

**Optimization Agreement  
for SBU Capacity at the  
Gas Storage Bergermeer Facility**

***DRAFT***

**THIS AGREEMENT** is made on [\*]

**BETWEEN:**

- (1) **TAQA Gas Storage B.V.**, a company incorporated in The Netherlands and registered at the trade registry with number 27154985 whose principal place of business is at Kruseman van Eltenweg 1, 1717 BC Alkmaar, The Netherlands, acting as commercial operator of the GSB Facility (“**GSB**”); and
- (2) [**company name**], a company incorporated in [\*] and registered at the trade registry with number [\*] whose registered address is at [\*] (the “**Customer**”),

hereinafter individually referred to as a “**Party**”, and together referred to as the “**Parties**”,

**WHEREAS:**

- (A) GSB and Customer are party to a Standard Storage Service Agreement in respect of the GSB Facility (“**SSSA**”).
- (B) The Customer has purchased from GSB the number of SBUs set out in Schedule A, to which this Agreement applies.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 As per the SSSA.

**2. SCOPE**

- 2.1 This Agreement serves as a Primary Capacity Agreement under the SSSA for the SBU's set out in Schedule A (the “**OA SBUs**”).
- 2.2 Customer shall be solely responsible for the optimization and monetization of the value of the Capacity. Any trading/hedging/optimization strategy applied will be at the sole discretion of the Customer.
- 2.3 Customer will make all efforts to maximize the Additional Value (as defined below) and refrain from deals intended to reduce such as deals with its affiliates which it would not make with a third party under similar circumstances.
- 2.4 The SBU Capacity Fee for the OA SBUs shall be zero but, in addition to the payments due under Article 12 of the SSSA, the Customer shall be liable to make the OA SBU Fee payments as set out in this Agreement.

**3. OA SBU FEES**

- 3.1 The Customer shall be liable to make payments per SBU as set out in this Article 3 based on the total realized value of the OA SBUs, which consists of an intrinsic value component (“**Floor**”) plus [\*] percent ([\*]%) (“**GSB Share**”) of the Additional Value, as set out in this Article 3.
- 3.2 The Floor shall be the TTF Winter 2020 minus the TTF Day-Ahead (“**W20/DA spread**”) minus cost for one storage cycle of Variable Injection Fee and Variable Withdrawal Fee for Storage Year 2020 (being 0.341 Euro /MWh); whereby

- 3.2.1 **TTF Winter 20:** means the arithmetic average of the bid and offer prices of the TTF Price Assessment Winter 20, as published in the ICIS European Spot Gas Markets report, in Euro/MWh;
- 3.2.2 **TTF Day-Ahead:** means the arithmetic average of the bid and offer prices of the TTF Price Assessment Day-Ahead or Weekend, as published in the ICIS European Spot Gas Markets report, in Euro/MWh;
- 3.2.3 **Calculation Period:** means each calendar day from and including 31 March 2020 up to and including 29 September 2020. I.e. the first pricing points are the TTF Day-Ahead and TTF Winter 20 prices published on 31 March 2020; and
- 3.2.4 **Calculation Method:** is the arithmetic average of the W20/DA Spread during the Calculation Period, rounded to three (3) decimal places, minus 0.341 Euro/MWh. During the weekends the TTF Weekend and TTF Winter 20 price published on the Friday before are used. If for any day the W20/DA Spread minus 0.341 Euro/MWh results in a negative value (< 0 Euro/MWh) then such pricing point will be included as zero (0) Euro/MWh in the arithmetic average calculation of the Floor.
- 3.3 The **“Additional Value”** (Euro/MWh) shall be the Realized Value, minus the Optimization Costs, minus the Floor; whereby
- 3.3.1 **Realized Value:** means total value realized by the Customer with the AO SBUs comprising all additional optimization values, including values realized from re-dispatches, within day trades and portfolio effects which can be captured; and liquidated damages (“LDs”), stemming from/based on e.g. outages or restricted Capacity; divided by the number of AO SBUs;
- 3.3.2 **Optimization Costs:** are determined in aggregate for all AO SBUs including for example total, actual variable injection and withdrawal fees incurred, but can also be additional costs for re-hedging or replacement costs for storage flexibility (in case of outage) and imbalance costs incurred; and divided by the number of AO SBUs;
- The Financing costs may be included as a Euro/MWh number calculated as the arithmetic average of TTF Day-Ahead during the Calculation Period \* [0.0xxx].
- 3.3.3 The Additional Value shall be determined at the end of the Term (as defined in Schedule A) and cannot be a negative value.
- 3.4 For the avoidance of doubt, the Customer shall pay all incurred cost with regard to the optimization and monetization of the OA SBUs, but such costs may be included in the calculation of the Additional Value as set out in this Article 3.

#### 4. TRACKING, REPORTING AND AUDIT

- 4.1 Customer shall have the instruments in place to track and determine the Additional Value to the best way as practically possible. The Customer will assure that all relevant costs to use and optimize the OA SBUs are tracked and calculated in a transparent way. The Customer shall set up and maintain a ring-fenced book structure where all relevant OA trades/hedges and costs related to the OA SBUs will be booked.
- 4.2 The Customer will report to GSB the trades and resulting profits and losses (“PnL”) YtD under this Agreement within six (6) working days after the last day of each calendar month using the template under Schedule B.
- 4.3 GSB can request the Customer to have a third party perform an audit of the OA ring-fenced booked in order to verify whether the Customer has acted as a prudent counterparty by monitoring and reporting all respective trades, realized PnL and overall costs. The Parties

agree to act in good faith and pragmatic to avoid disproportionate efforts. GSB shall cover the auditor's costs.

**5. INVOICING AND PAYMENTS**

5.1 Unless agreed otherwise in this OA Agreement, invoicing and payment shall be as per the SSSA.

5.2 The Customer shall pay the Floor in six (6) installments. After respectively the months of April through September 2020, the Customer shall pay the Floor for the pertinent month times the number of calendar days in the pertinent month, divided by the number of days in the Calculation Period.

5.3 Within two (2) weeks from the end of the OA Term, the Customer shall provide GSB with sufficiently detailed final settlement information to determine the Euro amount of the GSB Share of the Additional Value. Payment shall be with the April 2021 invoice (sent in May 2021).

**6. LAW AND JURISDICTION**

6.1 As per the SSSA.

**THUS AGREED** on the date first above written.

\_\_\_\_\_  
GSB

By: its director, being TAQA Energy B.V.

By:

\_\_\_\_\_  
Customer

By:

Title:

## **SCHEDULE A**

### **CAPACITY**

Through this Optimization Agreement, the Customer has purchased from GSB and GSB has sold to the Customer standard bundled units of Capacity at the GSB Facility ("SBU") in the number, for a term, for Fees and at other conditions as specified below.

#### Term

Start: 01 April 2020, 06:00 hrs (LET) (start of the Hour)

End: 01 April 2021, 06:00 hrs (LET) (start of the Hour)

#### Capacity

Number of SBU: 1,000,000

A SBU consists of:

Injection Capacity: 0.427 kW

Space: 1000 kWh

Withdrawal Capacity: 0.579 kW

#### SBU Capacity Fees

The SBU Capacity Fee is zero Euro (€0,00) but the Customer shall be liable to make payments as set out in Article 3 of the OA.

**SCHEDULE B**  
**MONTHLY REPORTING REQUIREMENTS**

All the reporting requirements below are applicable on the SBU volume governed under this OA only.

A	Full list of trades/hedges (all Buys + Sells), including all info as hereunder							MWh + EUR
Trade Date	Period Start Date	Period End Date	Buy / Sell	Size	Volume	Price	Notional	Cashflow
<i>date</i>	<i>date</i>	<i>date</i>		<i>MW</i>	<i>MWh</i>	<i>Euro/MWh</i>	<i>EURO</i>	<i>EURO</i>
B	Total Bought Volumes							MWh
C	Total Sold Volumes							MWh
D	Total Buy Notional value							Euro
E	Total Sell Notional value							Euro
F	Realized Value							Euro
G	Paid Injection Fees							Euro
H	Paid Withdrawal Fees							Euro
I	Projected Injection Fees							Euro
J	Projected Withdrawal Fees							Euro
K	Floor value to date							Euro
L	Open position (if any)							MWh
M	Value of open position (if any)							Euro
N	Financing cost to date (if applicable - quoted separately)							Euro
O	Total Additional Value (F-G-H-I-J-K-M-N)							Euro
P	Additional Value to date (GSB Share)							Euro