



Auction Rules for the auction 16 June 2020 Gas Storage Denmark A/S

1. INTRODUCTION

These rules govern the qualification for participation, the conduct and the outcome of the Auction held by Gas Storage Denmark A/S on

16 June 2020, 13:00-14:00 Danish time.

Successful Bid(s) in the Auction will result in the conclusion of a Gas for Capacity Agreement comprising GSD's sale of Storage Capacity to the Storage Customer and the Storage Customer's sale of Natural Gas to GSD, both transactions combined in one agreement ("Gas for Capacity Agreement") concluded between the Storage Customer and Gas Storage Denmark A/S.

2. DEFINITIONS

2.1. Definitions

Auction shall mean the auction as further specified in these Auction Rules.

Auction Date shall have the meaning specified in clause 4.

Auction Rules shall mean these auction rules, including appendixes.

Bid shall mean the submission by the Storage Customer of demand for storage capacity and the corresponding price, which the Storage Customer is willing to pay. The Storage Customer submits the required Bid(s) in a bidding sheet sent by email to contact@gasstorage.dk.

Bidder shall mean a Storage Customer submitting a Bid in the Auction.

Business Day is any day between Monday to Friday between 9:00 and 16:00 Danish time. Exceptions are the holidays specified in the calendar found on GSD's website <https://gasstorage.dk/Contact-and-communication>.

Gas for Capacity Agreement is an agreement concluded between GSD and a Storage Customer, cf. APPENDIX I to this Auction Rules. In connection with the sale of

Storage Capacity to each successful Bidder in the Auction, GSD shall purchase a corresponding amount of Natural Gas from each successful Bidder in the ratio 40:60 - GSD sells 40% Storage Capacity to a Bidder and GSD purchases 60% Natural Gas from the Bidder.

Cushion Gas is an amount of Natural Gas owned by GSD and utilized as permanent storage inventory to maintain adequate deliverability rates for withdrawal of Natural Gas from the storage facilities.

Credit Limit is the maximum credit limit in DKK up to which a Storage Customer may enter into storage agreements. The maximum credit limit is specified in the Storage Customer Agreement concluded between GSD and the Storage Customer.

DKK shall mean Danish kroner.

Energinet Gas TSO means Energinet Gas TSO, CVR number 39 31 50 84, responsible for managing the transmission function, security of supply, market facilitation and assumes the overall physical balance responsibility in pursuance of the Danish Natural Gas Supply Act. In addition, Energinet Gas TSO is responsible for the Register of Players.

Exceeding Bid shall have the meaning specified in clause 6.7.

GSD is Gas Storage Denmark A/S, CVR number 29 85 12 47, operating the Danish storage facilities and handles the relations to all Storage Customers under RGS.

Group shall have the meaning defined in the Danish Companies Act.

Maximum Quantity shall mean the maximum number of SBUs offered in the Auction and specified in clause 5.2.

Price Assessment Area shall have the meaning specified in clause 6.5.

RGS means the Rules for Gas Storage in the version applicable at any time.

Sale means GSD's offering of Firm Capacity to the Storage Customers by using auctions.

SBU (standard bundled unit) is Firm Capacity sold bundled with a fixed ratio between Firm Injection Capacity, Firm Withdrawal Capacity and Firm Volume Capacity.

Storage Customer means any natural or legal person who has access to GSD's storage facilities under a Storage Customer Agreement and who is registered as a Storage Customer in the Register of Players.

Storage Customer Agreement means an agreement concluded between GSD and a Storage Customer allowing the Storage Customer to act as such.

Storage Customer Framework Agreement means an agreement concluded between Energinet Gas TSO and the Storage Customer allowing the Storage Customer to act as a registered storage customer in the Danish transmission system.

Storage Period shall have the meaning specified in clause 5.1.

2.2. Use of singular and plural and of definite and indefinite forms

Unless otherwise indicated by the context, the terms used in these Auction Rules shall be as defined in clause 2.1, whether used in the singular or the plural or the definite or indefinite forms.

2.3. Reference to clauses

All references to clauses are, unless otherwise expressly stated, references to the clauses of these Auction Rules.

3. QUALIFICATIONS

3.1. Qualification for participation in the Auction

Any natural or legal person wishing to qualify for participation in the Auction must:

1. satisfy the conditions stated in Energinet Gas TSO's Rules for Gas Transport, including conclusion of a Storage Customer Framework Agreement with Energinet Gas TSO and registration as a Storage Customer in the Register of Players; and
2. satisfy the conditions stated in RGS, including conclusion of a Storage Customer Agreement with GSD and testing of IT systems for communication of nominations etc.; and
3. provide GSD with all necessary authorized contact information prior to the Auction.

3.2. Acceptance of the Auction Rules

Any Storage Customer wishing to participate in the Auction as a Bidder accepts and agrees to these Auction Rules.

4. THE AUCTION DATE

The Auction is scheduled to be held on **16 June 2020, 13:00-14:00** Danish time.

5. THE AUCTION OFFERING

5.1. The product and the Storage Period

GSD offers SBUs with the characteristics stated in *Table 1* for the Storage Period from 01 July 2020 06:00 to 1 May 2021 06:00.

SBU Characteristics	Firm Volume Capacity	Firm Injection Capacity	Firm Withdrawal Capacity
# days			
Firm Injection Capacity/ Firm Withdrawal Capacity	kWh	kWh/Hour	kWh/Hour
120/60	1,000	0.347	0.694

Table 1

5.2. Maximum Quantity

The Maximum Quantity offered in the Auction is:

800,000 SBUs

In connection with the sale of Storage Capacity to a successful Bidder in the Auction, GSD shall purchase an amount of Natural Gas from the Bidder in the ratio 40:60, where GSD sells 40% Storage Capacity to the Bidder and GSD purchases 60% Natural Gas from the Bidder. Thus, the sale of the Storage Capacity is conditional on the purchase of the corresponding amount of Natural Gas.

5.3. Auction Price

Bidders may submit their bid(s) on the constant **K** in the price formula stipulated in clause 5 a) in APPENDIX I to the Auction Rules, expressed in the unit "€/MWh".

The pricing method is linked to the Q1/DA spread during a period of 120 days according to the formula stipulated in clause 5 a) in APPENDIX I to these Auction Rules. The Storage Customer may choose the Price Assessment Area: TTF, NCG or Gaspool, cf. clause 6.5.

5.4. The delivery point and delivery date for the purchased Natural Gas

The Natural Gas purchased by GSD is to be delivered at the Storage Point, as transfer(s) of Stored Natural Gas between from the Storage Customer to GSD.

The Transfer(s) of Stored Natural Gas is to be executed according to an agreement between each successful bidder and GSD prior to 1 November 2020. The bidder may

choose the specific delivery day(s) but must inform GSD at least 3 business days in advance.

5.5. Injection of the purchased Natural Gas

The Natural Gas purchased by GSD must be physically injected into the storage by nominating injection from the transmission system into the storage point during the period from 01 July 2020 06:00 to 29 October 2020 06:00 (120 days).

Any amounts of Natural Gas transferred to the Storage Customer from other Storage Customer(s) in the Storage Point are not qualified as Natural Gas purchased by GSD.

The injection profile for the purchased amount of Natural Gas must be injected as a baseload profile, unless otherwise agreed between the Storage Customer and GSD.

GSD shall allocate an amount of free Firm Injection Capacity and free Firm Volume Capacity to each successful Bidder, cf. clause 5 d) in APPENDIX I to these Auction Rules.

In addition, GSD shall compensate successful Bidder(s) for payable Variable Injection in respect of the injection of the amount of Natural Gas purchased by GSD, cf. clause 5 c) in APPENDIX I to the Auction Rules.

5.6. GSD's rights to cancel, postpone or interrupt

The Maximum Quantity offered in this Auction, if allocated successfully, will entail an expansion of the marketable Storage Capacity of the aquifer storage facility at Stenlille Gas Storage. For the purpose, GSD has performed an assessment of conditions of the geological underground of the aquifer storage facility and found that the reservoir can safely be expanded with 3.0 TWh, however GSD has chosen to expand the reservoir by just 1.8 TWh. The technical results of the assessment combined with the current market development pose a unique opportunity to expand the marketable storage capacity based on a solid business case.

Even if GSD considers the technical and operational side of the expansion to be well founded based on our knowledge and expertise through many decades of experience with the aquifer storage facility, GSD must be able to handle any technical and financial risks during the expansion project. Therefore GSD reserves the rights to cancel, postpone or interrupt the expansion project and the injection of the remaining amount of Natural Gas at any time due to unexpected technical circumstances or unfavorable market conditions. In such case, GSD shall give at least 3 Gas Days' notice to the relevant Storage Customer(s). The Storage Customer(s) are obliged to comply with GSD's notification, cf. clause 7 in APPENDIX I to these Auction Rules.

GSD defines "unfavorable market conditions" mentioned above as occurred, if the 7 (seven) days rolling average value of $(0.4 * S - 0.6 * DA + K)$ in the unit €/MWh in

the customer specific formula stipulated in clause 5 a) in APPENDIX I to these Auction Rules, drops below -1.00 €/MWh.

No Storage Customer shall have any claim for damage or losses in the event of cancellation, postponement or interruption.

5.7. Binding effect

Bid(s) submitted within the deadline are final and binding for the Bidder.

5.8. Reporting to ACER on behalf on GSD

GSD has no access to a reporting platform for REMIT in respect of trading with Natural Gas. Therefor successful Bidder(s) in the Auction must report the purchase of the Natural Gas to ACER on behalf of GSD by using GSD's EIC code: 21X000000001104T / ACER: A0014094Y.DK.

The reporting must take place 3 (three) days after the transfer(s) of Natural Gas from the Storage Customer to GSD at the latest. The Storage Customer shall confirm the reporting to GSD by email sent to contact@gasstorage.dk.

5.9. Injection and Withdrawal Restrictions

The offered SBUs are subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions for all Storage Periods are stated in APPENDIX II to these Auction Rules.

6. THE AUCTION PROCESS

6.1. The Auction is a **pay as bid** auction.

In case of a successful Bid, the resulting price stated in the Gas for Capacity Agreement, cf. APPENDIX II to this Auction Rules, will be the bidding price the Storage Customer has submitted in the Auction. In case the Storage Customer has more than one successful Bid in the Auction, the resulting price will be the volume weighted price for all successful Bids submitted by the Storage Customer.

- 6.2. One single Bid cannot be less than 100,000 MWh or more than the Maximum Quantity specified in clause 5.2.
- 6.3. The Auction shall be conducted over one (1) round.
- The round will start at **13:00** and will close at **14:00**. Bids received outside this time will be rejected.
 - GSD shall confirm the receipt of Bid(s) with an email sent to the Bidder. The Bid(s) will not be regarded as received by GSD until the Bidder has received a confirmation from GSD. A confirmation of receipt does not constitute confirmation that any or all Bids received are valid Bids.
 - GSD will use reasonable efforts to notify by email any Bidder that has submitted an invalid Bid that the Bid in question has been rejected, stating the reason for the rejection.
- 6.4. All communication between the Bidder and GSD shall be made via email sent to contact@gasstorage.dk.
- 6.5. Prior to the Auction, a bidding sheet (an excel sheet) will be published on GSD's website and sent by direct mail to all Storage Customers. Bid(s) shall be submitted by sending a completed bidding sheet by email to contact@gasstorage.dk. The completed bidding sheet shall contain the following information:
- the identity of the Bidder (company name and contact information, such as the name, email and phone number of the contact person); and
 - the quantity expressed as a non-negative whole number representing the total quantity the Bidder requests, in the unit "MWh"; and
 - the price for the constant **K** (positive, negative or zero) in the price formula stipulated in clause 5 a) in APPENDIX I to the Auction Rules, expressed in the unit "€/MWh"; and
 - the price assessment area for the price quotes **Q₁** and **DA** in the price formula stipulated in clause 5 a) in APPENDIX I to the Auction Rules; and
 - the type of the bidding specified either as "fixed volume bid" or "fill bid", cf. clause 6.7.
- 6.6. During the Auction, the Bidder may change already submitted Bid(s) by submitting a new bidding sheet containing new Bid(s). The content of the new bidding sheet submitted by the Bidder will replace any previously submitted bidding sheet in its entirety, regardless whether the number of Bids in such later bidding sheet is higher or lower.
- 6.7. At the end of the Auction, SBUs will be allocated to the Bidders, as follows:
- no more than the Maximum Quantity as specified in clause 5.2 will be allocated; and

- GSD shall sort all Bids for the constant **K** from the highest to the lowest price, and allocate the capacity from the top until no more capacity is available or no more capacity is demanded:

If the total of all received valid Bids exceeds the Maximum Quantity offered in the Auction in compliance with clause 5.2, the Quantity of the first Bid that causes the Maximum Quantity to be exceeded (the "Exceeding Bid") will be reduced to a Quantity whereby the Maximum Quantity is no longer exceeded.

The reduction of Quantity will be performed only if a "fill bid" has been declared by the Bidder, who submitted the Exceeding Bid. In case of "fixed volume bid" has been declared for the Exceeding Bid, the Bid will be automatically withdrawn rather than reduced. This is to avoid that the Bidder, who submitted the Exceeding Bid receives only a minor quantity of capacity.

If there are identical Bids in price, declared as "fill bid", which also happened to be Exceeding Bids, GSD shall choose the Bid in the following order in respect of the Price Assessment Area: (1) TTF, (2) NCG, (3) Gaspool. If there are identical Bids in price, declared as "fill bid", which also happened to be Exceeding Bids with the same Price Assessment Area, GSD shall choose the Bid with the highest Quantity. If both Price, Price Assessment Area and Quantity are identical the Exceeding Bids will be reduced pro rata their Quantity, rounded to the nearest whole number.

- 6.8. All Bidders will be notified about the Auction outcome at 15:00 Danish time on the Auction Date.
- 6.9. The price of **K** in the Gas for Capacity Agreement will be expressed in €/MWh with two decimals.

7. MISCELLANEOUS

- 7.1. The Storage Customer may not place Bid(s) exceeding the Storage Customers' Credit Limit. If GSD observes that the Storage Customer's Credit Limit has been exceeded, the Bid(s) submitted by the Storage Customer will be reduced accordingly unless the Storage Customer provides adequate additional security. For the avoidance of doubt, it should be mentioned that this principle applies during as well as after the Auction.
- 7.2. GSD shall in its sole discretion decide whether Bid(s) have been received in due time and fulfil the terms set out in these Auction Rules.
- 7.3. GSD is entitled to make decisions at its sole discretion on any matter regarding the conduction of the Auction, including whether or not to cancel, postpone, suspend or restart the Auction due to technical or operational reasons or in the event of obvious market errors regarding the bidding. In such case, GSD shall promptly inform the Storage Customers and the market.

- 7.4. No Storage Customer shall have any claim for damage or losses or any right for conduction of the Auction in the event of cancellation, postponement or suspension.
- 7.5. GSD shall protect the confidentiality of the content of bids submitted during the Auction.
- 7.6. If Storage Customers are part of same Group, such Storage Customers shall in connection to the Auction be regarded as one single entity in respect of the Maximum Quantity. Furthermore, GSD reserves the right to cancel a Gas for Capacity Agreement either in full or in part, if GSD observes that companies within the same Group have placed bids, equal in pricing, constituting more than the Maximum Quantity.
- 7.7. GSD has the right to supply the Danish Utility Regulator (DUR) or other competent authorities with all data and information of the bidding activities carried out by the Storage Customer under the Auction, the provision of which is necessary to comply with GSD's obligations towards those authorities or where disclosure is required by applicable law.
- 7.8. When the Auction is closed, each Storage Customer having successfully participated in the Auction shall be informed about allocated SBUs and the corresponding weighted average price. The remaining participants will be informed about the weighted average price of the Firm Capacity allocated in the Auction and the total amount of SBUs allocated.
- 7.9. The closing of the Auction shall be announced on GSD's website and by direct mailing to all Storage Customers.
- 7.10. GSD shall not later than three (3) Business Days after the closing of the Auction forward the Gas for Capacity Agreement to the Storage Customer successfully participated in the Auction.
- 7.11. These Auction Rules in addition with (1) the Gas for Capacity Agreement (APPENDIX I); (2) the description of restrictions, maintenance and other payments during the Storage Period (APPENDIX II); and (3) the RGS; form the full contractual basis for the Sale.

In case of any discrepancy between these Auction Rules and the documents listed above, priority shall be given to the documents in the following order:

1. APPENDIX I;
2. APPENDIX II;
3. This Auction Rules;
4. RGS.

8. CONTACT

If you have any questions, GSD can be contacted as follows:

Iliana Nygaard: +45 61243403
Email: iny@gasstorage.dk

Søren Hyldegaard: +45 61244408
Email: shy@gasstorage.dk

APPENDIX I

to the Auction Rules
16 June 2020

**Gas for Capacity Agreement
("Agreement")
between
[Storage Customer]
and
Gas Storage Denmark A/S**

Agreement ID: [XXX]

This Agreement has been entered between:

Gas Storage Denmark

Name: Gas Storage Denmark A/S
 Address: Tonne Kjaersvej 65
 Postcode and town: DK-7000 Fredericia
 Relevant contact: Rune H. Gjermundbo
 Telephone: +45 61240214
 Email: rhg@gasstorage.dk
 CVR no.: 29851247
 (hereinafter referred to as "GSD")

and

Storage Customer

Name: [XXX]
 Address: [XXX]
 Postcode and town: [XXX]
 Relevant contact: [XXX]
 Telephone: [XXX]
 Email: [XXX]
 CVR no.: [XXX]
 VAT no.: [XXX]
 (hereinafter referred to as "Storage Customer")

1. Definitions

Unless otherwise expressly stated, capitalized words shall have the meaning defined in the Rules for Gas Storage ("RGS") in the version applying at any time.

2. Storage Period

This Agreement has the following Storage Period:

1 July 2020 at 06:00 hours to 1 May 2021 at 06:00 hours.

3. Capacities

The Storage Customer's Firm Capacities during the Storage Period are as follows:

Maximum Firm Volume Capacity: [XXX] kWh
 Maximum Firm Injection Capacity: [XXX] kWh/Hour
 Maximum Firm Withdrawal Capacity: [XXX] kWh/Hour

In addition, the Storage Customer agrees to sell [XXX,XXX,XXX] kWh of Natural Gas to GSD for utilization as Cushion Gas.

~~The~~ This Natural Gas is to be injected physically into the storage facility in compliance with clause 6 in this Agreement and delivered to GSD at the Storage Point as transfer(s) of Stored Natural Gas in the Storage Point.

The transfer(s) of the Stored Natural Gas is to be executed according to an agreement between the Storage Customer and GSD prior to 1 November 2020 06:00 ("Transfer Deadline"). The Storage Customer may choose the specific day(s) for the transfer(s) and inform GSD at least 3 business days in advance.

The Cushion Gas is a technical prerequisite for GSD being able to deliver the Storage Customer's Firm Capacities during the Storage Period. The Storage Customer's utilization of the Firm Storage Capacities during the Expansion Period, cf. clause 6 in this Agreement, must be synchronized with the injection of the Cushion Gas in the ratio 40:60 – e.g. 100 MWh injected Cushion Gas creates 40 MWh Firm Volume Capacity. The remaining 60 MWh is injected Cushion Gas. The Maximum Firm Volume Capacity will be available for utilization after concluded injection of the full amount Cushion Gas.

The Firm Storage Capacity sold by GSD to the Storage Customer and the amount of Natural gas sold by the Storage Customer to GSD, are payable as described in clause 5 a)-c) and clause 7 in this Agreement.

Further, in respect to the injection of the Natural Gas sold by the Storage Customer to GSD, GSD shall allocate the following additional storage capacities ("Additional Storage Capacities") to the Storage Customer available for utilization during the period from 1 July 2020 at 06:00 hours to 29 October 2020 at 06:00 hours (120 days):

Additional Firm Volume Capacity: [XXX] kWh
Additional Firm Injection Capacity: [XXX] kWh/Hour

The Additional Firm Capacities shall be allocated to the Storage Customers on the terms and conditions described in clause 5 d) and clause 6 and 7 in this Agreement.

Any amounts of Natural Gas transferred to the Storage Customer from other Storage Customer(s) in the Storage Point are not qualified for purchase by GSD.

4. Injection Restrictions and Withdrawal Restrictions

This Agreement may be subject to Injection and Withdrawal Restrictions pursuant to clause 5.6 of RGS. Prior to conclusion of this Agreement, the Injection and Withdrawal Restrictions in force for the Storage Period concerned was announced on GSD's website.

5. Payments

The Storage Customer's purchase and use of Firm Capacity together with the amount of Natural Gas sold by the Storage Customer to GSD under this Agreement shall be subject to the following charges:

a) The payment for purchased Firm Storage Capacity and sold Natural Gas is:

$$T = Q * (0.4 * S - 0.6 * DA + K), \text{ where}$$

"T" is the total payable amount T in EUR, subsequently converted to Danish Krone by using the exchange rate [X.XXXX] €/DKK of the Danish Central Bank (Danmarks Nationalbank) with four decimals, as published on 29 October 2020, and

"Q" is the sum of the Storage Customer's purchased of Firm Storage Capacity (MWh) and the amount of Natural Gas sold to GSD (MWh); and

"S" is the arithmetic average of the spread (Q₁ - DA) as calculated on each Pricing Day in the Pricing Period, where

"Q₁" is the arithmetic average of the Q1 2021 Bid and Q1 2021 Offer as published in the table ["TTF Price Assessment" / "NCG Price Assessment" / "Gaspool Price Assessment"] in the ICIS European Spot Gas Markets (ESGM). In case, ICIS ESGM is not published on a Pricing Day during

the Pricing Period, the Bid and Offer values from the last published ESGM before the Pricing Day in question shall be used; and

“**DA**” is the arithmetic average of the Day Ahead Bid and Day Ahead Offer as published in the table [“TTF Price Assessment” / “NCG Price Assessment” / “Gaspool Price Assessment”] in the ICIS European Spot Gas Markets (ESGM), published during the Pricing Period. In case the Pricing Day is a Saturday or Sunday, the arithmetic average of the Weekend Bid and Weekend Offer as published in ICIS ESGM on the last day before the weekend shall be used; and

“**K**” is a constant equal to [X.XX] €/MWh and remains fixed for the Pricing Period; and

“**Pricing Day**” represents each single day in the **Pricing Period**; and

“**Pricing Period**” is the period from 1 July 2020 06:00 to 29 October 2020 06:00 (120 days).

In addition,

- If **T** is negative, the amount will be paid by GSD to the Storage Customer.

In such case, the Storage Customer must send an invoice to GSD with due date at least 14 days after the delivery of gas by transfer has been concluded, cf. clause 3 in this Agreement.

In the invoice, the Storage Customer must state the Storage Customers’ bank account and a GSD’s Reference Number, which GSD shall submit to the Storage Customer in due time after the Auction 16 June 2020.

- If **T** is positive, the amount will be paid by the Storage Customer to GSD on monthly basis during the rest of the Storage Period. The due date for the payment of monthly invoices is 30 calendar days after the date of the invoice.
- Within five (5) Business Days after the end of the Pricing Period, GSD shall calculate the price **T** and communicate it to the Storage Customer. The Storage Customer shall, within one (1) Business Day of receipt, confirm the price by e-mail.

b) Charge for Variable Injection during the Storage Period

- The charge for Variable Injection is based on the quantities of Natural Gas that the Storage Customer injects into the Storage Facilities during the Storage Period.

c) Charge for Variable Injection in respect to the Natural Gas purchased by GSD

- GSD shall compensate the Storage Customer for payable Variable Injection in respect of the injection of the amount of Natural Gas purchased by GSD.
- The compensation shall take effect in form of a monthly amount corresponding to the Variable Injection Charge in SY2020, cf. APPENDIX II D, multiplied by the amount of Natural Gas purchased by GSD. The amount will be credited on a monthly basis during the period August - November, each month in respect to the baseload injection of the Natural Gas in the preceding month, cf. clause 6 in this Agreement.

- Only Storage Customers who have not chosen the flat rate method shall be credited.
- In case, the net injection hourly rate is less than the expected even injection rate, cf. clause 6 below, GSD shall compensate for Variable Injection up to the actually utilized injection rate in each hour during the injection period from 1 July 2020 at 06:00 hours to 29 October 2020 at 06:00 hours.

d) Charge for Additional Firm Volume Capacity and Additional Firm Injection Capacity in respect to the Natural Gas purchased by GSD

- The Storage Customer shall not pay for the allocated Additional Firm Volume Capacity.
- The Storage Customer shall not pay for the allocated Additional Firm Injection Capacity.

Relevant taxes and charges must be added to the payment set out above. Further, other charges payable shall be based on clause 9 of RGS.

6. Injection profile for the Natural Gas purchased by GSD

The Storage Customer shall physically inject the amount of Natural Gas purchased by GSD into the storage in an even injection rate during the period from 1 July 2020 06:00 to 29 October 2020 06:00 ("Expansion Period").

7. GSD's rights to cancel, postpone or interrupt

This Agreement is a result of the Storage Customer's successful participation in the Auction conducted by GSD on 16 June 2020. The Maximum Quantity offered in the Auction, cf. clause 5.5 in the Auction Rules, entails an expansion of the marketable Storage Capacity of the aquifer storage facility at Stenlille Gas Storage.

For the purpose, GSD has performed an assessment of the conditions of the geological underground of the aquifer storage facility and found that the reservoir can safely be expanded with 3.0 TWh, however GSD has chosen to expand the reservoir by just 1.8 TWh. The technical results of the assessment combined with the current market development pose a unique opportunity to expand the marketable storage capacity based on a solid business case.

Even if GSD considers the technical and operational side of the expansion to be well founded based on GSD's knowledge and expertise through many decades of experience with the aquifer storage facility, GSD must be able to handle any technical and financial risks during the expansion project. Therefore GSD reserves the rights to cancel, postpone or interrupt the injection of the remaining amount of Natural Gas at any time during the Expansion Period due to unexpected technical circumstances or unfavourable market conditions. In such case, GSD shall be entitled to cancel, postpone or interrupt this Agreement by giving at least 3 Gas Days' notice to the Storage Customer prior to an effect start date at 06:00 Danish time ("Notified Date"). The Storage Customer is obliged to comply with GSD's notification.

GSD defines "unfavorable market conditions" mentioned above as occurred, if the 7 (seven) days rolling average value of $(0.4 * S - 0.6 * DA + K)$ in the customer specific formula stipulated in clause 5 a) in this Agreement, drops below -1.00 €/MWh .

After received notice, GSD shall contact the Storage Customer with the terms and conditions for a Replacement Agreement based on the following parameters:

- The replacement Expansion Period starting on 1 July 2020 and ending on the Notified Date; and

- The replacement Pricing Period starting on 1 July 2020 and ending on the Notified Date; and
- The replacement Transfer deadline is 3 (three) days after the Notified Date; and
- The replacement amount of Maximum Firm Volume Capacity (cf. clause 3 in this Agreement) calculated as 40% of the Natural Gas injected during the replacement Pricing Period; and
- The replacement Maximum Firm Injection Capacity and Maximum Firm Withdrawal Capacity (cf. clause 3 in this Agreement) will be calculated in proportion to the replacement amount of Maximum Firm Volume Capacity based on the 120/60 SBU characteristics, cf. table 1 in clause 5.5 in the Auction Rules; and
- The replacement amount of Natural Gas purchased by GSD from the Storage Customer (cf. clause 3 in this Agreement) will be calculated as 60% of the Natural Gas injected during the replacement Pricing Period; and
- The replacement delivery period for the Additional Storage Capacities (cf. clause 3 in this Agreement) starting on 1 July 2020 and ending on the Notified Date; and
- The replacement compensations for Variable Injection, free Firm Volume Capacity and free Firm Injection Capacity (cf. clause 5 c) and 5 d) in this Agreement), valid for the replacement Expansion Period; and
- All other terms and conditions are unchanged compare to this Agreement.

No Storage Customer shall have any claim for damage or losses in the event of cancellation, postponement or interruption.

8. Storage Customer's obligation to deliver Natural Gas purchased by GSD

The Storage Customer is obliged to deliver the amount of Natural Gas purchased by GSD in compliance with this Agreement.

In the event of the Storage Customer fails to deliver, GSD is entitled to seek full or partial satisfaction for any outstanding claim in any of the Storage Customer's Stored Natural Gas. For any missing amount of Natural Gas, satisfaction shall be gained by written notification to the Storage Customer and at the lowest price which GSD can purchase and inject the Natural Gas into the storage facility on behalf of the Storage Customer.

9. Service related to Filling Requirements

GSD offers a service to monitor that the Storage Customer is compliant with an agreement on Filling Requirements concluded between the Storage Customer and Energinet TSO Gas, if relevant. The Storage Customer may request GSD to deliver this service pursuant to section 7.5.6 of RGS.

10. Reporting to ACER on behalf on GSD

GSD has no access to a reporting platform for REMIT in respect of trading with Natural Gas. Therefore the Storage Customer shall report GSD's purchase of Natural Gas to ACER on behalf of GSD. For the purpose, the Storage customer shall use GSD's EIC code: 21X000000001104T / ACER: A0014094Y.DK.

The reporting must take place 3 (three) days after the transfer(s) of Natural Gas from the Storage Customer to GSD at the latest. The Storage Customer shall confirm the reporting by email sent to contact@gasstorage.dk.

11. Contact details

The Storage Customer can contact GSD’s control centre round-the-clock concerning operational issues:

GSD´s control centre gas

Name: Control Centre Gas
 Address: Mosevej 3
 Postcode and town: DK-6040 Egtved
 Telephone: +45 7070 1961
 Telefax: +45 7022 0328
 Email: kontrolcentergas@energinet.dk
 Relevant contact: Dispatcher on duty

If GSD round-the-clock has a need to get in contact with the Storage Customer concerning operational issues, GSD will contact the contact for operations as specified below:

Storage Customer (within Business Hours):

Name: [XXX]
 Email: [XXX]
 Telephone: [XXX]

Storage Customer (outside Business Hours)

Name: [XXX]
 Email: [XXX]
 Telephone: [XXX]

-0000000-

Unless otherwise agreed, this Agreement is subject to the version of RGS applicable at any time, which the Storage Customer by signing this Agreement accepts to be bound of. In case of conflict between this Agreement and RGS, this Agreement shall prevail.

Stenlille, / / 2020

, / / 2020

Gas Storage Denmark A/S:

[name of Storage Customer]:

 Rune H. Gjermundbo
 Head of Sales and Planning

 [Name and title of employee]

APPENDIX II

to the Auction Rules
16 June 2020

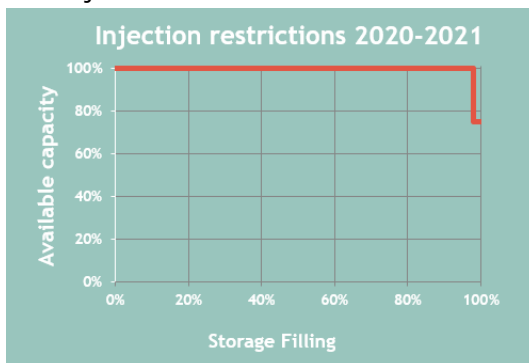
Description of restrictions, maintenance and other payments during the Storage Period

The Standard Storage Agreement is subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions are set in accordance with RGS applicable at any time.

A. Injection Restrictions

75% of the injection capacity is available when the storage facility is filled up 95% or more. All injection capacity is available when the storage filling is below 95%.

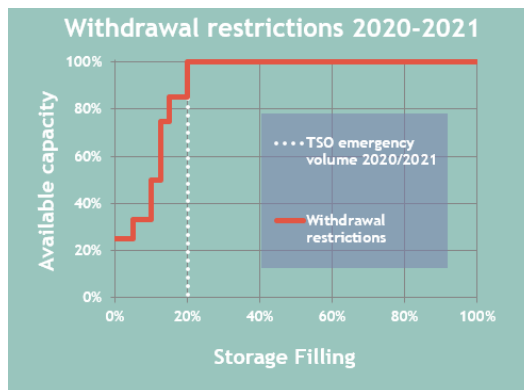
The Injection Restrictions for SY2020 are illustrated in the following figure:



B. Withdrawal Restrictions

- 85% of the withdrawal capacity is available when the storage filling is at or below 20%,
- 75% of the withdrawal capacity is available when the storage filling is at or below 15%,
- 50% of the withdrawal capacity is available when the storage filling is at or below 12.5%,
- 33% of the withdrawal capacity is available when the storage filling is at or below 10%,
- 25% of the withdrawal capacity is available when the storage filling is at or below 5%.

The Withdrawal Restrictions for SY2020 are illustrated in the following figure:



C. Restrictions on storage access due to maintenance

There will be no restrictions on storage access due to planned maintenance in SY2020.

D. Variable charge

- **Variable injection charge**

In accordance with the RGS, a variable charge for injection into the storage facility will be applied, unless otherwise stipulated. The variable charge reflects the expected costs associated with the gas being injected into and withdrawn from the storage facility.

The variable injection charge for SY2020 is 0.00223 DKK/kWh (approx. 0.30 €/MWh).

- **Flat-rate product**

With this product the payment of the variable injection charge can be replaced by an upfront fixed payment.

The payment for flat rate is 0.00223 DKK/kWh (approx. 0.30 €/MWh) applied to the Firm Volume Capacity booked in SY2020.

Please note that according to section 9.1 d of RGS, GSD is entitled to adjust tariffs on on-going basis.