

Balance Responsibility Agreement
between
Swedegas AB
and
the Balance Administrator

This Balance Responsibility Agreement (the Agreement) sets forth the terms and conditions regarding System Balance Responsibility that Swedegas hereby assumes to perform on behalf of the Balance Administrator. This Balance Responsibility Agreement incorporates the following annexes as amended from time to time.

Definitions	<u>Annex 1</u>
General terms and conditions for Balance Responsibility	<u>Annex 2</u>
Reporting and information	<u>Annex 3</u>
Balance settlement	<u>Annex 4</u>
Pricing and charge	<u>Annex 5</u>

These annexes are an integral part of the Agreement.

Annex 6 contains parts of Energinet's "Rules for Gas Transport" and sections 2; 6; 7; 9; 16; 17.2 d), e) and g); 18 exclusive of 18.1 and 18.3; 19 and the accompanying price list found in that annex are an integral part of this Agreement.

In the event of a conflict between this main body of the Agreement and the annexes this main body shall take precedence over the annexes. In case of conflict between the annexes they shall have precedence in the order set out above, i.e. Annex 1 has precedence over Annex 2 etc.

All terms/expressions used in the Agreement and in the annexes 1-5 shall have the meaning as defined in Annex 1. Annex 6, containing external rules of importance for the application of this Agreement, has its own definitions for terms/expressions as set forth in section 2 of that annex.

The current versions of Annexes 1-6 are also published on the Swedegas website www.swedegas.se.

This Agreement has been assigned agreement number: _____

1. Contracting parties

This Agreement has been entered into between:

Swedegas

Company registration number: 556181 - 1034
Address: Kilsgatan 4
Postal address: SE-411 04 Göteborg
Telephone: +46 (0)31 – 43 93 00
Fax: + 46 (0)31 – 43 10 35
E-mail:
Contact person:

and

Balance Administrator

Company:
Company registration number:
Address:
Postal address:
Invoicing address
(if different from the postal address):
Telephone:
Fax:
E-mail:
Contact person:

2. Background

The government has appointed Swedegas as the System Balance Administrator for the Western Sweden Natural Gas System. This includes, *inter alia*, the responsibility for ensuring that balance is maintained in the short term between input and offtake of Natural Gas in the Western Sweden Natural Gas System.

Pursuant to Section 7, sub-section 4 of the Natural Gas Act, a gas supplier may only supply Natural Gas at an Offtake Point for which a party has assumed financial responsibility to provide a quantity of Natural Gas that is equal to the quantity offtaken at the Offtake Point. Only the party that has entered into an agreement with Swedegas can assume such a financial responsibility of this nature in the Western Sweden Natural Gas System.

Swedegas has together with Energinet agreed to establish a joint Danish/Swedish balancing zone where the financial responsibility to maintain the balance between input and offtakes that a Balance Administrator assumes under this Agreement is extended to include the Danish natural gas system. This implies that the Balance Administrator shall be a Shipper.

This Agreement has been entered into in the light of the above.

3. General Terms and Conditions for Balance Responsibility

General Terms and Conditions for Balance Responsibility, including the terms and conditions for invoicing and payment, are set forth in Annex 2.

4. Reporting and information

Reporting and information shall be provided according to the provisions of Annex 3.

5. Balance settlement

The procedure for balance settlement is set forth in Annex 4.

6. Pricing and charges

Gas trading that takes place within the framework of the Agreement is normally priced according to the terms and conditions set forth in Annex 6 and in case of National Balancing priced according to the terms and conditions set forth in Annex 5. The Balance Administrator is hereby obliged to pay for purchased Natural Gas in accordance with the rules set forth in Annexes 5 and 6. Accordingly, the Balance Administrator is entitled to receive payment for Natural Gas sold according to the rules set forth in Annexes 5 and 6.

The Balance Administrator shall – in addition to the provisions regarding gas trading set forth in the preceding paragraph - pay Swedegas' at each time prevailing charges which are set forth in the, at each time, prevailing version of Annex 5.

7. Adjustments and amendments

Adjustments of amendments to the main body of the Agreement shall be made in writing and signed by both parties to be valid.

Swedegas has the right to unilaterally adjust or amend Annexes 1-5 with (2) months' notice out only after the Balance Administrator has been given the opportunity to give its opinion on the adjustment/amendment.

If adjustments or amendments to

- the main part of the Agreement,
- Annexes 1-5, or
- Annex 6; sections 2, 6, 7, 9, 16, 17, 18 or 19 with the accompanying price list

result in a change to the terms and conditions for the Balance Administrator, such a change cannot come into effect before the Supervisory Authority has given its approval.

8. Effective date etc.

This Agreement governs the balance responsibility from 6am on April 1, 2019 and is valid until further notice. The Agreement can be terminated by either party with at least three (3) months notice and in case of such a termination the agreement will terminate on the last day of the month after the end of the notice period. Termination must be made in writing to be valid.

In case of an adjustment or amendment of the Annexes by Swedegas, the Balance Administrator is entitled to terminate the Agreement with effect on the date on which the amendment/adjustment comes into effect. However, such a termination is always subject to a period of notice of at least one (1) month. In order to be valid, such a termination must also be made within one (1) month of the Balance Administrator's receipt of notice of the amendment/adjustment.

Subject to the conditions set forth in Annex 2, Swedegas can also terminate the Agreement with immediate effect.

The payment obligations of the Balance Administrator under section 6 above applies until all gas trading and all charges according to the Agreement have been settled financially.

9. Assignment

The Balance Administrator may not, either wholly or in part, assign or transfer any rights or obligations under this Agreement (including the Annexes) without the written consent of Swedegas. Such consent may not be withheld if the assignee satisfies all the requirements laid down in the Agreement.

In the event a legal entity other than Swedegas is appointed by the government to assume System Balance Responsibility, Swedegas is entitled to assign the Agreement (including its Annexes) to this entity, following written notification.

10. Governing law and disputes

Disputes regarding this Agreement including its validity, inception, interpretation or application, as well as any other dispute originating from legal relations arising as a result of this Agreement, shall not be referred to a court of law and shall instead be settled through arbitration according to the Arbitration Act in force at the time the arbitration agreement is invoked. Arbitration proceedings shall take place in Gothenburg.

This Agreement shall be governed by Swedish law.

Place: _____

Place: _____

Date: _____

Date: _____

Swedegas AB

Balance Administrator
