Ratification Letter for Amendments to TTF Appendix (Version 3.0/April, 2011) to the European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Natural Gas

Send to: edrsAdmin@efet.org

Cc: secretariat@efet.org

Dear Sirs

TTF Appendix (Version 3.0/April, 2011) to the European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Natural Gas – Ratification

The purpose of this letter (the "**Ratification Letter**") is to confirm our ratification of the amendments to the existing Version 3.0/April, 2011 of the TTF Appendix as published by the European Federation of Energy Traders ("**EFET**") on 1 April 2011 (the "**Amendment**") as set out in the Schedule to this Ratification Letter. We confirm our understanding that the purpose of the Amendment is to confirm the terms of Version 4.0/May, 2014 of the TTF Appendix published by EFET on 26 May 2014.

By ratifying the Amendment in accordance with the terms of this Ratification Letter, any TTF Appendix (Version 3.0/April, 2011) to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas that we have concluded before the Ratification Date (as defined below) (a "**Covered General Agreement**") (such Appendix being hereinafter referred to as a **"Covered Appendix"**) with each other party that has ratified the Amendment in accordance with the terms of this Ratification Letter (each person so ratifying this Amendment, including ourselves, being a "**Ratifying Party**") shall be deemed modified, amended and supplemented by the Amendment as if we had signed such Amendment bilaterally with each other corresponding Ratifying Party.

As between ourselves and the corresponding Ratifying Party, the agreement to make the amendments stated in the Amendment will take effect as of the date EFET, as agent, first publishes on its website at www.efet.org (the **"Website"**) a list of parties who have ratified the Amendment that lists both Ratifying Parties as having ratified the Amendment and uploads on the Website the Ratification Letters from both such Ratifying Parties to ratify the Amendment (such date, as stated on the Website, being with respect to the relevant Ratifying Parties, the "**Ratification Date**").

We acknowledge that such modification, amendment and supplementation by ratifying the Amendment in accordance with the terms of this Ratification Letter fulfils the requirement pursuant to §23.3 of the Covered General Agreement that any amendments shall be made only in writing signed by both parties thereto.

1. Process; General Provisions

The following shall also apply in relation to the Amendment:

(a) EFET shall have the right, in its sole and absolute discretion, upon thirty (30) calendar days' notice on the "EDRS" section of the Website (or by other suitable means) to designate a closing date for ratification of the Amendment

(such closing date, the "**Limitation Date**"). After the Limitation Date, EFET will not accept any further Ratification Letters in respect of the Amendment.

(b) Each Ratifying Party will access the "EDRS" section of the Website to enter information online that is required to generate the appropriate form of Ratification Letter. Each Ratifying Party will print, sign and upload the signed Ratification Letter as a PDF attachment into the "EDRS" system of the Website.

(c) If EFET, as agent, determines prior to its publication on the Website that a purported ratification is incomplete, not readable, contains extraneous material, is unsigned or is not in compliance with the terms of this Ratification Letter, EFET will not upload the purported ratification document and will attempt to contact the Ratifying Party. If there is reasonable evidence that a published Ratification Letter is the result of fraud or other criminal activity, then EFET reserves the right, as agent, to remove the name of such party from the list of those having ratified the Amendment and remove the published Ratification Letter from the Website, whereupon, without prejudice to any existing agreement to make the amendments set out in the Amendment based on such Ratification Letter, such purported ratification shall be incapable of forming the basis of any subsequent agreement to make the amendments set out in the Amendment.

(d) A copy of each Ratification Letter as uploaded by the Ratifying Party will be published by EFET on the Website and in accordance with the Terms of Use of the EFET Document Ratification System in force from time to time so that it may be viewed by all Ratifying Parties.

(e) This Ratification Letter is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Covered General Agreement that the parties may otherwise effect in accordance with the terms of that Covered General Agreement.

(f) The provisions of the Covered General Agreement setting forth the governing law and dispute resolution mechanisms that apply to the Covered General Agreement shall be incorporated into and shall apply to this Ratification Letter as if references in the Covered General Agreement to the Covered General Agreement were references to this Ratification Letter.

2. Appointment; Release

We hereby appoint EFET as our agent for the purpose of administering our ratification of the Amendment and accordingly we waive, and hereby release EFET from, any claims or actions whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Ratification Letter or our ratification of the Amendment.

3. Representations and Undertakings

As of the Ratification Date, each Ratifying Party represents to the other corresponding Ratifying Party that:

(a) it is duly organised, validly existing and, if relevant under such laws, in good standing under the laws of its jurisdiction of incorporation, or, if it otherwise represents its status in or pursuant to the Covered General Agreement, has such status;

(b) the signing and the entering into by it of this Ratification Letter shall not violate any provision of its constitutional documents;

(c) it has the power and is authorised to execute, deliver and perform its obligations under this Ratification Letter and has taken all necessary action to authorise that execution, delivery and performance, and its execution, delivery and performance of this Ratification Letter does not violate or conflict with any other term or condition of any contract to which it is party or any constitutional document, rules, law or regulation applicable to it;

(d) it has all governmental, regulatory and other authorisations, licenses, approvals and consents necessary for it legally to perform its obligations under this Ratification Letter; and

(e) its entry into this Ratification Letter will not, in and of itself, adversely affect the enforceability, effectiveness or validity of any obligations owed, whether by it or by any third party, under any Credit Support Document in respect of its obligations relating to the Covered General Agreement as amended by this Ratification Letter.

4. Amendments

(a) In ratifying the Amendment, a Ratifying Party may not specify additional provisions, conditions or limitations to the Amendment in its Ratification Letter. Any such added provisions, conditions or limitations shall not be recognised and shall have no legal effect, and such Ratification Letter may not be accepted by EFET.

(b) Each Ratifying Party acknowledges and agrees that ratification of the Amendment is irrevocable.

(c) An amendment, modification or waiver in respect of the matters contemplated by the Amendment will only be effective in respect of a Covered Appendix if made in accordance with the terms of the Covered General Agreement and then only with effect between the parties to that Covered General Agreement (and will only be effective to amend or override the provisions set forth in this Ratification Letter if it expressly refers in writing to this paragraph of this Ratification Letter).

5. Contact Details

Our contact details for the purposes of this Ratification Letter are:

Name: JØRGEN AASTED /LEGAL DEPARTMENT

Address: SKELAGERVEJ 1, 9000 AALBORG, DENMARK

Telephone: +45 99 39 59 06 / +45 99 39 55 00

Fax: +45 99 39 59 99

E-mail: LEGAL@NEASENERGY.COM

We consent to the disclosure by EFET of the name of the undersigned Ratifying Party and the Ratification Date on the Website. We also consent to the publication by EFET as described herein of a final copy of this Ratification Letter with the signature and printed or typewritten name of each signatory to the Ratification Letter and we confirm that each such signatory has consented to such publication.

Unless expressly set out in this Ratification Letter, this Ratification Letter shall be ratified pursuant to and shall in all respects be subject to the Terms of Use of the EFET Document Ratification System in force from time to time as published on the "EDRS" section of the Website and as may be amended by EFET from time to time.

Yours faithfully

Name: BO LYNGE RYDAHL

Title: CEO

Signature:

Date: 14.08.2014

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Schedule

The Amendment

All terms not otherwise defined in this letter shall have the meanings given to them in the Covered Appendix and the Covered General Agreement.

EFET has published a Version 4.0 of the TTF Appendix dated 26 May 2014 reflecting the changes to the GTS System and the TTF to replace the Covered Appendix with effect from 3 June 2014.

In order to ensure that we continue to trade with you on standard market terms at the TTF we wish to amend the Covered Appendix to reflect the updated terms of the TTF Appendix (Version 4.0; May 2014).

1. The following TTF Transactions entered into by the Parties shall become subject to the terms and conditions of the Covered Appendix as amended by this Ratification Letter:

   (a) all TTF Transactions entered into on or after the date of this Ratification Letter;

   (b) all TTF Transactions entered into before the date of this Ratification Letter with a Total Supply Period commencing on or after 3 June 2014; and

   (c) all TTF Transactions entered into before the date of the letter with Total Supply Periods that include a period on or after 3 June 2014 provided that, in such case, the amendments set out in this letter shall only apply in respect of Days falling on or after 3 June 2014.

2. The following amendments shall be made to the Covered Appendix:

   (1) all references to the "**Gas Conditions**" or the "**Gas Transportation Conditions**" shall be replaced by references to the "**Transmission Code**";

   (2) Clause 7.1 shall be deleted and replaced with the following:

   "For the purposes of TTF Transactions **§§ 8.1** to **8.4** ***(Underdelivery, Under Acceptance, Overdelivery and Over Acceptance)*** inclusive shall be deleted and replaced with the following:

   "**1. Underdelivery**: If in respect of a Time Unit and a TTF Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Seller's Default, the Seller shall pay to the Buyer as compensation an amount equal to:

   (a) the amount, if positive, by which the Buy Price calculated for such Time Unit exceeds the Contract Price multiplied by the Default Quantity; plus

   (b) the Linepack Flexibility Service Charge multiplied by the Default Quantity.

   2. Under Acceptance: If in respect of a Time Unit and a TTF Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Buyer's Default, the Buyer shall pay to the Seller as compensation an amount equal to:

(a) the amount, if positive, by which the Contract Price exceeds the Sell Price calculated for such Time Unit multiplied by the Default Quantity; plus

(b) the Linepack Flexibility Service Charge multiplied by the Default Quantity.

3. **Overdelivery:** If in respect of a Time Unit and a TTF Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Seller's Default, the Seller shall pay to the Buyer as compensation an amount equal to:

(a) the amount, if positive, by which the Contract Price exceeds the Sell Price calculated for such Time Unit multiplied by the absolute value of the Default Quantity; and

(b) the Linepack Flexibility Service Charge multiplied by the absolute value of the Default Quantity.

4. **Over Acceptance:** If in respect of a Time Unit and a TTF Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Buyer's Default, the Buyer shall pay to the Seller as compensation an amount equal to:

(a) the amount, if positive, by which the Buy Price calculated for such Time Unit exceeds the Contract Price multiplied by the absolute value of the Default Quantity; and

(b) the Linepack Flexibility Service Charge multiplied by the absolute value of the Default Quantity.";

(3) the definition of "**Buy Price**" shall be amended to read as follows:

""**Buy Price**" shall be calculated:

(a) for a Time Unit in a Gas Day during which GTS has in any hour taken Balancing Action for the purchase of Natural Gas, by taking the highest Transfer Price (Buy) that GTS has paid on the Exchange to buy Natural Gas during that Gas Day (or if there is only one Transfer Price (Buy) paid during such Gas Day, such Transfer Price (Buy)); or

(b) for a Time Unit in a Gas Day during which GTS has not in any hour taken Balancing Action for the purchase of Natural Gas, as 120% of the Neutral Gas Price for that Gas Day (unless the Party not in default can show that the actual price it paid to replace the Default Quantity was higher than 120% of the Neutral Gas Price in which case the Buy Price shall equal such actual price paid provided that, in such circumstances, the Buy Price shall never exceed either: (i) the Transfer Price (Buy) that GTS pays on the Exchange the first time it takes Balancing Action for the purchase of Natural Gas on the next Gas Day or, if the next Gas Day is not a Gas Business Day, in the period from the start of the next Gas Day until the end of the next Gas Business Day; or (ii) if GTS does not take Balancing Action for the purchase of Natural Gas in the period(s) referred to in (i) above, 150% of the Neutral Gas Price for the Gas Day on which the Underdelivery or Over Acceptance occurred);";

(4) the definition of "**Neutral Gas Price**" shall be amended to read: "means the "neutrale gasprijs" as defined in and calculated pursuant to the Transmission Code";

(5) the definition of "**Sell Price**" shall be amended to read as follows:

""**Sell Price**" shall be calculated:

(a) for a Time Unit in a Gas Day during which GTS has in any hour taken Balancing Action for the sale of Natural Gas, by taking the lowest Transfer Price (Sell) that GTS has received in selling Natural Gas on the Exchange during that Gas Day (or if there is only one Transfer Price (Sell) received during such Gas Day, such Transfer Price (Sell)); or

(b) for a Time Unit in a Gas Day during which GTS has not in any hour taken Balancing Action for the sale of Natural Gas, as 80% of the Neutral Gas Price for that Gas Day (unless the Party not in default can show that the actual price it received for the Default Quantity was lower than 80% of the Neutral Gas Price in which case the Sell Price shall equal such actual price received provided that, in such circumstances, the Sell Price shall never be less than either: (i) the Transfer Price (Sell) that GTS receives on the Exchange the first time it takes Balancing Action for the sale of Natural Gas on the next Gas Day or, if the next Gas Day is not a Gas Business Day, in the period from the start of the next Gas Day until the end of the next Gas Business Day; or (ii) if GTS does not take Balancing Action for the sale of Natural Gas in the period(s) referred to in (i) above, 50% of the Neutral Gas Price for the Gas Day on which the Under Acceptance or Overdelivery occurred);";

(6) the definition of "**Transfer Price (Buy)**" shall be amended to read: "means either the volume weighted average price paid by GTS in an hour for the purchase of Natural Gas or, in certain circumstances if an emergency has been called by GTS, the Neutral Gas Price for the Gas Day;" and

(7) the definition of "**Transfer Price (Sell)**" shall be amended to read: "means either the volume weighted average price received by GTS in an hour for the sale of Natural Gas or, in certain circumstances if an emergency has been called by GTS, the Neutral Gas Price for the Gas Day;"; and

3. The following definitions shall be added to Annex 1 – Defined Terms of the Covered Appendix:

""**Balancing Action**" means the successful purchase or sale of Natural Gas by GTS on the Exchange within day market to balance the National Grid in accordance with the terms of the Transmission Code;

"**Exchange**" means the energy exchange on which GTS buys or sells Natural Gas to balance the National Grid, being at the date of this Version 4.0 of the TTF Appendix the ICE Endex exchange;

"**Linepack Flexibility Service Charge**" means the service charge for the use of GTS's linepack flexibility expressed in Euros per MWh charged by GTS in accordance with the terms of the Transmission Code to shippers in the National Grid whose Portfolio is out of balance at the end of a Gas Day (as at the date of this Version 4.0 being the *tarief* for the *leidingbufferflexibiliteitsdienst* referred to in the Dutch language version of the Transmission Code);

"**Portfolio**" has the same meaning as "portfolio" in the TSC;

"**Transmission Code**" means the Transportvoorwaarden Gas-LNB published from time to time by the Autoriteit Consument & Markt;"; and

4. The following definitions shall be deleted from Annex 1 – Defined Terms of the Covered Appendix:

"Bid Ladder", **"Gas Conditions"** and **"Gas Transportation Conditions"**.