider’s LNG Storage Contract;

“**System Average Price**” has the meaning given in the Network Code;

“**System Entry Point**” has the meaning given in the Network Code;

“**System Marginal Buy Price**” has the meaning given in the Network Code;

“**Terminal**” means the LNG receiving terminal owned and operated by the Storage Operator and situated at [LNG IMPORTATION TERMINAL LOCATION], UK;

“**Transportation Constraint**” has the meaning given in the Network Code;

“**User**” has the meaning given in the Network Code;

“**Year**” means each of Year 1, Year 2 and Year 3;

“**Year 1**” means the period from the start of the Day commencing on 1 May [20 ] until the start of the Day commencing on 1 May the following calendar year;

“**Year 2**” means the period from the start of the Day commencing on 1 May [20 ] until the start of the Day commencing on 1 May the following calendar year; and

“**Year 3**” means the period from the start of the Day commencing on 1 May [20 ] until the start of the Day commencing on 1 May the following calendar year.

1.2 In this Agreement, unless otherwise specified:

- (a) in the case of conflict between anything in the main body of this Agreement and anything in a Schedule or attachment hereto, the provisions of the main body of this Agreement shall prevail;
- (b) in the computation of periods of time from a specified day (or Gasday) to a later specified day (or Gasday), **from** means "from and including" and **until** or **to** means "to and including";
- (c) all dates and periods of time shall be determined by reference to the Gregorian calendar; and times of day are times of day in England;
- (d) **include, including** and **in particular** shall not be construed as being by way of limitation, illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (e) references to a **Party, the Service Provider** or **NGG** shall include its or their successors or permitted assignees;
- (f) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;
- (g) references to this Agreement or any other documents shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented, or replaced from time to time;

- (h) references to the date of this Agreement are to the date of execution of this Agreement, unless otherwise provided in this Agreement;
- (i) the expression **this Clause** shall, unless followed by reference to a specific provision, refer to the whole clause (not merely the sub-clause or other provision) in which the expression occurs;
- (j) references to Clauses are to clauses of this Agreement and references to paragraphs are to paragraphs of a Schedule;
- (k) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time, and to any legislation replacing it or made under it, save insofar as any such amendment, modification, consolidation or replacement made after the date of this Agreement would impose any increased or new liability on any Party or otherwise adversely affect the rights of any Party;
- (l) references to a **person** (or to a word importing a person) shall be construed so as to include that person's successors in title and assigns or transferees;
- (m) reference to any gender includes the others; and words in the singular include the plural and vice versa; and
- (n) where a word or expression is defined, cognate words and expressions shall be construed accordingly.

## **2. Object of this Agreement: The Service**

- 2.1 The Service Provider will provide the Service to NGG in accordance with the terms and conditions of this Agreement. In providing the Service, the Service Provider shall not knowingly or recklessly pursue any course of conduct (either alone or with some other person) which is likely to prejudice -
- (a) the safe and efficient operation, from day to day, by NGG of its pipe-line system;
  - (b) the safe, economic and efficient balancing by NGG of its system; or
  - (c) the due functioning of the arrangements provided for in its Network Code.
- 2.2 In consideration of the Service Provider providing the Service to NGG, NGG will pay the Service Fee and other payments specified in this Agreement to the Service Provider in accordance with the terms and conditions of this Agreement.

## **3. Duration and Non-Exclusivity**

- 3.1 The provisions of Clauses 1, 3 and 11 to 31 (inclusive) shall be effective as and from the date of execution hereof. The provisions of all other Clauses of this Agreement shall be effective as and from the Start Date.
- 3.2 This Agreement shall remain in full force and effect until the End Date, unless terminated earlier in accordance with Clause 19.
- 3.3 This Agreement shall be non-exclusive and NGG shall be entitled to procure similar or alternative services from other parties.

#### 4. NGG Quantities

- 4.1 “**Service Quantity**” means the maximum amount of LNG expressed in kWh that the Available Quantity may be as set out in paragraph 2 of Schedule 1. The Service Quantity shall remain the same for each Gasday from the start of each Active Year until the end of such Active Year.
- 4.2 “**Available Quantity**” means the amount of LNG expressed in kWh which shall be available to NGG for delivery at any time during the term of this Agreement.
- 4.3 “**Maximum Delivery Rate**” means the maximum allowed flow rate expressed in kWh/Gasday and specified in paragraph 3 of Schedule 1.
- 4.4 The Available Quantity shall be set to the same value as the Service Quantity at the Start Date.
- 4.5 The Available Quantity shall be reduced by the amount of gas delivered to NGG following an NGG Nomination pursuant to Clause 6.1 save that the Available Quantity shall not be reduced by any Excess Gas.
- 4.6 NGG may notify the Service Provider that it wishes the Available Quantity to be increased up to the Service Quantity on the day following the unloading of any LNG Tanker unloading LNG for the Service Provider. Written notice of such increase must be issued by NGG at least two whole Business Days before commencement of unloading. Where such written notice is correctly issued by NGG, the Service Provider may, at its sole discretion, confirm the Available Quantity as having been increased. Where the Available Quantity is so increased, then NGG shall pay to the Service Provider the higher of:

(a) Working Days Next Week minus Q2 Price plus [ ] pence/kWh; and

(b) [ ] pence/KWh,

where,

“**commencement of unloading**” is the time at which a ship begins discharge of LNG into the Terminal using its main pumps;

“**Q2 Price**” for each Year is the arithmetic average of the Q2 Bid price in the in the calendar year in which such Year commences and Q2 Offer Price in the calendar year in which such Year commences quoted in Heren for the Gasday following unloading of the Service Provider’s ship. Where the prices are not available for that Gasday then the prices on the next available Gasday shall be used; and

“**Working Days Next Week**” is the arithmetic average of the WDNW Bid price and WDNW Offer Price quoted in Heren for the Gasday following unloading of the Service Provider’s ship. Where the prices are not available for that Gasday then the prices on the next available Gasday shall be used.

- 4.7 NGG may ask the Service Provider in writing for:

(a) a copy of its most up to date unloading schedule for LNG Tankers for the following month and its planned unloading schedule for all subsequent months; and/or

(b) an updated unloading schedule following an NGG Nomination,

and the Service Provider shall provide the same to NGG within 5 Business Days of such written request. NGG may verbally request (by telephone or otherwise) details of the next scheduled unloading of an LNG Tanker following an NGG Nomination and the Service Provider shall provide such details as soon as reasonably practicable.

- 4.8 Without prejudice to Clause 4.6, NGG may request in writing that the Service Provider increases the Available Quantity up to the Service Quantity at any time. The Service Provider

will use its reasonable endeavours to seek offers of LNG from itself and other Shippers. If the Service Provider receives an offer to supply LNG to the Service Provider then the Service Provider will provide NGG with a price to increase the Available Quantity up to the Service Quantity. For the avoidance of doubt the Service Provider does not warrant that LNG will be available or that the price will have any relation to the prices used in Clause 4.6.

## **5. LNG-in-store**

- 5.1 The Service Provider undertakes that at all times during each Active Year, the Available LNG-in-store shall not be less than the Available Quantity.
- 5.2 Without prejudice to any rights of NGG or liabilities of the Service Provider, if the Service Provider's aggregate Available LNG-in-store is less than the Available Quantity during an Active Year, then the Service Provider shall take such steps as it may deem necessary to ensure compliance with Clause 5.1.
- 5.3 If at any time NGG becomes aware that the total aggregate LNG-in-store of all Shippers at the Terminal will on any Gasday be less than or equal to the Available Quantity after taking into account the day ahead Nominations that have been submitted by Shippers, NGG may request (by telephone or in writing) written confirmation of the Available LNG-in-store. Where NGG's request is received by no later than 15:00 hours on a Business Day the Service Provider shall provide such confirmation as soon as reasonably practical and in any event by no later than 17:00 hours on the same Business Day on which NGG's request is received. In the case of requests received after 15:00 hours on a Business Day or a day other than a Business Day the Service Provider shall provide written confirmation by no later than 17:00 hours on the next following Business Day.
- 5.4 During each Active Year the Service Provider shall provide (or shall procure that the Storage Operator provides) NGG with daily reports (in such format as NGG shall reasonably require) detailing the Service Provider's Available LNG-in-store for the current Gasday.

## **6. Delivery of Gas**

- 6.1 During each Active Year NGG is entitled, by submitting an NGG Nomination in accordance with Clause 9, to require the Service Provider to deliver gas (not exceeding the Available Quantity) to NGG at the Gas Delivery Point.
- 6.2 Subject to Clause 16, the Service Provider shall procure that it is at all times able to comply with its obligations to deliver gas to NGG pursuant to this Clause 6.
- 6.3 Title and risk in gas delivered by the Service Provider to NGG pursuant to the Service shall pass to NGG at the Gas Delivery Point.
- 6.4 NGG will pay the Service Provider the Gas Charge (as determined in accordance with 10.1(c)) in respect of the gas delivered to NGG pursuant to an NGG Nomination.
- 6.5 All gas delivered to NGG pursuant to an NGG Nomination shall comply with the Gas Entry Conditions. If the Service Provider delivers Non-Compliant Gas to NGG, NGG may at its option:
- (a) accept or continue to accept delivery of such Non-Compliant Gas (and NGG's rights under Clause 6.6 shall not be prejudiced by its election to accept delivery of Non-Compliant Gas (whether or not NGG is aware that such gas is Non-Compliant Gas)); or
  - (b) give written notice to the Service Provider requiring the Service Provider to procure the discontinuance of the delivery of such Non-Compliant Gas as soon as safely practicable. If, following such discontinuance, the Service Provider notifies NGG that it is able to deliver Compliant Gas to satisfy the NGG Nomination the Service Provider may resume delivery of Compliant Gas to satisfy the NGG Nomination if notified to do so in writing by NGG.

- 6.6 To the extent that the Service Provider delivers Non-Compliant Gas to NGG, the Service Provider shall pay to NGG the amount which NGG (in its capacity as a User) would be liable to pay in respect of such Non-Compliant Gas in accordance with the Network Code; and NGG shall have no other claim against the Service Provider in respect of such Non-Compliant Gas.
- 6.7 To the extent that the Service Provider fails to deliver Compliant Gas pursuant to Clause 6.5 and NGG has not chosen to accept delivery of such Non-Compliant Gas, the Service Provider shall be taken to have failed to deliver gas to NGG for the purposes of Clause 13.
- 6.8 NGG shall be responsible for arranging the entry of gas delivered to it pursuant to an NGG Nomination to the NGG System, and shall make the appropriate nominations for such gas as are required under the Network Code. In the event that NGG fails to make the appropriate nominations and, as a result, the gas delivered is allocated to a User(s) other than NGG, then:
- (a) NGG shall indemnify the Service Provider against any costs or expenses incurred by the Service Provider as a result of such failure, which costs or expenses shall be calculated by reference to (and shall be deemed to be limited to) the sum of any charges payable by such other User(s) pursuant to the Network Code, less any amounts payable to such other User(s) pursuant to the Network Code, in each case to the extent that such charges result from the allocation of such gas to such other User(s); and
  - (b) without prejudice to NGG's rights under Clauses 4.6 and 4.8, the Available Quantity shall be reduced by the amount of gas allocated to such other User(s) as a result of NGG's failure to make a correct notification.
- 6.9 NGG may request the Service Provider to procure additional Delivery Capacity for a specified period during an Active Year so as to increase the Maximum Delivery Rate. The Service Provider shall use reasonable endeavours to procure such additional capacity from itself, the Storage Operator or another Shipper(s) and the Maximum Delivery Rate shall be increased for the period requested. The Service Provider shall notify NGG in writing as soon as reasonably practicable after it has procured such additional Delivery Capacity and of the cost of the additional Delivery Capacity. NGG shall pay the Service Provider for the additional Delivery Capacity at the price notified.
- 6.10 In the event that the Effective Delivery Rate under an NGG Nomination exceeds the Maximum Delivery Rate, then NGG shall pay to the Service Provider the Overrun Delivery Charge in respect of such excess. The Service Provider shall use all reasonable endeavours to notify NGG of the Overrun Delivery Charge in respect of such excess as soon as reasonably practicable. Subject to Clause 9.3, an NGG Nomination may be for an Effective Delivery Rate of no more than the Maximum Delivery Rate specified in Schedule 1.
- 6.11 The provisions of Clause 9 shall apply in relation to the delivery of gas to NGG under this Clause 6.
- 6.12 The Service Provider shall not (without the prior consent of NGG) do anything inconsistent with NGG being allocated with the Nomination Quantity at the Gas Delivery Point.
- 6.13 For the purposes of this Agreement, the quantity of gas delivered on a Gasday by the Service Provider to NGG pursuant to an NGG Nomination shall be that quantity of gas allocated to NGG at the Gas Delivery Point. The Service Provider will be considered to have complied with its obligation under this Agreement to deliver gas to NGG notwithstanding that NGG may be unable to take delivery of such gas as a result of any constraint or limitation on the flow of gas in the NGG System away from the Gas Delivery Point.
- 6.14 Where NGG has made an NGG Nomination, but the Service Provider wishes to have all or part of the gas delivered pursuant to such NGG Nomination allocated to itself rather than to NGG at the Gas Delivery Point, the Service Provider shall give notice (a "**Reallocation Notice**") to NGG (with a copy to the Storage Operator) no later than three (3) hours before the end of the Gasday in respect of which the NGG Nomination or NGG Renomination is made and such notice shall specify the quantity of gas (the "**Reallocation Quantity**") that the Service Provider

wishes to have allocated to it rather than to NGG. Where the Service Provider submits a Reallocation Notice, then the provisions of this Agreement shall continue to apply to the NGG Nomination: provided that:

- (a) the Reallocation Quantity shall not be included in the calculation of the Gas Charge payable by NGG (if any) for the month in which the NGG Nomination is made;
- (b) NGG's Effective Delivery Rate pursuant to the NGG Nomination shall be calculated using the difference between the NGG Nomination Quantity or NGG Renomination Quantity (as relevant) and the Reallocation Quantity (and not simply the NGG Nomination Quantity or NGG Renomination Quantity (as relevant));
- (c) the level (if any) of Excess Gas shall be calculated using the difference between the NGG Nomination Quantity or NGG Renomination Quantity (as relevant) and the Reallocation Quantity (and not simply the NGG Nomination Quantity or NGG Renomination Quantity (as relevant));
- (d) the provisions of Clauses 6.8 and 6.12 shall apply only to the difference between the NGG Nomination Quantity and the Reallocation Quantity (and not the NGG Nomination Quantity);
- (e) NGG and the Service Provider shall not do anything inconsistent with the Service Provider being allocated with the Reallocation Quantity at the Gas Delivery Point;
- (f) the Available Quantity shall not be decreased by the Reallocation Quantity.

6.15 Where, after a Gasday on which gas was delivered to NGG pursuant to an NGG Nomination, the Service Provider wishes to have all or part of such gas allocated to it rather than to NGG at the Gas Delivery Point, the Service Provider shall give notice (a "**Late Reallocation Notice**") to NGG (with a copy to the Storage Operator) not later than five (5) Gasdays before the Entry Close-out Date in respect of the Gasday on which the delivery of gas occurred, and such notice shall specify the quantity of gas (the "**Late Reallocation Quantity**") that the Service Provider wishes to have allocated to it rather than to NGG. Where the Service Provider submits a Late Reallocation Notice, then the provisions of this Agreement shall continue to apply to the NGG Nomination: provided that:

- (a) the Late Reallocation Quantity shall not be included in the calculation of the Gas Charge payable by NGG (if any) for the month in which the NGG Nomination is made, or, where NGG has already paid a Gas Charge in respect of the Late Reallocation Quantity, the Service Provider shall reimburse NGG such Gas Charge in respect of the Late Reallocation Quantity;
- (b) NGG's Effective Delivery Rate pursuant to the NGG Nomination shall be calculated using the difference between the NGG Nomination Quantity or NGG Renomination Quantity (as relevant) and the Late Reallocation Quantity (and not simply the NGG Nomination Quantity or NGG Renomination Quantity (as relevant));
- (c) the level (if any) of Excess Gas shall be calculated using the difference between the NGG Nomination Quantity or NGG Renomination Quantity (as relevant) and the Late Reallocation Quantity (and not simply the NGG Nomination Quantity or NGG Renomination Quantity (as relevant));
- (d) the provisions of Clauses 6.8 and 6.12 shall apply only to the difference between the NGG Nomination Quantity and the Late Reallocation Quantity (and not the NGG Nomination Quantity);
- (e) NGG and the Service Provider shall not do anything inconsistent with the Service Provider being allocated with the Late Reallocation Quantity at the Gas Delivery Point;

- (f) the Service Provider shall reimburse NGG any costs or expenses incurred by NGG (as a result of the reallocation of gas pursuant to this Clause 6.15), which costs or expenses shall be calculated by reference to (and shall be deemed to be limited to) the sum of any charges payable by NGG (in its capacity as a person bringing gas onto the NGG System, and not otherwise) pursuant to the Network Code, less any amounts payable to NGG (in its capacity as a person bringing gas onto the NGG System, and not otherwise) pursuant to the Network Code, in each case to the extent that such charges result from the reallocation of such Late Reallocation Quantity; and
  - (g) the Available Quantity shall not be decreased by the Late Reallocation Quantity.
- 6.16 For the avoidance of doubt, nothing in Clauses 6.14 or 6.15 obliges the Service Provider to deliver an Effective Delivery Rate greater than the Maximum Delivery Rate.
- 6.17 Where the Service Provider has given notice to NGG pursuant to Clause 6.14, the Service Provider may also request that NGG transfer to the Service Provider System Entry Capacity (as defined in the Network Code) that NGG is registered (pursuant to the terms of the Network Code) as holding in relation to the Gas Delivery Point: provided that the Service Provider may only ask NGG to transfer a quantity of System Entry Capacity that is equal to or less than the Reallocation Quantity. Where the Service Provider makes such a request, and:
- (a) NGG is registered as holding an amount of System Entry Capacity in relation to the Gas Delivery Point that is equal to or greater than the quantity of System Entry Capacity that the Service Provider has requested be transferred, then NGG shall transfer to the Service Provider (in accordance with the provisions of the Network Code) the quantity of System Entry Capacity in relation to the Gas Delivery Point that the Service Provider has requested be transferred; or
  - (b) NGG is registered as holding an amount of System Entry Capacity in relation to the Gas Delivery Point that is less than the quantity of System Entry Capacity that the Service Provider has requested be transferred, then NGG shall transfer to the Service Provider (in accordance with the provisions of the Network Code) the quantity of System Entry Capacity in relation to the Gas Delivery Point that NGG is registered as holding in relation to the Gas Delivery Point.

Where a quantity of System Entry Capacity in relation to the Gas Delivery Point is transferred by NGG to the Service Provider pursuant to this Clause 6.16, then the Service Provider shall pay to NGG the charges payable by NGG for such System Entry Capacity.

## 7. Service reductions

- 7.1 Where, as a result of the Storage Operator advising the Service Provider that the Storage Operator will be unable in whole or in part to provide services to the Service Provider under the Service Provider's LNG Storage Contract, the Service Provider anticipates that it will be unable in whole or in part (other than by reason of Force Majeure affecting the Service Provider) to provide the Service on any Gasday in an Active Year (a **reduced service day**), the Service Provider may reduce the level of Service available to NGG on that Gasday by giving notice (**service reduction notice**) to NGG of a percentage (between zero per cent (0%) and one hundred per cent (100%)) by which the Available Delivery Capacity on the Gasday is to be reduced, provided that such notice is accompanied by a full explanation of the reason for the reduction and evidence of the communication from the Storage Operator.
- 7.2 A service reduction notice may be given at any time prior to but not after the Initial Nomination Deadline for the Gasday to which it relates.
- 7.3 If the Service Provider gives a service reduction notice specifying a percentage greater than seventy five per cent (75%), NGG may, not later than the Initial Nomination Deadline for the relevant Gasday, give notice to the Service Provider to the effect that the percentage reduction shall be treated as one hundred per cent (100%).



7.4 Subject to Clauses 7.5, 7.6 and 8.1, and except where the reduction in Service results from Force Majeure affecting the Service Provider, the Service Provider will pay (monthly in arrears, after the reduced service day) an amount by way of Lost Service Compensation to NGG in relation to any reduced service day, calculated as follows:

$$LSC = SF * APR * CF$$

where:

LSC is the Lost Service Compensation to be paid by the Service Provider to NGG;

SF is the Monthly Service Fee divided by the number of days in the month;

APR is the percentage reduction specified in the notice issued in accordance with Clause 7.1;

CF is the compensation factor determined in accordance with Clause 7.5.

7.5 For the purposes of Clause 7.4, the compensation factor in relation to a service reduction notice shall be determined as follows:

(a) where the reduced service day falls within a Planned Works Period and the service reduction notice was given at the time at which Planned Works Statement was issued by the Storage Operator to the Service Provider in accordance with the Service Provider's LNG Storage Contract:

(i) to the extent that the aggregate equivalent lost days (**AELD**, in accordance with Clause 7.6) for Planned Works for the relevant calendar year does not exceed four (4), zero (0);

(ii) to the extent that AELD for the relevant calendar year exceeds four (4), in relation to subsequent lost service days, or in relation to Planned Works carried out for the purposes of Clause 8), zero decimal zero five (0.05);

(b) except as provided in paragraph (a) above, by reference to the period from the giving of the service reduction notice to the reduced service day, in accordance with the following table:

<b><i>Period between service reduction notice and reduced service day</i></b>	<b><i>Factor</i></b>
Not less than 30 days	0.10
Less than 30 days	0.15

7.6 For the purposes of Clause 7.5(a), aggregate equivalent lost days for Planned Works in a calendar year shall be calculated as:

$$\sum APR / 100$$

where:

$\sum$  is summation by all lost service days in that calendar year which fall within Clause 7.5(a) excluding any Day on which Planned Works were carried out for the purposes of Clause 8;

APR is the percentage reduction specified in the notice issued in accordance with Clause 7.1, (disregarding any election by NGG under Clause 7.3) for each such lost service day.

## 8. Planned Works

- 8.1 The Maximum Delivery Rate shall be reduced during the Maintenance Period. Subject to clause 8.5, the Maintenance Period shall have a maximum duration of forty-five (45) calendar days.
- 8.2 The Service Provider shall use all reasonable endeavours to minimise the duration of the Maintenance Period.
- 8.3 In addition, the Service shall be completely or partially unavailable to NGG on Gasdays when National Grid Gas is carrying out maintenance to the NTS such that (as a result of such maintenance) Natural Gas cannot be delivered from the Terminal at the Gas Delivery Point.
- 8.4 The Service Provider shall use all reasonable endeavours to schedule the Maintenance Period at the same time as any maintenance of the NTS planned by National Grid Gas which would result in Natural Gas being unable to be delivered from the Terminal at the Gas Delivery Point.
- 8.5 The Service Provider may amend the Maintenance Period by giving NGG reasonable prior written notice which shall in any event be given not later than the date being one month prior to the start date of the proposed Maintenance Period, provided that the Service Provider shall not (without the prior written agreement of NGG) be entitled to amend the Maintenance Period such that its duration is greater than forty-five (45) calendar days.
- 8.6 The Service Fee shall not apply on Gasdays when the Maximum Delivery Rate is reduced pursuant to Clause 8.1 or the Service is otherwise completely or partially unavailable pursuant to Clause 8.3.

## 9. Mechanism for NGG Nominations

- 9.1 NGG shall make NGG Nominations directly to the Service Provider. Each NGG Nomination shall specify the Gasday to which it relates and the quantity ("**Nomination Quantity**", in GWh) of gas to be delivered to NGG on such Gasday. An initial NGG Nomination shall be submitted no later than (and may be revised at any time until) 15 hours before the end of the preceding Gasday (the "**Initial Nomination Deadline**"). Where NGG has not submitted an NGG Nomination by the Initial Nomination Deadline, NGG shall be deemed to have submitted an NGG Nomination for a Nomination Quantity of zero.
- 9.2 After the Initial Nomination Deadline (but not later than three (3) hours before the end of the Gasday to which it relates) NGG may revise an NGG Nomination by submitting an NGG Renomination, which shall specify the hour on the Gasday from which it is to be effective (which shall not be less than sixty (60) minutes after the NGG Renomination was submitted) and the revised NGG Nomination Quantity. NGG shall make NGG Renominations directly to the Service Provider.
- 9.3 If the NGG Nomination Quantity under an NGG Nomination or NGG Renomination exceeds the Available Quantity, NGG shall (at the same time as submitting the NGG Nomination or NGG Renomination referred to above) submit an NGG Renomination (for a zero Effective Delivery Rate) to the Service Provider to become effective at or before the time at which the quantity of gas delivered pursuant to the NGG Nomination or NGG Renomination equals the Available Quantity. Nothing shall prevent NGG submitting a subsequent NGG Renomination with an effective time earlier than the NGG Renomination referred to above. In the event that NGG fails to submit an NGG Renomination at the same time as submitting the NGG Nomination or NGG Renomination referred to above, then the Service Provider shall be entitled (but not obliged) to reject the NGG Nomination or NGG Renomination in question. Where the Service Provider does reject the NGG Nomination or NGG Renomination in question, the Service Provider shall advise NGG as soon as reasonably practicable of the reason(s) for such rejection. Where the

Service Provider does not reject the NGG Nomination or NGG Renomination in question and, as a result the quantity of gas delivered to NGG pursuant to such NGG Nomination or NGG Renomination exceeds the Available Quantity, NGG shall pay the Service Provider an Overrun Gas Charge calculated in accordance with Clause 10.1(d) and, without prejudice to Clauses 4.6 and 4.8, the Available Quantity shall be set to zero.

## 10. Charges and Payment

10.1 For the purposes of this Agreement:

- (a) subject to the following conditions, the Monthly Service Fee in respect of each Active Year is the amount specified in paragraph 5.1(b) of Schedule 1, save that;
- (i) any amount of Lost Service Compensation payable to NGG in accordance with Clause 7.4 shall be set off against the Monthly Service Fee; and
- (ii) NGG shall not be obliged to pay the Service Fee for any Day on which:
- (1) the Service is unavailable during a Maintenance Period, and such unavailability has not been taken into account in the calculation of the Lost Service Compensation;
  - (2) the Service is unavailable pursuant to clause 8.3; or
  - (3) the Service is otherwise unavailable, including, for the avoidance of doubt, and without limitation, for any period of unplanned unavailability,

Accordingly, the sum payable by way of Service Fee for the Month(s) during which the circumstances in paragraphs (1) to (3) apply shall be pro-rated on the basis of the period of unavailability;

- (b) the Overrun Delivery Charge shall be calculated as the sum across all hours in the Gasday as follows:

$$\text{Overrun Delivery Charge} = \sum_{h=1}^{h=24} \max((EDR_h - MDR_h), 0) \times ODP$$

where:

$EDR_h$  is the Effective Delivery Rate expressed in GWh/Day

$MDR_h$  is the Maximum Delivery Rate as specified in paragraph 3 of Schedule 1 expressed in GWh/Day

ODP is the Overrun Delivery Price as specified in paragraph 5.3 of Schedule 1 expressed in £/GWh:

- (c) the Gas Charge in respect of all gas delivered to NGG pursuant to this Agreement shall be calculated as follows:

$$\text{Gas Charge} = \sum_{d=1}^D DQ_d * DGP_d$$

Where:

- (i) D is the number of Days in the month;

- (ii) DQ is the quantity delivered (in GWh) to NGG on Gasday d in the month in question net of any Reallocation Quantity (if any) and Late Reallocation Quantity (if any); and
  - (iii) DGP is the amount determined pursuant to paragraph 5.2 of Schedule 1 for Gasday d:
- (d) the “Overrun Gas Charge” payable by NGG to the Service Provider in respect of Clause 9.3 (NGG Nomination exceeding Available Quantity) on Gasday n shall be calculated as follows:

$$\text{Overrun Gas Charge} = \text{EDQ}_n * \text{OGP}_n$$

where:

- (i)  $\text{EDQ}_n$  is the quantity of gas delivered (excluding any Excess Gas) to NGG (expressed as GWh/Day) in excess of the Available Quantity pursuant to the relevant NGG Nomination or NGG Renomination (if any) (the “**Effective Delivery Quantity**”);
- (ii)  $\text{OGP}_n$  is expressed in £/GWh and is calculated as follows:

$$\text{OGP}_n = \max (\text{IHS}_n, \text{SMBP}_n, \text{hpMBBA}_n)$$

where:

$\text{IHS}_n$  is the maximum price quoted on Gasday n in Heren for any period commencing on Gasday n and ending on the End Date expressed in £/GWh

$\text{SMBP}_n$  is the System Marginal Buy Price on Gasday n expressed in £/GWh

$\text{hpMBBA}_n$  is the highest priced Market Balancing Buy Action taken on Gasday n (where such Market Balancing Buy Action is in relation to a Localised Transportation Deficit with respect to meter points in Exit Zones SE1, NT2, or EA4) expressed in £/GWh; and

For the avoidance of doubt Overrun Delivery Charge, Gas Charge, Overrun Gas Charge and LNG Overrun Charge can be applied concurrently and in aggregate.

- 10.2 Except as otherwise provided in this Agreement, NGG will not be liable to the Service Provider for any costs, charges, fees or expenses that the Service Provider may be liable to pay to the Storage Operator, any other Shipper or any other person as a result of providing the Service.
- 10.3 The amounts payable by NGG to the Service Provider in connection with this Agreement will be invoiced by the Service Provider and paid monthly (unless otherwise provided) in arrears by NGG in accordance with this Clause 10.
- 10.4 The Service Provider shall submit an invoice to NGG in respect of the Monthly Service Fee, the Overrun Delivery Charge, the Gas Charge and any other amount payable by NGG pursuant to this Agreement (with appropriate supporting information) for each month in an Active Year by the fifth (5<sup>th</sup>) Business Day of the month following the end of the month to which the invoice relates.
- 10.5 NGG may submit an invoice to the Service Provider in respect of any amounts due from the Service Provider to NGG under this Agreement. NGG will not issue invoices more often than once in any month.
- 10.6 All amounts expressed as payable under this Agreement are exclusive of any applicable VAT, and VAT shall be paid by the paying Party where payable in respect of any such amount.

- 10.7 The “**Invoice Due Date**” in respect of an invoice is the twentieth (20<sup>th</sup>) day of the month after the invoice was deemed to be received in accordance with Clause 21.3. Where the Invoice Due Date is not a Business Day, payment of the amount due shall be made on the next following Business Day provided that where such Invoice Due Date is a Monday payment of the amount due shall be made on the next following Business Day.
- 10.8 The name, address and sort code of the bank and the name and number of the accounts to which payments by NGG to the Service Provider are to be made are as set out in paragraph 5.3 of Schedule 1, or such other details as may be notified (on not less than thirty (30) days’ notice) by the Service Provider to NGG.
- 10.9 Payments by the Service Provider to NGG shall be made to the bank account number notified by NGG to the Service Provider from time to time on not less than thirty (30) days’ notice.
- 10.10 Payments of amounts payable under this Clause 10 shall be in pounds sterling (and not in euro) in same day funds to the account of the receiving party at the bank notified to the paying party in accordance with Clause 10.8 or Clause 10.9 and the paying party shall instruct the bank remitting payment of any amount payable under this Agreement to quote the number of the relevant invoice when remitting such payment.
- 10.11 Without prejudice to Clauses 10.14 to 10.19, but subject to the remainder of this Clause 10.11 amounts payable pursuant to this Clause 10 shall be paid free and clear of any restriction, reservation or condition, without deduction or withholding in respect of tax, or otherwise whether by set-off, counterclaim or otherwise. Where payment is to be made by one party and any deduction or withholding is required to be made by law, the paying party shall pay the receiving party such additional amounts as will ensure that the net amount received by the receiving party will be equal to the amount which the receiving party would have received had no such deduction or withholding been made.
- 10.12 Subject to Clause 10.17, where any amount payable under an invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, before and after judgment, at the Default Interest Rate, on the unpaid amount from the Invoice Due Date until the day on which the payment is made (and nothing in this Clause 10.12 shall be construed as permitting late payment of an invoice).
- 10.13 Interest payable under this Clause 10 shall accrue on a daily basis and on the basis of a three hundred and sixty five (365) day year and shall be calculated and compounded monthly.
- 10.14 If a party wishes to dispute any amount shown as payable in an invoice:
- (a) it shall promptly notify the other of such dispute, the reason therefore and the amount which it considers to be payable; and thereupon the parties shall endeavour in good faith to resolve such dispute;
  - (b) a party shall not commence any proceedings in respect of such dispute until the expiry of a period of thirty (30) days from such notification.
- 10.15 Subject to Clause 10.17, in the absence of a manifest clerical error in the preparation of an invoice, the amounts shown in an invoice as payable by the Service Provider or NGG shall be payable in full on the Invoice Due Date, notwithstanding the existence of any dispute relating to the invoice.
- 10.16 Where, following resolution of any dispute, any amount is agreed or determined to be payable (in respect of an over-payment or under-payment) by the Service Provider or NGG, such amount shall be payable, together with interest at the Base Interest Rate on such amount from the Invoice Due Date in accordance with Clause 10.13, and shall be included in the next monthly invoice.
- 10.17 Notwithstanding any other provisions of this Clause 10, either party shall be entitled to set off any amounts due by the other pursuant to this Agreement (irrespective of whether any such

amounts have been invoiced or not) against any amounts due by it to the other pursuant to this Agreement.

10.18 Subject to Clause 10.19, nothing in this Clause 10 prevents a party from withdrawing or correcting an invoice where it appears to that party that the invoice contains an error.

10.19 A party may not dispute an invoice, or withdraw or correct an invoice, unless it has given notice of such dispute, withdrawal or correction within a period of one hundred and eighty (180) days after the date of issue of the invoice; and accordingly after the expiry of such period each invoice, to the extent not previously disputed, withdrawn or corrected, shall be final.

## 11. Credit Security

11.1 For the purposes of this Agreement, in relation to each Party providing credit:

(a) **"Security Provider"** means a person which, in accordance with the provisions of this Agreement, provides or is to provide any guarantee or other surety or security in respect of that Party's obligations under this Agreement;

(b) **"Security Document"** means any document pursuant to which any Security Provider provides any such guarantee, surety or security; and

(c) **"Required Credit Rating"** means:

(i) in the case of the Party or any Security Provider which is not a bank or other financial institution, a long-term unsecured debt rating no worse than BBB- (as determined by Standard and Poor's rating agency) and Baa3 (as determined by Moody's rating agency), with stable outlook; and

(ii) in relation to a Security Provider which is a bank or other financial institution, a long-term unsecured debt rating no worse than A- (as determined by Standard and Poor's rating agency) and A3 (as determined by Moody's rating agency), with stable outlook.

11.2 Subject to Clauses 11.5 and 11.6, if the long-term unsecured debt rating of a Party or its Security Provider is or falls below the Required Credit Rating, then, unless the other party has agreed to accept and the Party has provided a Security Document executed by another Security Provider having a long-term unsecured debt rating no worse than the Required Credit Rating, the Party shall:

(a) on request from the other party, within five (5) Business Days after such request, provide to the other party credit cover ) in an amount not less than the Service Fee; and

(b) for so long thereafter as it or its Security Provider continues to fail to satisfy the Required Credit Rating as soon as practicable and in any event within five (5) Business Days after the other party demands or applies any credit cover in or towards payment of any amount due and unpaid by the Party under this Agreement, ensure that the credit cover is renewed or restored (or provide to the other party additional credit cover) so that the aggregate amount of the credit cover is restored to not less than the required amount in accordance with paragraph (a) above.

11.3 For the purposes of Clause 11.2, the Party may provide credit cover either by providing a letter of credit in accordance with Clauses 11.5 and 11.6 or by paying cash in accordance with Clause 11.7 or, in the case of the Service Provider, by providing a parent company guarantee from [*Parent Company*] PLC in a form acceptable to NGG (acting reasonably) valid until not earlier than the End Date.

11.4 A Party shall be entitled, by giving not less than five (5) Business Days notice to the other party, to a reduction in or return of the amount of cash cover (but subject to any demand on or application of such credit cover before the expiry of such five (5) Business Day period):

- (a) on or at any time after the End Date; or
- (b) if the long-term unsecured debt rating of the Party or (as the case may be) its Security Provider ceases to be below the Required Credit Rating; or
- (c) to the extent only of the excess, if the amount of credit cover provided exceeds the required amount at any time.

11.5 A letter of credit provided by the Party shall be:

- (a) an unconditional irrevocable standby letter of credit, in such form as the other party may reasonably require, in sterling, issued by a United Kingdom clearing bank or other bank or financial institution with a long-term unsecured debt rating of not less than the Required Credit Rating, available for payment at a London branch of the issuing bank;
- (b) payable on demand by the other party, without notice to the Party, upon the other party certifying that the Party has failed to pay any amount payable under this Agreement when due, or in accordance with Clause 11.6(b); and
- (c) valid until all outstanding amounts due under this Agreement have been paid and in any event shall be valid until not earlier than the End Date.

11.6 Where a Party has provided to the other party and is required to maintain a letter of credit:

- (a) if at any time the issuing bank ceases to have the Required Credit Rating, the Party shall immediately and in any event within three (3) Business Days after notice from the other party provide a new letter of credit for the same amount and complying with the requirements of Clause 11.5;
- (b) if the Party fails to comply (by the time therein required) with Clauses 11.6(a) or 11.6(b), the other party may immediately, without notice to the Party, demand payment of the entire amount of the letter of credit and the proceeds of such demand shall be paid to the other party in accordance with Clause 11.7.

11.7 Where any amount is to be paid to the other party in accordance with the provisions of Clause 11.3 or 11.6(b):

- (a) the amount shall be paid by the Party to the other party in cash, the amount so paid shall be the absolute property of the other party and the Party shall have no beneficial or other interest in such amount;
- (b) in the circumstances set out in Clause 11.4 (but not otherwise), the other party shall pay to the Party an amount (if positive) equal to:
  - (i) the amount paid to the other party by the Party under Clause 11.7(a); less
  - (ii) the aggregate amount then owing by the Party under this Agreement and which is unpaid after its due date for payment;
- (c) until the occurrence of any of the events referred to in Clause 11.4, the other party shall pay to the Party an amount equivalent to the interest which would have accrued on the amount paid to the other party under Clause 11.3 or 11.6(b), as the case may be, at a rate determined by the other party, acting reasonably, as being the rate on which interest would be payable to the other party on deposits with Barclays Bank PLC of comparable amounts for a comparable period;
- (d) payments owed by the other party to the Party pursuant to paragraph (c) above shall be paid in arrears on the last Business Day of each month.

11.8 If the Service Provider is in breach of its obligations under this Clause 11, then, from the day falling 16 Days after the Day on which the breach arose and provided that the breach has not been remedied, the provisions of Clause 2.2 shall not apply and NGG shall have no obligation to pay the Service Fee to the Service Provider in respect of such Day.

11.9 For the purposes of this Agreement it shall be a Credit Default in relation to a Party if:

- (a) the Party fails to comply with any requirement in this Agreement as to the provision or maintenance in force of any Security Document;
- (b) the Party fails to comply, fully and within the time required, with any of its obligations under Clauses 11.2 to 11.6;
- (c) there occurs any event of default on the part of a Party's Security Provider under the terms of a Party's Security Document;
- (d) any of the acts, events or circumstances set out in Clause 19.2(a) is done or suffered by or occurs in relation to a Party's Security Provider;

## 12. Sub-contracting and Assignment

12.1 The Service Provider may only sub-contract its obligations under this Agreement with NGG's prior written consent (such consent not to be unreasonably withheld or delayed), and provided that any such sub-contracting shall not relieve the Service Provider of its obligations or liabilities under this Agreement.

12.2 An assignment under this Clause 12 shall not operate to release the Assignor from any obligations or liabilities accrued under this Agreement before the effective date of the assignment.

12.3 Except as provided in Clause 12.4, neither Party may assign any or all of its rights and/or obligations under this Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed).

12.4 Either Party (the **Assignor**) may assign or transfer any or all of its rights or obligations under this Agreement to an Affiliate provided always that:

- (a) such Affiliate expressly shall assume the Assignor's obligations under this Agreement and that such obligations remain effective against such Affiliate; and
- (b) the Assignor shall remain jointly and severally liable with its said Affiliate for any and all obligations and/or liabilities under this Agreement.

## 13. Failure

13.1 For each Gasday during an Active Year that the Service Provider fails (other than as a result of Force Majeure affecting the Service Provider) to maintain or procure the maintenance of aggregate Available LNG-in-store sufficient to deliver the Available Quantity in accordance with Clause 5.1, then:

- (a) where such failure arises as a result of a breach on the part of the Storage Operator under the Service Provider's LNG Storage Contract, the Service Provider shall have no liability to NGG;
- (b) in all circumstances other than those referred to in paragraph (a), the Service Provider shall pay to NGG an amount calculated as:



$$A = \frac{SFA}{TAQ} * \frac{SF}{DM} * 1.5$$

Where:

A is the amount that the Service Provider is to pay;

SFA is the amount on such Gasday by which the Available Quantity exceeds the aggregate Available LNG-in-store;

TAQ is the Available Quantity on such Gasday;

DM is the number of days in the month in which the Gasday falls; and

SF is the Service Fee payable by NGG for the month in which the Gasday falls.

### 13.2 Where

- (a) the Service Provider fails to comply with Clause 5.1; and/or
- (b) the Service Provider is not able at any time to comply with its obligations to deliver gas to NGG pursuant to Clause 6 (other than due to an event of Force Majeure affecting the Service Provider);

then NGG shall (in accordance with the following provisions of this Clause 13.2) be entitled to acquire (or procure that the Service Provider acquires on its behalf) a sufficient quantity of LNG (“**Additional Quantity**”) that when added to the stock of the Service Provider shall increase the aggregate LNG-in-store to the Available Quantity plus a volume equivalent to 30 days boil-off or [ ] GWh whichever is the greater. Such Additional Quantity shall be acquired as follows:

- (i) NGG shall (by written notice to the Service Provider) instruct the Service Provider to acquire the Additional Quantity and the Service Provider shall use best endeavours to acquire the Additional Quantity within twenty-four (24) hours of receipt of NGG’s instruction. The Service Provider shall immediately confirm to NGG in writing the quantity of LNG that it has acquired (“**Acquired Quantity**”). All and any losses, liabilities, claims, costs (including legal costs) and expenses incurred by the Service Provider arising out of or in connection with the acquisition of such LNG shall be borne by the Service Provider;
- (ii) if within the timescale referred to in Clause 13.2(i) the Service Provider either fails to notify NGG that it has obtained the Additional Quantity or notifies NGG of an Acquired Quantity that is less than the Additional Quantity NGG shall be entitled to seek to acquire the Additional Quantity or such quantity of LNG that is required to increase the Acquired Quantity to the Additional Quantity (as the case may be) from an alternative source and for the resulting LNG-in-store to be allocated to the Service Provider. The Service Provider shall save, hold harmless and indemnify NGG against any and all losses, liabilities, claims, costs (including legal costs) and expenses incurred by NGG arising out of or in connection with the acquisition of such LNG by NGG pursuant to this Clause 13.2(ii) which shall include (but not be limited to) the total amount paid by NGG for the LNG;
- (iii) notwithstanding Clause 13.2(ii), NGG shall be entitled (upon giving not less than forty eight (48) hours prior written notice to the Service Provider) to acquire the Additional Quantity or such quantity of LNG that is required to increase the Acquired Quantity to the Additional Quantity (as the case may be) by unloading an LNG Tanker at the Terminal (if necessary utilising the Berthing Slots and Storage Capacity of the Service Provider) and for the resulting LNG-in-store to be allocated to the Service Provider. For the purposes of this Agreement, such unloading shall be deemed to be an unloading of an LNG Tanker by the Service Provider and

utilise the rights of the Service Provider to unload a LNG Tanker at the Terminal. The Service Provider shall save, hold harmless and indemnify NGG against any and all losses, liabilities, claims, costs (including legal costs) and expenses incurred by NGG, the Service Provider or any third party (including the Storage Operator) arising out of or in connection with NGG arranging for such unloading. In addition to the foregoing, the Service Provider shall be liable to the Storage Operator for any costs that may arise pursuant to the Service Provider's LNG Storage Contract as a result of NGG utilising the Berthing Entitlements and Storage Capacity of the Service Provider. The Service Provider shall also pay to NGG the total amount paid by NGG for such LNG.

Title to any quantity of LNG that is acquired by NGG pursuant to Clause 13.2(ii) or (iii) shall pass to the Service Provider upon payment to NGG and pending which, the Service Provider shall hold the LNG on trust for NGG.

13.3 Subject to Clauses 13.4 and 16, if for any Gasday the quantity of gas delivered by the Service Provider to NGG pursuant to this Agreement is less than ninety-eight per cent (98%) of the NGG Nomination Quantity, the Service Provider shall pay to NGG the amounts determined in accordance with Clause 13.5.

13.4 Clauses 13.3 and 13.5 shall not apply to the extent to which (pursuant to any provision of this Agreement) the Service Provider was not obliged to deliver gas or make gas available for delivery to NGG, or was not in breach of such obligation, or was relieved of liability in respect of any such breach.

13.5 For the purposes of Clause 13.3, the amounts payable by the Service Provider are:

(a) where such failure arises as a result of any action or failure on the part of the Storage Operator under the Service Provider's LNG Storage Contract, an amount calculated as:

(i) an amount, A, by way of rebate in respect of the Service Fee, determined as:

$$A = \frac{(\min(AQ, 0.98 * NQ) - DQ) * DSF}{\min(AQ, 0.98 * NQ)}$$

(ii) an amount, B, by way of Lost Service Compensation, determined as:

$$B = \frac{(\min(AQ, 0.98 * NQ) - DQ) * DSF * 0.2}{\min(AQ, 0.98 * NQ)}$$

(b) where such failure arises as a result of a failure on the part of the Service Provider to comply with this Agreement (other than as a result of Force Majeure affecting the Service Provider or a Storage Operator Force Majeure) an amount, C, calculated as:

$$C = \frac{(\min(AQ, 0.98 * NQ) - DQ) * 4 * DSF}{\min(AQ, 0.98 * NQ)}$$

where:

AQ is the Available Quantity (expressed in GWh);

NQ is the Nominated Quantity (expressed as GWh/Day);

DQ is the Delivered Quantity (expressed as GWh/Day);

DSF is the Service Fee divided by 365;

- 13.6 Subject to Clauses 13.4 and 16, if for any Gasday the quantity of gas delivered by the Service Provider to NGG pursuant to this Agreement is more than one hundred and two per cent (102%) of the NGG Nomination Quantity then:
- (a) NGG shall not be obliged to pay for any quantities of gas in excess of one hundred and two per cent (102 %) of the NGG Nomination Quantity (such excess quantities being referred to as "**Excess Gas**");
  - (b) the Service Provider shall take all steps necessary to ensure that NGG is not allocated with Excess Gas at the Gas Delivery Point; and
  - (c) Excess Gas shall not be deducted from the Service Quantity to determine the Available Quantity.
- 13.7 If for any Day, the quantity of gas delivered by the Service Provider to NGG pursuant to this Agreement is not less than ninety-eight per cent (98%) and not more than one hundred and two percent (102%) of the Nomination Quantity, the Service Provider shall not be considered to be in breach of its obligations as to the delivery of gas to NGG under this Agreement.
- 13.8 For the avoidance of doubt, where the Service Provider is liable to pay NGG any amount under this Clause 13, NGG shall (subject to the provisions of Clause 10.17) continue to pay the Service Fee during the continuation of any such failure.

#### **14. Liabilities**

- 14.1 Neither Party shall be liable to the other Party under this Agreement in respect of any breach of, or as a result of any act or omission in the course of or in connection with the performance of, this Agreement, for or in respect of:
- (a) any consequential, indirect, exemplary, special or incidental loss or damage;
  - (b) any loss or deferment of revenue or profit, or loss of use, contract or goodwill.
- 14.2 The limitation of liability provided for in Clause 14.1 shall not:
- (a) apply in relation to any provision of this Agreement which expressly provides for an indemnity; or
  - (b) affect any provision of this Agreement which provides for a Party to make a payment to the other Party.
- 14.3 The amounts for which a Party may be liable in respect of breach of its obligations under this Agreement and (in the case of the Service Provider) by way of Lost Service Compensation shall be limited as follows:
- (a) the amount for which a Party may be liable under this Agreement in respect of any single event or circumstance or a related series of events and/or circumstances which constitute or result in such a breach and/or (in the case of the Service Provider) give rise to such Lost Service Compensation shall not exceed an amount equal to the Service Fee payable in respect of the Year in which the single event or circumstance or related series of events and/or circumstances occurs.
  - (b) the total amount for which a Party may be liable under this Agreement in respect of any and all such breaches, and/or (in the case of the Service Provider) by way of Lost Service Compensation which accrues, which occur in the same Year shall not exceed the Service Fee payable by NGG in respect of that Year.
- 14.4 The amounts referred to in Clauses 14.3(a) and 14.3(b):

- (a) include amounts payable by a Party pursuant to any provision of this Agreement providing for a payment to be made upon or in respect of that Party's breach of an obligation under this Agreement (which are accordingly subject to the limits specified in those Clauses);
  - (b) do not include amounts payable pursuant to any provision of this Agreement which expressly provides for an indemnity (which are accordingly not subject to the limits specified in those Clauses);
  - (c) do not, for the avoidance of doubt, include amounts payable other than upon or in respect of a breach of an obligation under this Agreement or by way of Lost Service Compensation;
  - (d) do not include amounts payable by the Service Provider to NGG pursuant to Clause 6.6; and
  - (e) to the extent to which NGG has a claim against the Service Provider for the permanent loss or non-fulfilment of NGG's entitlement to delivery of gas under this Agreement, do not include the amount of such claim.
- 14.5 Nothing in this Agreement shall exclude or limit a Party's liability for personal injury or death resulting from that Party's negligence.
- 14.6 Where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of an obligation under this Agreement, each Party agrees and acknowledges:
- (a) that the remedy conferred by such provision is exclusive of and in substitution of any remedy in damages in respect of such breach; and
  - (b) that such provision has been the subject of discussion and that the amount payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.
- 14.7 Except as expressly provided for elsewhere in this Agreement, a Party's sole remedy against the other Party for non-performance or breach of this Agreement or for any other claim of whatsoever nature arising out of or in relation to this Agreement shall be in contract and no Party shall be liable to another Party (or its Affiliates and contractors and their respective directors, officers, employees and agents) in respect of any damages or losses suffered or claims which arise out of, under or in any alleged breach of statutory duty or tortious act or omission or otherwise; provided that this shall not operate to exclude any equitable remedies.

## 15. Confidentiality

- 15.1 For the purposes of this Agreement, in relation to a Party "**Confidential Information**" means the terms of this Agreement and any information disclosed to that Party by the other (whether orally or in writing or in some other permanent form) in connection with this Agreement, which at the relevant time:
- (a) has not already been, or could not already have been, lawfully acquired by the Party to whom the disclosure is made; or
  - (b) is not already in the public domain (other than as a result of a breach of the terms of this Clause 15).
- 15.2 Except with the prior written consent of the other Party, and subject to Clause 15.3, each Party shall keep confidential, and shall not disclose to any third party or use other than for a purpose connected with this Agreement, all Confidential Information.
- 15.3 A Party may disclose Confidential Information:

- (a) to that Party's legal counsel, other professional consultant or adviser, insurer, accountant, underwriter or provider of finance or financial support, or their legal counsel and advisers, provided that such disclosure is solely to assist the purpose for which such person was engaged;
- (b) if required and to the extent required by any Legal Requirement, or by a Competent Authority, or by the rules of any recognised stock exchange upon which the share capital or debt of the Party or its Affiliate making the disclosure is or is proposed to be from time to time listed or dealt in;
- (c) to any of its Affiliates;
- (d) to directors and employees of that Party and of its Affiliates, to the extent required for the proper performance of their work;
- (e) to any bona fide intended assignees of a Party's interests under this Agreement;
- (f) to any expert appointed in accordance with Clause 20;
- (g) in the case of NGG, to any party (other than NGG) to the Network Code to the extent that such disclosure is reasonably necessary to give effect to any provisions of the Network Code;
- (h) in the case of the Service Provider, to the Storage Operator to the extent that such disclosure is reasonably necessary to give effect to any provisions of this Agreement; or
- (i) in the case of NGG, to the Storage Operator to the extent that such disclosure is reasonably necessary to give effect to any provisions of this Agreement.

15.4 Except as otherwise provided in this Clause 15.4, a Party shall ensure that any person to which it discloses information pursuant to Clause 15.3 (other than Clause 15.3(b)) undertakes to hold such Confidential Information subject to confidentiality obligations equivalent to those set out in Clause 15.2 (excluding legal counsel). Where NGG discloses information pursuant to Clause 15.3(g), it shall ensure that any person to which it discloses information pursuant to Clause 15.3(g) undertakes to hold such Confidential Information subject to the confidentiality obligations specified in the Network Code.

15.5 The foregoing obligations with regard to Confidential Information shall remain in effect for three (3) years after this Agreement is terminated or expires.

15.6 No press release or other public announcement or statement concerning this Agreement shall be issued unless the other Party has previously been provided with a copy of such press release, public announcement or statement and has given its written approval thereto.

## **16. Force Majeure**

16.1 For the avoidance of doubt, the following events shall not constitute Force Majeure:

- (a) inability (however caused) of a Party to pay any amounts when due; and
- (b) breakdown or failure of plant or equipment of the Party claiming Force Majeure or of the Storage Operator caused by normal wear and tear or by a failure properly to maintain such plant or equipment.

16.2 For the avoidance of doubt (and without prejudice to the definition of Force Majeure), an event or circumstance shall not constitute Force Majeure affecting either Party if its occurrence or effect is not beyond the reasonable control of, and could have been avoided by steps which might reasonably have been expected to have been taken by any agent or contractor of that

Party (including in the case of the Service Provider, the operator of an LNG Tanker, the Storage Operator and the operator of any facilities for the production of LNG).

- 16.3 The Affected Party shall be relieved from liability (including any requirement hereunder to make payment of any sum or take any other action) for any delay or failure in performance of any of its obligations, other than obligations to make payment, under this Agreement which is caused by or results from Force Majeure.
- 16.4 The Affected Party shall be relieved from liability under Clause 16.3 above only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations; except that a strike, lock out or other kind of labour dispute may be settled by the Affected Party at its absolute discretion.
- 16.5 Following the occurrence of Force Majeure, the Affected Party shall:
- (a) notify the other Party in writing as soon as reasonably practicable of the occurrence of Force Majeure, including details of the nature of the Force Majeure, an estimate of the likely duration of the Force Majeure (to the extent possible) and the Affected Party's obligations under this Agreement that are affected by the Force Majeure; and
  - (b) on a monthly basis, provide the other Party with written information on any developments relating to the Force Majeure, including the measures being taken by the Affected Party to resume normal performance of its obligations under this Agreement; and
  - (c) promptly notify the other Party when it is once again able to perform its obligations under this Agreement.
- 16.6 To the extent to which Force Majeure affecting the Service Provider or a Storage Operator results in a full or partial reduction in the level of the Service which the Service Provider can make available to NGG, then the amounts payable by way of Service Fee by NGG shall be reduced by the same proportion as the Service has been reduced as a result of Force Majeure.
- 16.7 If, as a result of Force Majeure, the Service Provider is prevented from making the Service available to NGG, or the level of the Service which it is able to make available is reduced, for a period which exceeds or can with reasonable certainty be foreseen to exceed six (6) months, either NGG or the Service Provider may terminate this Agreement by giving notice of termination to the other Party.
- 16.8 Where:
- (a) the Storage Operator has agreed in the relevant Shipper LNG Storage Contract to a variation of the Base Specification for any Shipper;
  - (b) (pursuant to such agreement) the Storage Operator operates any plant or equipment or takes any other steps to bring the quality of the commingled LNG or commingled gas resulting from the regasification thereof within the Base Specification or (as the case may be) Gas Entry Conditions; and
  - (c) an event or circumstance (which is Force Majeure affecting the Storage Operator in relation to that Shipper) affects the Storage Operator's ability to operate such plant or equipment or take such steps;
- then
- (a) such event or circumstance shall be deemed to be Force Majeure affecting the Storage Operator in relation to (and in particular its ability to Deliver gas in compliance with the

Gas Entry Conditions to) each Shipper, whether or not the Storage Operator agreed to a variation of the Base Specification for such Shipper; and

- (b) therefore, such event or circumstances shall be deemed to be Force Majeure affecting the Service Provider in relation to (and in particular its ability to Deliver gas in compliance with the Gas Entry Conditions to) NGG.

## 17. Variations

17.1 This Clause 17 provides for the basis on which this Agreement may be varied following a Change in Law or an NGG-related Change.

17.2 Subject to the remainder of this Clause 17, without prejudice to Clause 18.3, this Agreement shall remain in force notwithstanding the occurrence of a Change in Law or an NGG-related Change unless it is agreed (by NGG and the Service Provider) or determined that the remainder of this Clause 17 cannot be given effect.

17.3 If there occurs a Change in Law or an NGG-related Change, NGG may make permitted modifications of this Agreement, subject to and in accordance with this Clause 17.

17.4 For the purposes hereof:

- (a) an **NGG-related Change** is a modification of the NGG Licence, the Network Code or the Network Entry Agreement(s) or a change in the ownership or operation of the NGG System;

- (b) a **permitted modification** is:

- (i) a modification of this Agreement which is required in order to enable NGG to comply with a Change in Law or following any NGG-related Change;

- (ii) a modification of this Agreement which is required in order to reflect any modification of the Terminal or of the operation of the Terminal or of the Service Provider's LNG Storage Contract, in each case required in order to comply with a Change in Law or following any NGG-related Change.

17.5 A permitted modification shall be such as to have the least adverse consequences for NGG and the Service Provider consistent with achieving the purposes for which (in accordance with Clause 17.4) the modification is required to be made.

17.6 A modification of this Agreement shall be made by NGG giving notice to the Service Provider setting out the modification and the date (in accordance with Clause 17.7) with effect from which the modification is to take effect; and upon NGG giving such notice this Agreement shall be (and hereby is) modified with effect from such date.

17.7 The effective date of a modification of this Agreement shall be the later of the date with effect from which the Change in Law or NGG-related Change is effective and the date upon which the modification is agreed or determined.

17.8 These parties may also modify this Agreement by mutual consent. Such variation shall only be valid if made in writing and signed by an authorised representative of each Party.

17.9 NGG shall notify the Service Provider of any proposed Change in Law or NGG-related Change which NGG reasonably believes may result in a permitted modification as soon as reasonably practicable after it becomes aware of the same.

17.10 As soon as reasonably practicable after the occurrence of a Change in Law or NGG-related Change, or earlier if it is reasonably certain that such change will occur, NGG shall give notice

**(Change Notice)** to the Service Provider, specifying in as much detail as is reasonably practicable:

- (a) the nature of the Change in Law or NGG-related Change;
- (b) the nature and timing of the measures that NGG proposes to take to comply with the Change in Law or (where applicable) NGG-related Change; and
- (c) whether NGG proposes to make a modification of this Agreement, and if so the purposes for which such modification is permitted in accordance with Clause 17.4(b) and the modification which it proposes to make.

17.11 Within 30 Days after the Change Notice, has been received or is deemed to have been received by the Service Provider, the Service Provider shall give a notice to NGG commenting on NGG's notice and (if it does not agree with anything contained in NGG's notice) indicating the reasons for which it does not agree.

17.12 Commencing within 60 Days after the Change Notice has been received or is deemed to have been received by the Service Provider, NGG and the Service Provider jointly shall enter into (and shall correspond and meet as appropriate to hold) good faith discussions as to the matters which are the subject of the Change Notice and any notice given by the Service Provider pursuant to Clause 17.11, with a view to agreeing upon whether and what modifications to this Agreement (pursuant to this Clause 17) are to be made.

17.13 Without prejudice to Clause 15, each Party shall provide such information as may be reasonably necessary to enable the other Party to evaluate and comment on any proposal made by it in a notice under Clause 17.10 or 17.11 or during discussions pursuant to Clause 17.12.

17.14 If, within 120 Days after the Change Notice has been received or is deemed to have been received by the Service Provider, (or such longer period as the Parties may agree in writing) pursuant to Clause 17.10, NGG and the Service Provider are not able to agree upon the matters referred to in Clause 17.12, NGG or the Service Provider may refer the matter to the determination of an Expert in accordance with Clause 20 (who shall for the avoidance of doubt be required to determine what (if any) permitted modifications to this Agreement are to be made).

## **18. Waiver and Modification**

18.1 No default by either Party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of the other Party.

18.2 No waiver by either Party of any default by the other in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character or shall preclude any relief, right or remedy under or in connection with this Agreement available to such Party and may not be relied upon by the other Party as a consent to that default or its repetition.

18.3 Subject to Clause 17, this Agreement may not be supplemented, amended, modified or changed except by an instrument in writing signed by the Parties and expressed to be a supplement, amendment, modification or change to this Agreement.

## **19. Termination**

19.1 The Service Provider shall be entitled to terminate this Agreement with immediate effect by giving notice of termination where it has terminated the Service Provider's LNG Storage Contract (in accordance with the terms thereof and in circumstances substantially similar to those in Clause 19.2) as a result of:



- (a) a default under such Shipper LNG Storage Contract by the Storage Operator; or
- (b) an event similar to Force Majeure which exceeds or can with reasonable certainty be expected to exceed twelve (12) months.

19.2 For the purposes of this Agreement it shall be a **Default** in relation to a Party (the “**Defaulting Party**”) if:

- (a) the Defaulting Party:
  - (i) suspends payment of its debts or is unable or admits its inability to pay its debts as they fall due; or
  - (ii) begins negotiations with any creditor with a view to the readjustment or rescheduling of any of its indebtedness; or
  - (iii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors; or
  - (iv) becomes subject to any action or any legal procedure or any other step taken (including the presentation of a petition or the filing or service of a notice) with a view to:
    - (1) it being adjudicated or found insolvent; or
    - (2) its winding-up or dissolution; or
    - (3) the appointment of a trustee, receiver, administrative receiver, administrator or similar officer in respect of it or any of its assets; or
  - (v) becomes subject to any adjudication, order or appointment under or in relation to any of the proceedings referred to in Clause 19.2(a); or
  - (vi) becomes subject to or the subject of any event or proceedings (by whatever name known) under the laws of any applicable jurisdiction which has an effect equivalent or similar to any of the events specified in Clause 19.2(a);
- (b) any sum (or sums in aggregate) in excess of fifty thousand pounds sterling (£50,000) due by the Defaulting Party to the Non-Defaulting Party are outstanding and unpaid by the due date for payment, and such payment default is not cured within ten (10) Business Days after the giving by the Non-Defaulting Party of notice of such default to the Defaulting Party;
- (c) is in breach of Clause 11 and such breach is not remedied within five (5) days of the date on which it arose;
- (d) the Defaulting Party commits a material or persistent breach of any of its obligations (other than an excluded obligation) under this Agreement, which is not capable of being cured;
- (e) the Defaulting Party commits a material or persistent breach of any of its obligations (other than an excluded obligation) under this Agreement, which is capable of being cured, and either:
  - (i) the Non-Defaulting Party has given notice specifying such breach to the Defaulting Party;
  - (ii) the breach has not been cured within thirty (30) days after receipt of such notice or, if the breach is not reasonably capable of being cured within such thirty (30)

day period, the Defaulting Party has not within such period, in the Non-Defaulting Party's opinion, made (and/or does not continue to make) substantial progress towards curing the breach;

- (iii) the Non-Defaulting Party has given a notice (of not less than five (5) Business Days) of its intention to terminate this Agreement; and
  - (iv) upon expiry of such notice the breach remains uncured or (as the case may be) the Defaulting Party has still not, in the Non-Defaulting Party's reasonable opinion, made (and/or does not continue to make) substantial progress towards curing the breach;
- (f) a Credit Default occurs in relation to the Service Provider (as the Defaulting Party) as provided in Clause 11.

19.3 For the purposes of this Clause 19:

- (a) the "**Non-Defaulting Party**" is NGG where the Service Provider is the Defaulting Party, and the Service Provider where NGG is the Defaulting Party; and
- (b) in Clauses 19.2(d) and 19.2(e), an excluded obligation is:
  - (i) an obligation as to payment (such obligations, for the avoidance of doubt, being addressed in Clause 19.2(b));
  - (ii) a breach of clause 11 (such obligation, for the avoidance of doubt being addressed in Clause 19.2(c); and
  - (iii) except where the breach referred to in Clauses 19.2(d) and 19.2(e) is a wilful breach, an obligation for breach of which this Agreement contains an express provision for the defaulting Party to make payment of any sum by way of compensation or otherwise.

19.4 Upon the occurrence of a Default, the Non-Defaulting Party may terminate this Agreement with immediate effect by giving notice of termination to the Defaulting Party.

19.5 A Party may also give notice of termination in the circumstances specified in Clauses 16 and 19.1.

19.6 Termination of this Agreement shall be without prejudice to the rights and liabilities of NGG and the Service Provider accrued prior to or as a result of such termination.

## 20. Expert Determination

20.1 Where this Agreement provides or NGG and the Service Provider have agreed that any dispute, question or other matter (**dispute**) is to be referred to or determined or resolved by an Expert:

- (a) the provisions of this Clause 20 shall apply; and
- (b) no party to the dispute shall commence proceedings in any court in respect of or otherwise in connection with such dispute.

20.2 A dispute which is to be referred to or determined or resolved by an Expert shall be determined by an individual appointed as Expert in accordance with this Clause 20.

20.3 Any party to a dispute which is to be resolved by or referred to an Expert may give notice of the dispute in accordance with Clause 20.4.

- 20.4 The notice shall be given to each other party to the dispute and shall provide brief details of the issues to be resolved.
- 20.5 The parties to the dispute shall endeavour within ten (10) days after the notice under Clause 20.3 (or as the case may be Clause 20.8) was given to agree upon the selection of a single Expert, and may meet for this purpose.
- 20.6 If within ten (10) days after the notice under Clause 20.3 (or as the case may be Clause 20.8) was given the parties to the dispute shall not have agreed upon the selection of an Expert, then any party to the dispute may within a further five (5) days refer the matter to the President of the Bar Council of England and Wales.
- 20.7 Upon the selection under Clause 20.6, the parties to the dispute shall forthwith notify the Expert selected of his selection and the proposed terms of his appointment and shall request him to indicate within ten (10) days whether or not he is willing and able to accept the appointment.
- 20.8 If the selected Expert is unwilling or unable to accept the appointment, or shall not have confirmed his willingness and ability to accept such appointment within the period required under Clause 20.7, any party to the dispute may by notice to the other such parties require that another person shall be selected as Expert in accordance with Clause 20.5 and 20.6, and the process shall be repeated until an Expert is found who accepts the appointment upon terms acceptable to all the parties to the dispute.
- 20.9 No person shall be nominated as a proposed Expert under this Clause 20 unless that person has the requisite education, experience and qualifications to resolve the matter in dispute and is generally recognised by the relevant industry as an Expert in the field or fields of expertise relevant to the dispute.
- 20.10 The Expert shall be an independent contractor and the relationship of the parties to the dispute and the Expert shall in no event be construed to be that of principal and agent or master and servant.
- 20.11 The parties to the dispute shall, no later than five (5) days following the Expert's appointment, submit to the Expert and to each other party to the dispute written submissions together with all supporting documentation, information and data which they wish to submit in respect of the dispute.
- 20.12 Each party to the dispute may, not later than twenty (20) days after the appointment of the Expert, submit to the Expert and to each other party to the dispute written submissions replying to each other party's first submission.
- 20.13 The Expert may at his discretion and at any time request information from any of the parties to the dispute, and such Expert may make such other independent professional and/or technical inquiries as he may deem necessary for determining the matter.
- 20.14 All information submitted by a party to the dispute to the Expert shall be and remain confidential to the Expert, except that copies of all such information and data shall be supplied simultaneously to each other party to the dispute.
- 20.15 The Expert shall not have meetings or discussions with one party to the dispute without giving each other party reasonable notice to attend; and each party to the dispute shall have the opportunity to make representations to the Expert, in the presence of each other party concerned with the matter in dispute, and to be represented by counsel.
- 20.16 The Expert's determination shall be made in writing, and shall contain the reasons for the determination.
- 20.17 The Expert's determination shall be final and binding upon the Parties to the dispute, save in the event of fraud or manifest error.

20.18 If the Expert has not within a reasonable period (which shall not exceed 90 Days or such other period agreed in his appointment) made a determination, a new Expert shall be appointed at the request of any party to the dispute pursuant to the foregoing provisions of this Clause 20, and upon the acceptance of such appointment by such new Expert, the appointment of the previous Expert shall cease forthwith.

20.19 The Expert shall be deemed not to be an arbitrator or mediator but shall render his decision as an expert, and the law relating to arbitration shall not apply to such Expert, his determination, or the procedure by which he reaches his determination.

20.20 Each party to the dispute shall bear its own costs including costs of providing documentation, information, data, submissions or comments under this Clause 20.

20.21 The costs and expenses of the Expert (including all advisers, employees and other persons retained by him) in connection with a determination under this Clause 20, shall be borne as to one half by NGG and as to one half by the Service Provider.

## 21. Notices

21.1 Subject to the provisions of this Clause 21, any notice or other communication (**notice**) from one of the Parties to the other Party which is required or permitted to be made by the provisions of this Agreement:

(a) shall be made in writing in English;

(b) shall be:

(i) delivered by hand, or

(ii) sent by courier, recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom) to the address of the other Party, or

(iii) transmitted by fax to the fax number of the other Party;

(c) marked for the attention of the person(s) required in accordance with Clause 21.2.

21.2 The address and fax number of a Party, and the person(s) for whose attention notices (to such Party) are to be addressed, are as follows:

(a) in respect of notices given pursuant to Clause 9 (nominations):

(i) NGG:

National Grid Gas plc  
Gas Operations  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

Facsimile number: +44 (0)870 191 0647  
Marked for the attention of: Network Manager

(ii) Service Provider:

As set out in paragraph 6.1 of Schedule 1

(b) in respect of all other notices:

(i) NGG:

National Grid Gas plc  
Gas Operations  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

Facsimile number: +44 (0)870 191 0647  
Marked for the attention of: Network Manager

(ii) Service Provider:

As set out in paragraph 6.1 of Schedule 1

or such other address, fax number and/or person(s) as a Party may from time to time notify to the other Parties.

21.3 A notice shall be deemed to have been received (in the absence of earlier receipt):

- (a) if delivered by hand or sent by prepaid recorded delivery or registered post at the time of actual delivery (provided that if delivery occurs on a day which is not a Business Day or after 5.30 p.m. it shall be deemed to be delivered at 9.00 am on the next Business Day);
- (b) if sent by prepaid recorded delivery or registered post from and to any place within the United Kingdom, two (2) Business Days after posting (provided that if the date of posting is not a Business Day, it shall be deemed to have been posted at 9.00 am on the next Business Day) and proof that any such notice was properly addressed, prepaid and posted shall be sufficient evidence that such notice has been duly served;
- (c) if sent by registered airmail, five (5) Business Days after posting (provided that if the date of posting is not a Business Day, it shall be deemed to have been posted at 9.00 am on the next Business Day) and proof that any such notice was properly addressed, prepaid and posted shall be sufficient evidence that such notice has been duly served;
- (d) other than in relation to a notice given pursuant to Clause 13.2, if sent by fax, upon sending, subject to:
  - (i) confirmation of uninterrupted and error-free transmission by a transmission report; and
  - (ii) there having been no telephonic communication by the recipient to the sender that the fax has not been received in legible form:
    - (1) within three (3) hours after sending, if sent on a Business Day and between the hours of 9.00 a.m. and 4.00 p.m.; or
    - (2) by noon on the next following Business Day if sent after 4.00 p.m. on a Business Day but before 9.00 a.m. on the next following Business Day.

21.4 A notice given pursuant to Clause 13.2 which is sent by fax shall be deemed to have been received (in the absence of earlier receipt) upon sending, subject to:

- (a) confirmation of uninterrupted and error-free transmission by a transmission report; and
- (b) there having been no telephonic communication by the recipient to the sender that the fax has not been received in legible form within three (3) hours after sending.

## **22. Representations, Warranties and Undertakings**

22.1 Each Party represents and warrants to the other Party that:

- (a) it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and if relevant under those laws, is in good standing) and has the power to own its property and assets and to carry on its business as contemplated herein;
- (b) it has the power:
  - (i) to execute this Agreement and any other documentation relating to this Agreement to which it is a party;
  - (ii) to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver; and
  - (iii) to perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance referred to in paragraph (b) and such execution, delivery and performance does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (e) it is not relying upon any representations of the other Party other than those expressly set out in this Agreement; and
- (f) subject as otherwise provided in this Agreement, it has negotiated, entered into and executed this Agreement as principal (and not as agent or in any other capacity, fiduciary or otherwise).

22.2 NGG undertakes, represents and warrants to the Service Provider that it has obtained and shall maintain in full force and effect all necessary Consents required for the performance of any of NGG's obligations under this Agreement.

22.3 The Service Provider undertakes, represents and warrants to NGG that it has obtained and shall maintain in full force and effect all necessary Consents required for the performance of any of the Service Provider's obligations under this Agreement.

## **23. Entirety of Agreement**

23.1 This Agreement constitutes the entire agreement and understanding between the Parties in relation to the provision of the Service and supersedes all prior agreements, representations, negotiations and undertakings between the Parties relating to the subject matter of this Agreement.

23.2 Each of the Parties acknowledges and agrees that:

- (a) in entering into this Agreement it does not rely on any representation not expressly set out in this Agreement of any nature made to it by any person (whether a Party or not).

Each Party irrevocably waives all claims, rights and remedies in relation to any such representations made to it before entering into this Agreement;

- (b) the only claim, right or remedy available to a Party in respect of a representation expressly set out in this Agreement shall be damages for breach of contract; and
- (c) nothing in this Clause 23.2 shall operate to limit or exclude any liability for fraud or fraudulent misrepresentation.

## **24. Survival**

24.1 The cancellation, expiry or earlier termination of this Agreement shall not relieve the Parties of their obligations which by their nature or from their context are intended to, or would naturally, continue to have effect after termination of the Agreement, and such obligations shall survive such cancellation, expiration or early termination.

## **25. Service Provider's LNG Storage Contract**

25.1 The Service Provider's LNG Storage Contract is made up of the following documents that together comprise one agreement between the Service Provider and the Storage Operator:

- (a) a "Specific Terms Agreement" (the "**STA**"); and
- (b) a set of "General Terms and Conditions" (the "**GTCs**")

together with such side letters, amendments, modifications and supplemental agreements agreed between the Service Provider and the Storage Operator from time to time;

25.2 The Service Provider has provided a copy of the GTCs (as at the date hereof) to NGG and undertakes to provide NGG with any amendments to the GTCs or STA as soon as reasonably practicable after such amendments have been notified by the Storage Operator to the Service Provider.

## **26. Counterparts**

26.1 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts. Each counterpart shall constitute an original of this Agreement, but together the counterparts shall constitute one document.

## **27. Invalidity**

27.1 If at any time:

- (a) any provision of this Agreement is or becomes invalid, illegal or unenforceable under the law of any relevant jurisdiction, or is declared by any court of competent jurisdiction or any other Competent Authority to be invalid, illegal or unenforceable under the law of any relevant jurisdiction; and
- (b) the case is not one falling within Clause 17, or the provisions of that Clause do not (or to the extent they do not) operate to remove such invalidity, illegality or unenforceability

the validity, legality and enforceability in that jurisdiction of the remaining provisions of this Agreement, and the validity, legality and enforceability of those provisions under the law of any other jurisdiction shall not in any way be affected or impaired thereby and shall remain in full force and effect.

27.2 In the circumstances set out in Clause 27.1(a), the Parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid, illegal or unenforceable provision, and which will produce, as nearly as is practicable in all the

circumstances, the appropriate balance of the commercial interests of the Parties as evidenced in this Agreement.

## **28. Disclaimer of Agency**

28.1 Except as expressly provided in this Agreement, this Agreement does not constitute either Party as the associate, agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or liability on behalf of or in the name of the other Party.

## **29. Third Party Rights**

29.1 The Parties do not intend that any terms of this Agreement be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement; and the Parties may rescind or vary this Agreement, in whole or in part, without the consent of any such person.

## **30. Governing Law**

30.1 This Agreement shall be governed by and construed in accordance with English law. The Parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. Each Party agrees to waive any objection to the English courts, whether on the grounds of venue, or on the grounds that the forum is not appropriate.

30.2 The Parties recognise and acknowledge that this Agreement constitutes a commercial transaction and accordingly each Party acknowledges and agrees that it is not entitled to plead sovereign immunity for any purpose whatsoever, including any right to plead sovereign immunity in respect of any action to refer a matter to an Expert pursuant to Clause 20 or to enforce or execute any decision rendered in any Expert determination pursuant to Clause 20.

30.3 Each Party consents generally to the giving of any relief or the issuing of any process, including the making, enforcement or execution against any property of any order or judgment, in respect of any decision of any Expert.

30.4 To the extent that:

- (a) either Party may now or at any time hereafter be entitled in any jurisdiction to claim for itself or its assets immunity in respect of its obligations under this Agreement; or
- (b) in any jurisdiction there may now or at any time hereafter be attributed to itself or its assets such immunity,

each of the Parties agrees not to claim and hereby irrevocably and unconditionally waives such immunity.

## **31. Warranties**

31.1 Each Party warrants and represents to the other that with respect to this Agreement and the transactions hereunder:

(a) Foreign Assets Control: that as a result of its entry into and the performance of its obligations under this Agreement, neither this Agreement nor any transaction hereunder will directly or indirectly violate the laws, regulations, executive orders, sanctions or programs administered by the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC"), or any ruling or order issued by OFAC in connection therewith.

(b) Payments, Gifts, etc: that it and any Associated Persons have complied with the United Kingdom Bribery Act 2010 and that neither it nor any of its Affiliates nor its agents have



made nor will make any contributions, payments, loans, gifts, or promises thereof, directly or indirectly, to or for the use or benefit of (i) any foreign official, foreign political party official or foreign political party candidate within the meaning of such terms under the U.S. Foreign Corrupt Practices Act (collectively "Official or Candidate"); (ii) any person, where the Parties or their Affiliates or their respective Agents know or should know or have reason to suspect that any part of such contribution, payment, loan or gift may be transferred to an Official or Candidate; or (iii) to any person, where such action would violate the laws (including without limitation laws relating to bribery, corruption and/or political contributions) of the UK or the US. Neither that Party nor its Affiliates or agents have maintained or will maintain any unlawful or unrecorded funds for any of the foregoing purposes.

- (c) Money Laundering: neither it nor its Affiliates nor its agents have taken nor will take any action which would violate the money laundering laws of the UK or the US.

31.2 The Service Provider acknowledges that NGG requires the services provided under this Agreement (and in particular the withdrawal service) to comply with the Gas Safety (Management) Regulations 1996. Accordingly, the Service Provider warrants to the Customer, subject to Clauses 7, 8, 16 and 19, that it shall not knowingly or deliberately do anything that would put NGG in breach of the Gas Safety (Management) Regulations 1996 and shall fully cooperate with NGG insofar as is required pursuant to Regulation 6(6) of the Gas Safety (Management) Regulations 1996.

**32. Anti-bribery**

32.1 Each Party shall (and shall procure that any Associated Person shall) in connection with this Agreement:

- (a) comply with the Applicable Anti-Bribery Laws; and
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK.

**IN WITNESS** whereof the duly authorised representatives of the parties have executed this Agreement the day and first year before written.

**SIGNED** for and on behalf of  
**National Grid Gas plc**

**SIGNED** for and on behalf of  
**[SERVICE PROVIDER]**

Signed: .....

Signed: .....

Name: .....

Name: .....

Position: .....

Position: .....

## SCHEDULE 1

### 1. Active Year (Y/N)

Year 1: [ ]

Year 2: [ ]

Year 3: [ ]

### 2. Service Quantity

The Service Quantity shall be:

[ ] kWh in Year 1

[ ] kWh in Year 2

[ ] kWh in Year 3

### 3. Maximum Delivery Rate

The Maximum Delivery Rate is:

[ ] kWh/Gasday in Year 1

[ ] kWh/Gasday in Year 2

[ ] kWh/Gasday in Year 3

The Maximum Delivery Rate shall be reduced due to planned works during the following Maintenance Periods:

Year 1: [ ]

Year 2: [ ]

Year 3: [ ]

### 4. Start Date and End Date

4.1 The Start Date is the start of the Gasday commencing on 1 May 20[ ].

Explanatory note: the Start Date must be the start of the first Active Year.

4.2 The End Date is the start of the Gasday commencing on 1 May 20[ ].

Explanatory note: the End Date must be the end of the final Active Year.

### 5. Charges and Payment

5.1 The

(a) Service Fee is:

(i) £----- in Year 1

(ii) £----- in Year 2

(iii) £----- in Year 3

(b) Monthly Service Fee is:

(i) £----- in Year 1

(ii) £----- in Year 2

(iii) £----- in Year 3

5.2 For the purposes of Clause 10.1(c)(iii), DGP is an amount equal to:

the higher of either:

(a) System Marginal buy Price on the relevant Gasday; or

(A) Q2 Price \* 1.1

5.3 For the purposes of Clause 10.1(b) the Overrun Delivery Rate is:

(i) £[ ] per GWh in Year 1

(ii) £[ ] per GWh in Year 2

(iii) £[ ] per GWh in Year 3

5.4 For the purposes of Clause 10.8, the name, address and sort code of the bank and the name and number of the accounts to which payments by NGG to the Service Provider are to be made are as follows:

Name of bank:	[Bank Name]
Address:	[Bank Address] [Bank Address] [Bank Postcode]
Sort Code:	[Bank Sort Code]
Account Number:	[Bank Account Number]
Account Name:	[SERVICE PROVIDER]

## 6. Notice Details of Service Provider

6.1 For the purposes of Clause 21.2(a)(ii), the Service Provider's details are:

[SERVICE PROVIDER]  
[Provider Address]  
[Provider Address]  
[Provider Address]  
[Provider Postcode]  
Facsimile number: -----  
Marked for the attention of: [Service Provider Contact]  
Telephone: -----

6.2 For the purposes of Clause 21.2(b)(ii), the Service Provider's details are:

[SERVICE PROVIDER]  
[Provider Address]  
[Provider Address]  
[Provider Address]  
[Provider Postcode]  
Facsimile number: -----  
Marked for the attention of: [Service Provider Contact]  
Telephone: -----