

**General Terms and Conditions of the Provision,
Execution and Invoicing of Flow Commitments
("LFZ-AGB")**

of

GASCADE Gastransport GmbH ("GASCADE")

valid as of 15 June 2015

Only and exclusively the German version of LFZ-AGB is legally binding. The present English translation is meant to serve as a source of information and is for convenience purposes only. The German language version takes precedence in case of any contradictions with the present translation.

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Preamble

GASCADE Gastransport GmbH, hereinafter called GASCADE, tenders flow commitments in accordance with Section 9, Paragraph 3, Item 2 of the the Regulations on Access to Gas Supply Networks (GasNZV) to cover for a certain period the required flow commitments safeguarding control and operation of the GASCADE network. This LFZ-AGB pay respect to the requirements of the Federal Network Agency for determination of tender flow commitments as volatile costs according to Section 11, Paragraph 5 of the ARegV (KOLA).

Flow Commitments within this LFZ-AGB are contractual obligations with other Parties, whereas certain flows at one or more entry or exit points are provided by those Parties which seem necessary and suitable to facilitate GASCADE offering additional firm, freely allocable entry and exit capacities.

In order to cover the requirements of flow commitments in its network, GASCADE pursues transparent, market-oriented and non-discriminatory tender procedures in accordance with these LFZ-AGB.

Section 1 Scope of application

1. These LFZ-AGB contain GASCADE's conditions for provision, execution and invoicing of contracts relating to flow commitments at entry and exit points in the GASCADE network.
2. The provider's own Standard Terms of Contract are not recognised. Separate agreements between the provider and GASCADE must be signed to cover provision of any other auxiliary services.
3. The definitions of terms in Appendix 1 to these LFZ-AGB and any alternative definitions contained herein shall be authoritative. Unless otherwise expressly stipulated or evident from the relevant context, definitions applying to the singular form shall also apply to the plural form and vice-versa. Any terms not otherwise defined below shall be interpreted in accordance with the definitions applying in German Energy Industry Act (EnWG) and in the Act on Access to Gas Networks (GasNZV) in force at the given time, and also in the version of the Agreement on Cooperation between Operators of German Gas Supply Networks (Section 20, Paragraph 1b of the EnWG) in force at the date of conclusion of contract.

Section 2 Qualifications required for recognition of providers

1. Providers wishing to offer flow commitments must complete the qualification form published at the www.gascade.de website. After completion and signature by the provider this form should be sent to GASCADE. Interested Parties can initiate the qualification procedure at any time and independently of any specific invitation to tender.
2. The first condition for qualification as a provider of flow commitments is a valid balancing group contract for the GASPOOL market area.

3. In the course of a qualification as a provider of flow commitments the interested Party has furthermore to provide evidence of a reasonable financial and technological capability. The financial capability will be deemed verified if and when an evaluation from one of the following credit ratings is available with the shown index as a minimum:
 - long-term Moody's rating of Baa3
 - long-term Standard & Poors rating of BBB-
 - a long-term Fitch rating of BBB-
 - a Creditreform rating (Bonitätsindex 2.0), Risikoklasse II (according to Creditreform RatingMap, as of December 2013),or when the shipper is able to exhibit a comparable rating of another accepted rating agency.
4. Moreover, the financial capability is normally fulfilled if and for as long as the interested Party is approved by GASCADE as a gas transport customer who has successfully passed a creditworthiness test pursuant to Sections 2 lit. a and 36 of the GASCADE's General Terms and Conditions for Grid Access.
5. As proof of technological capability GASCADE is entitled to perform a test on the communication procedures with each interested Party. This communication test enables GASCADE to verify whether the interested Party is capable of sending reports and messages to GASCADE and receiving and processing reports and messages from GASCADE. GASCADE also verifies whether its other communication requirements (e.g. the 24-hour availability) can be fulfilled. Further information on the communication requirements can be found on the website of GASCADE at www.gascade.de.
6. Inclusion of interested Parties in the tendering procedure is at the sole discretion of GASCADE. GASCADE notifies interested Parties who have satisfied the foregoing qualification requirements of their inclusion by an electronic or written confirmation to the contact stated in the application form.
7. Although qualification as a provider of flow commitments is normally granted for an indefinite period, GASCADE reserves the right to request resubmission of proof of qualification in accordance with Paragraphs 2-5 at any time.
8. GASCADE shall be entitled to withdraw recognition of qualification without notice at any time, in particular on any one of the following significant reasons:
 - Non-fulfilment of the condition stipulated in Paragraph 2 of this Section.
 - Provider's inability to show proof of financial and technological capability as stipulated in Paragraphs 3, 4 or 5 of this Section.
 - Provider's failure to fulfil a contractual obligation relating to performance according to Section 8.

9. Recognition of a provider's qualification does not *per se* constitute reasons for existence of a contractual relationship between GASCADE and the provider.

Section 3 Tendering procedure

1. The provider's participation in the tendering procedure requires a successful qualification as provider of the flow commitments according to Section 2.
2. All invitations to tender are published on the website of GASCADE at www.gascade.de. GASCADE can indicate individual provider to the ongoing tendering procedure as of the date of publication.
3. The yearly tender starts on 15th June each calendar year. Only monthly products are tendered. Beyond the yearly tender, further products can be tendered on short term during the year if necessary (short term tender). Only monthly and/or daily products are tendered. Further concrete description of monthly and daily products will be given in the offer form.
4. Invitations to the yearly tender are generally published on the GASCADE website not less than four weeks prior to commencement date. This notice period can be appropriately reduced in cases of short term tenders.
5. The notice period for submission of binding offers is four weeks for yearly tender. This notice period is reduced to two weeks in cases of monthly tender. The period can be further reduced in cases of daily tender.
6. Binding offers must be submitted on the duly completed and signed binding offer form within the stated notice period for submission of binding offers, either by fax or in the form of a PDF document to the address for submission of binding offers stated on the www.gascade.de website.
7. The provider bears sole responsibility for the accuracy and completeness of his binding offer. Binding offers which are incomplete, incorrect or unclear will be deemed to have not been submitted. The same counts for binding offers which are not submitted at the end of the last calendar day of the tender submission period. Decisive for the timely submission is GASCADE's receipt of the binding offer.
8. Submission of a binding offer constitutes a firm declaration of intent on the provider's part. All binding offers must be complete and without reservation. All binding offers constitute a firm commitment on the provider's part until the last calendar day of the period for acceptance of the contract.
9. The binding offer submission constitutes confirmation of the provider's unconditional acceptance of LFZ-AGB in the version applying at the binding offer date.
10. GASCADE will not reimburse expenses incurred by the provider in connection with the binding offer submission.
11. Collective binding offers are permitted, provided that only one person is nominated by GASCADE as responsible contact person.

Section 4 Subject matter of tender

1. The subject matter of the tender is flow commitments within the meaning of Section 6 of this LFZ-AGB.
2. The subject matter of the tender is specified in a published offer form. The binding offer form includes:
 - a. details about the tendering party,
 - b. details about the capacity period of the flow commitment,
 - c. the network points which the provider will be able to use when fulfilling the flow commitment demanded by GASCADE,
 - d. the quantity (10.000 kWh/h or 10.000 kWh) and the number of tendered quantities,
 - e. the permitted pricing (combination of commodity price and capacity charge) and the weighting relevant for the Merit-Order-List and
 - f. provisions for an agreed procedure on the format for the demand of flow commitments and their confirmation.

Section 5 Acceptance of tender, conclusion of contract

1. The period for the acceptance of contracts is up to two weeks depending on the subject of the invitation to tender and starts on the day following expiry of the binding offer period.
2. For the acceptance of contracts, all formally correct binding offers will be entered in descending order by offered price for every tendered network point into the Merit Order List. The underlying weighting of commodity price and capacity charge is published in the offer form. Contracts will be accepted based on the Merit Order List starting with the lowest weighted price until the requirements are covered. In the case of binding offers at equivalent prices, the time and date of binding offer receipt shall decide the binding offers' rankings in the Merit Order List, the binding offer received earliest acquiring the highest ranking in this case. Uneconomic offers, which would lead to an inadequate burden of network users or GASCADE may be rejected. Notwithstanding the above, GASCADE reserves the right to reject offers for economic and/or technical reasons.
3. Without undue delay after the acceptance of contracts, GASCADE will inform all providers participating in a tender whether and to what extent their binding offer has been taken into consideration.
4. GASCADE will publish successful details of tranches and prices for the yearly tender on its website on 15th August each calendar year in an anonymised form. For short-time tender the publication will be done without undue delay after the procurement procedure.

5. Conclusion of contract is effected by transmission of GASCADE's electronic confirmation of binding offer acceptance to the provider. The confirmation will be sent to the e-mail address specified by the provider on the binding offer form.
6. Conclusion of contract does not give rise to any obligation on GASCADE's part to demand the provision of services.
7. The provider shall immediately inform GASCADE about changes in the contact details, anyway minimum ten (10) working days before entry into force.

Section 6 Product definition

1. Flow commitments entitle GASCADE to demand from the provider an increase or reduction of the entry or exit flow rate of gas into or out of the GASCADE network or, if the flow commitment is suitable to have a capacity-increasing effect, of the downstream network at the defined network points.
2. The provider is obliged to fulfil GASCADE's demand to increase or reduce the entry or exit flow rate at the defined points in the network.
3. The provider fulfils his obligation either via Option 1 pursuant to Section 10 Paragraph 1 lit. a in conjunction with Section 10 Paragraph 2 or via Option 2 pursuant to Section 10 Paragraph 2 lit. b in conjunction with Section 10 Paragraph 3.
4. In order to maintain balancing group neutrality of the requested flow commitment, the provider is obliged to perform adequate measures at other entry or exit points in the GASCADE network.

Section 7 Pricing

1. Flow commitments are basically tendered on a combination of commodity price and capacity charge. Commodity price or capacity charge can be 0,00€.
2. The commodity price and the capacity charge are the price at which the provider offers the flow commitment in his binding offer.
3. The commodity price must be stated in €/kWh.
4. The capacity charge are payable as fixed price depending on the requirements of GASCADE in the offer form in €/(kWh)/period.

Section 8 Obligation to perform contract

1. On conclusion of the flow commitment contract GASCADE acquires an unconditional right to demand the flow commitment at any time and to exercise this right as frequently as it

wishes. The provider making the flow commitment has an unconditional obligation for fulfil the flow commitment on a firm basis.

2. GASCADE's right and the provider's obligation are limited by:
 - a. the time period covered by the contract,
 - b. the total capacity of the flow commitment contracts with the provider (in kWh/h).
3. If, when calling up the flow commitment, GASCADE exceeds the total capacity of all flow commitment contracts with that provider and the provider confirms the demand, the provider is then under an obligation to fulfil the demand of the flow commitment. For this capacity the provider shall pay the lowest price for which he has contracted. The pricing procedure will be in accordance with Section 11.
4. For the avoidance of capacity overruns in case of demanded flow commitments at the network points stipulated in the binding offer form the provider has to have booked a corresponding amount of transport capacities. This is also applicable for resulting capacity overruns in accordance with Item 3 of this Section.

Section 9 Abusive practices

The provider undertakes to abstain from abusive practices affecting the flow commitment. A provider will be deemed guilty of abusive practice if he, either alone or in collaboration with a third Party, seeks to influence the situation in GASCADE's gas transport network for the purpose making demand of a flow commitment necessary.

Section 10 Demand of flow commitment

1. Two options are available for the fulfilment of a flow commitment:
 - a. Fulfilment by issue of a respective updated entry flow nomination at the defined network points (Option 1) or
 - b. Fulfilment by using an agreed procedure to grant GASCADE the right to increase or decrease the existing entry or exit flow rate by the required amount unilaterally and informing the provider regarding duration and amount of usage (Option 2).
2. In the case of Option 1, the flow commitment demand is in the form of nominations using the agreed format stipulated in the binding offer form. The nomination procedure consists of three steps:
 - a. GASCADE sends a message to the provider with a notice period of not less than 4 hours to the end of any full hour. The message must include the following parameters as a minimum:
 - period of flow commitment,

- required capacity in kWh/h under consideration of the quantity according to Section 4, Paragraph 2,
 - contract No. and
 - network point.
- b. The provider confirms the incoming message by sending GASCADE an outgoing message in an agreed format with a notice period of not less than 3 hours to the end of any full hour.
 - c. The provider re-nominates his relevant physical entry or exit volumes and takes action to ensure that the total volume of the entry or exit volumes resulting from these re-nominations remains unchanged in the complete market region.
 - d. The Parties can amicably agree on alternative data formats and time periods as listed in the steps a and b.
3. In the case of Option 2, demand of the flow commitment is in the form of a corresponding amendment by GASCADE to the specified target value for the balancing of the relevant balancing groups without any notice period and without active involvement of the provider.
 4. The demand of GASCADE will be conducted on basis of the Merit Order List pursuant to Section 5, starting with the contract most economical for GASCADE. In the course of a use at optimal costs of flow commitments in a concrete demand situation GASCADE shall be entitled to deviate from the order of requests as listed in the Merit-Order-List (Paragraph 5 of the 1st communication to BNA requirements BK 9-11/606).

Section 11 Allocation of gas volume, invoicing

1. The quantities will be calculated in accordance with the invoicing option agreed in the flow commitment contract:
 - a. in the case of Option 1 on the basis of GASCADE's specific messages relating to the relevant contract and the provider's confirmations of these,
 - b. in the case of Option 2 on the basis of the allocated substituted nomination values.
2. When Option 2 is used, the following rules will apply for allocation of flow commitments to contracts which are priced at varying prices: the flow commitments will be allocated to contracts based on the Merit Order List until the full capacity for each contract is reached.
3. The commodity price and the capacity charge are agreed in the flow commitment contract.
4. The level of the capacity charge is calculated on the basis of the quantities allocated to the flow commitment contracts in accordance with the procedure described in the Paragraphs 1 to 2 above and with the contractually agreed prices.

Section 12 Invoicing and payment

1. The provider will invoice GASCADE monthly for the amounts payable plus turnover tax at the legally applicable rate at invoice date.
2. The amounts invoiced in accordance with Paragraph 1 must be remitted by GASCADE to the bank account stated in the invoice within thirty (30) calendar days from date of receipt of invoice, whereby the date of credit of the remittance to the foregoing account shall be the criterion for compliance with the foregoing payment terms.
3. All amounts payable against any given contract will be calculated to two decimal places in accordance with customary commercial practice. The amount will be rounded off at each successive stage in the calculation.

Section 13 Liability

1. The liability of the Parties to each other on any legal grounds whatsoever is limited to cases involving willful misconduct or gross negligence. Liability in cases of minor negligence is excluded, except in cases involving death, bodily or health injury, or culpable breach of a substantive contractual requirement of the flow commitment contracts, which undermines the attainability of the aim of the contract ("substantive contractual requirement"). The level of compensation payable for breach of a substantive contractual requirement is limited to the level of damage or loss foreseeable in this type of contract.
2. The foregoing limitations of liability also apply to GASCADE's legal representatives, employees and vicarious agents of any kind whatsoever.

Section 14 Force majeure

1. To the extent that a Party is prevented from fulfilling its obligations as a result of force majeure pursuant to paragraph 2, it is released from said obligations. The other Party is released from its counter obligations to the extent and for the duration of the Party is being prevented from fulfilling its obligations due to force majeure.
2. Force majeure is an external, unforeseeable event that cannot be prevented or cannot be prevented in due time even through the use of due diligence and technically and financially reasonable means. In particular, this includes natural disasters, terrorist attacks, power failure, failure of telecommunication connections, strike and lockout, provided the lockout is lawful, or legal regulations or measures by the government or by courts or authorities (regardless of their legality).
3. The affected Party shall notify the other Party immediately and inform the other Party about the reasons for and probable duration of the force majeure. It shall seek to restore its ability to fulfil its obligations as quickly as possible by executing any and all technically possible and commercially reasonable means.

Section 15 Suspension of performance and termination

1. In the event of the essential breach of a contractual obligation by the other Party, in particular in the event of non-fulfilment of payment obligations or non-fulfilment of the flow commitment request a Party is entitled to suspend its contractual performance unless the breach is remedied within two (2) weeks after written notification by the other Party. If and when breaches of obligations of the same nature occur again after notification by the other Party, the other Party is entitled to terminate the respective contract with immediate effect.
2. In the event of the suspension of contractual performances in accordance with Para. 1, the Parties shall immediately resume fulfilment of their obligations as soon as the reasons for the suspension have ceased to exist.
3. Moreover, each and every Party is entitled to terminate the respective contract with immediate effect, if and when a request for initiation of insolvency proceedings for the shipper's assets has been filed and despite request, the insolvency administrator has not declared the continuation with the meaning of Section 103 German Bankruptcy Act (InsO) and in the case of requesting initiation of insolvency proceedings by a third party, the shipper or the insolvency administrator do not prove the absence of a reason to open the insolvency proceeding with the meaning of Section 17 (2), Section 19 (2) German Bankruptcy Act (InsO) within five business days.
4. The right of termination without notice for good cause shall remain unaffected. Good causes shall be in particular if and insofar as the Federal Network Agency does not acknowledge or does not fully acknowledge the costs for the provision and/or the demand of flow commitments or if there is an abusive conduct of the provider in the meaning of Section 9 above.

Section 16 Disclosure of data and data processing

1. The provider hereby gives his consent to automatic data processing by GASCADE or by a company engaged by GASCADE in compliance with the applicable legal and governmental provisions of data protection, especially the German Data Protection Act (Bundesdatenschutzgesetz).
2. The provider gives his consent for publishing the successful offers in anonymous form by GASCADE on its Internetsite.

Section 17 Taxes

All amounts shown in the flow commitment contract are stated in each case excluding the statutorily applicable value-added tax. The provider will be invoiced GASCADE for this additionally in the legally prescribed form. All invoices generally have to comply with Section 14 German Turnover Act (Umsatzsteuergesetz).

Section 18 Revision clause

1. In the event that unforeseen circumstances with a substantial commercial, technical, or legal impact on the contract, but for which no regulations have been agreed in the contract and these LFZ-AGB, or which were not considered at the time of the conclusion of the contract, arise during the term of a contract, causing any of the contractual provisions to become unreasonable for one Party, the affected Party may request from the other Party a corresponding adjustment of the contractual provisions as appropriate to the changed circumstances, taking into account any and all commercial, technical, and legal effects on the other Party.
2. The Party claiming such a change in circumstances must describe and prove the relevant facts.

Section 19 Confidentiality

1. Subject to the provisions in paragraph 2, the Parties shall maintain confidentiality with respect to a contract and any and all information which they receive in the context of a contract (hereinafter referred to as "confidential information") and shall neither disclose nor make accessible to third Parties any such information without the prior written consent of the affected Party. The Parties undertake to utilize the confidential information solely and exclusively for the performance of the respective contract.
2. Each and every Party has the right to disclose without the other Party's written consent confidential information it has received from the other Party
 - a. to an affiliated company within the sense of Section 15 German Stock Companies Act (Aktiengesetz), provided that the latter is obligated to confidentiality of equivalent nature;
 - b. to its representatives, advisors, banks, and insurance companies, if and when, and to the extent that, the disclosure is required for the proper fulfilment of the contractual obligations and such persons or companies have, on their part, covenanted to treat the information as confidential or are obligated to confidentiality on the basis of professional ethics; or
 - c. in the scope that the confidential information
 - was legitimately known to the Party receiving the information at the point in time at which it received the information from the other Party;
 - was previously in the public domain or was already accessible to the public by means other than the action or omission of the Party receiving the information; or
 - has to be disclosed by a Party pursuant to legal statutes or a court or official order or an inquiry from regulatory authorities; in these cases, the disclosing Party shall notify the other Party immediately.

3. The obligation to maintain confidentiality shall end 2 years after the end of the respective contract.
4. The above provisions are without prejudice to Section 6a EnWG.

Section 20 Legal succession

1. The complete or partial assignment of contractual rights and/or obligations is subject to the prior consent of the other Party. Consent may be refused solely for an important reason.
2. Assignment in accordance with paragraph 1 to an affiliated company within the sense of Section 15 German Stock Companies Act (Aktiengesetz) is not subject to prior consent; solely a written notification of the other Party is required. The above provisions apply solely if the affiliated company which assumes the rights and/or obligations can warrant performance of the contract in equivalent manner. The assigning Party shall give reasonable evidence of this capability to the other Party before the assignment.

Section 21 Modifications of the LFZ-AGB

1. GASCADE is entitled to modify the LFZ-AGB with immediate effect, provided that a modification is necessary to comply with relevant legislation or ordinances and/or legally binding stipulations of national or international courts and authorities, in particular requirements and related announcements of the German Federal Network Agency, and/or generally acknowledged rules of technology. In this case, GASCADE shall notify the provider immediately. If major commercial disadvantages arise for the provider with regard to his contracts due to the modification, the provider is entitled to terminate his contracts at the end of the month following the commencement of effectiveness by giving prior notice of 15 business days. Compensation is excluded in this connection.
2. In deviation from paragraph 1, GASCADE is entitled in other cases to modify the LFZ-AGB for the future. GASCADE shall notify the provider two months prior to the effective date – of the amended terms and conditions under this contract in text form and publish the amended terms and conditions under this contract on his website. In justified cases, GASCADE may deviate from the period laid down in sentence 2. Amendments to the terms and conditions of LFZ-AGB shall be deemed to have been accepted by the provider unless rejected by him within 30 business days of the receipt of notification thereof. In the event of rejection, the effective version of LFZ-AGB continues to apply. The text form is sufficient for rejection purposes. GASCADE shall notify the provider of the start of the rejection notification period, and that if not rejected the amended LFZ-AGB shall be deemed accepted.

Section 22 Severability clause

1. If individual provisions of these LFZ-AGB or the respective contract should be or become invalid or impracticable, the validity of the LFZ-AGB and the respective contract shall not be affected.
2. The Parties undertake to replace, by means of a suitable procedure, the invalid or impracticable provisions with those valid provisions that most closely approximate the economic effect of the invalid or impracticable provisions. The above provision applies mutatis mutandis to the closure of any gaps.

Section 23 Written form

Any and all modification or termination of a contract shall not be binding on the Parties unless in writing. The above provision also applies to the waiver of the requirement of written form.

Section 24 Venue and applicable law

1. Any and all disputes arising from a contract shall be settled exclusively and definitively by an ordinary court. The Parties agree to accept the jurisdiction of the courts of Kassel.
2. Any and all contracts concluded on the basis of these LFZ-AGB, these LFZ-AGB, and their interpretation shall be governed by German law to the exclusion of its conflict of law rules. Application of the CISG is excluded.

Appendix 1: Terminology

1. Binding offer form: Form for the definition of the subject matter of tender pursuant to Section 4.
2. GASPOOL: The Market Area network operator of the market area GASPOOL, GASPOOL Balancing Services GmbH, Berlin
3. Interested Party: Gas supplier interested in acquiring the provider-status through the qualification process
4. Flow commitment: See preamble, part 2.
5. Provider: Every interested Party, who has a valid balancing group contract in the market area GASPOOL and is allowed to be part of the tender of GASCADE because of the positive qualification (Section 2).
6. Flow commitment contract: A tender which is accepted by GASCADE, consists of LFZ-AGB and the binding offer form.
7. Capacity period: In the flow commitment contract agreed time period for the demand of GASCADE.
8. Total gas volume: The total gas volume defines the standard volume (10.000 kWh/h or 10.000 kWh) of each quantity
9. Merit Order List: Sequence of all accepted binding offers for flow commitments similar to the criteria of Section 5.
10. Network point: Point of the network of GASCADE in which entry and exit capacities can be booked.
11. Qualification: The admission of the tender for flow commitments after the check of the technical and financial ability on an interested Party.
12. Contract Parties: GASCADE on the one hand and/or the flow commitment provider on the other hand whose binding offer form was accepted by GASCADE.