



Auction Rules

7 March 2023

Gas Storage Denmark A/S

1. INTRODUCTION

These rules govern the qualification for participation, the conduct, and the outcome of the Auction of Combined Natural Gas & Storage Capacity delivered from the Danish storage facilities operated by Gas Storage Denmark.

The Auction is scheduled to be held on
7 March 2023, 11:00-12:00 a.m. Danish time.

Successful Bid(s) in the Auction will result in a binding obligation to purchase a product consisting of Combined Natural Gas & Storage Capacity from Gas Storage Denmark. The contractual setup of the Combined Natural Gas & Storage Capacity product will consist of two storage agreements to be concluded between the Storage Customer and Gas Storage Denmark: one Standard Storage Agreement supplemented by one Natural Gas Agreement, respectively *Appendix I* and *Appendix II* to this Auction Rules.

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 Combined Natural Gas & 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>.

Combined Natural Gas & Storage Capacity shall mean the product offered on the Auction as defines in clause 5.1.

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 System Operator means the Energinet (Energinet Systemansvar A/S), CVR number 39315084, responsible for managing the transmission function, security of supply, market facilitation and assumes the caretaking of the overall physical balance responsibility in pursuance of the Danish Gas Supply Act. In addition, Energinet is responsible for the Register of Players.

Exceeding Bid shall have the meaning specified in clause 6.7 c).

Firm Storage Capacity means Storage Capacity made available to the Storage Customers by GSD. GSD can only demand that Firm Storage Capacity is reduced or interrupted if (1) required due to technical or IT-related errors originating from Energinet System Operator, (2) too high or too low pressure in the Transmission System, (3) repair or maintenance, cf. clause 10 in GTCGS, (4) if Natural Gas allocated in the Storage Point does not comply with the Quality and Delivery Specifications, cf. clause 11 in GTCGS, (5) due to a Reduced Capacity Notice, cf. clause 13 in GTCGS, (6) Force Majeure, cf. clause 14 in GTCGS, or (7) in case of Emergency, cf. clause 15 in GTCGS.

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

GSD is Gas Storage Denmark A/S, registered at "Det Centrale Virksomhedsregister" of Denmark with CVR number 29851247, owning and managing the Danish storage facilities including the relations to all Storage Customers under the version of the General Terms and Conditions Gas Storage (GTCGS) applicable at any time.

GTCGS means General Terms and Conditions Gas Storage in the version applicable at any time.

Natural Gas Agreement is an agreement concluded between GSD and the Storage Customer on an amount of Stored Natural Gas sold by GSD to the Storage Customer, cf. *Appendix II* to this Auction Rules.

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

Reservation Price shall have the meaning specified in clause 5.3.

Resulting Price shall have the meaning specified in clause 6.1.

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

Standard Storage Agreement is an agreement concluded between GSD and a Storage Customer on the sale of Firm Storage Capacity to the Storage Customer, cf. *Appendix I* to this Auction Rules.

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 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 System Operator 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.

Stored Natural Gas is the quantity of Natural Gas stored in the Gas Storage by the Storage Customer at the start of an Hour, subject to Agreements with GSD.

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:

- i. satisfy the conditions stated in Energinet System Operator's General Terms and Conditions for Gas Transport (BfG, Betingelser for Gastransport) including conclusion of a Storage Customer Framework Agreement with Energinet System Operator and registration as a Storage Customer in the Register of Players; and

- ii. satisfy the conditions stated in GTCGS, including conclusion of a Storage Customer Agreement with GSD and testing of IT systems for communication of nominations etc.; and
- iii. 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 **7 March 2023, 11:00-12:00** Danish time.

5. THE AUCTION OFFERING

5.1. The product and the Storage Period

GSD offers a product consisting of Combined Natural Gas & Storage Capacity, which includes Firm Storage Capacity with the SBU-characteristics stated in *Table 1* for the Storage Period from 1 April 2023 06:00 to 1 April 2024 06:00 (12 months).

SBU Characteristics	Firm Volume Capacity	Firm Injection Capacity	Firm Withdrawal Capacity
# days			
Firm Injection Capacity/ Firm Withdrawal Capacity	kWh	kWh/Hour	kWh/Hour
90/90	1,000	0.463	0.463

Table 1

In addition, the Combined Natural Gas & Storage Capacity product includes the irrevocable sale of Stored Natural Gas as follows:

With effect per 1 April 2023 at 06:00 a.m. GSD shall transfer from own storage account to the storage account of the successful Bidder in the Auction an amount of Stored Natural Gas corresponding to the Firm Volume Capacity won by the Storage Customer on the Auction. The title transfer of the said amount of Stored Natural Gas will pass irrevocably from GSD to the Storage Customer against payments with effect on 1 January 2024 at 06.00 a.m. (1/3), 1 February 2024 at 06.00 a.m. (1/3) and 1 March 2024 at 06.00 a.m. (1/3). All said Hours are in Danish Time.

For the avoidance of doubt, the transferred amount of Stored Natural Gas shall be treated as a loan of Stored Natural Gas until the title transfer of the Stored Natural Gas from GSD to the Storage Customer and the corresponding payments from the Storage Customer to GSD have been executed.

Successful Bid(s) in the Auction will result in the conclusion of a Standard Storage Agreement between the Storage Customer and GSD, cf. *Appendix I* to this Storage Rules. In addition, the Storage Customer and GSD shall conclude a Natural Gas Agreement, cf. *Appendix II* to this Storage Rules.

The Standard Storage Agreement and the Natural Gas Agreement will be issued for the Storage Period from 1 April 2023 06:00 a.m. to 1 April 2024 06:00 a.m.

5.2. Maximum Quantity

The Maximum Total Number of SBUs offered in the Auction is **320,000 SBUs**.

5.3. Reservation Price

GSD's Reservation Price is:

$R = [\max(\mathbf{A}, \mathbf{B})]$, in the unit €/MWh/Storage Period, where

"**R**" is the reservation price, where

"**A**" is the sum of the arithmetic average of the Q1 2024 Bid and Q1 2024 Offer as published in the ICIS European Spot Gas Markets (ESGM) in the table titled "TTF Price Assessment" on the three different dates: 1 March 2023, 2 March 2023 and 3 March 2023, divided by three (3); and

"**B**" is the sum of the arithmetic average of the Q1 2024 Bid and Q1 2024 Offer as published in the ICIS European Spot Gas Markets (ESGM) in the table titled "THE Price Assessment" on the three different dates: 1 March 2023, 2 March 2023 and 3 March 2023, divided by three (3).

GSD will announce the calculated reservation price "R" on 6 March 2023 prior to 11.00 a.m. Danish time by publishing an announcement on the website and via direct mailing.

5.4. Payment scheme

The Storage Customer having successfully participated in the Auction shall pay the following monthly charges to GSD:

- a. A monthly capacity charge payable during the Storage Period under the Standard Storage Agreement (*Appendix I*) and corresponding to 1/12 of the Firm Volume Capacity won on the Auction multiplied by **3.62 €/MWh**, and
- b. A monthly charge for the sold Stored Natural Gas payable in Q1 2024 under the Natural Gas Agreement (*Appendix II*) and corresponding to 1/3 of the sold amount Stored Natural Gas, which is equal to the Firm Volume Capacity won on the Auction multiplied by the Resulting Price as defined in clause 6.1.

An example:

A Storage Customer wins 3,000 SBUs on the Auction for the price of 53.62 €/MWh. The storage services made available by GSD to the Storage Customer will comprise:

- Standard Storage Agreement, Appendix I:
 - o WGV 3 GWh
 - o IR 1,389 kWh/h
 - o WR 1,389 kWh/h
 - o Storage Period: from 1 April 2023 06.00 a.m. to 1 April 2024 06.00 a.m. (12 months)
 - o Total capacity charge: 3.62 €/MWh * 3,000 MWh = €10,860.00
 - o GSD will invoice in the beginning of each month during the Storage Period 1/12 of the total capacity charge, which equals to €905 as illustrated in *Table 2*.

- Natural Gas Agreement, Appendix II:
 - o GSD will transfer 3 GWh Stored Natural Gas to the account of the Storage Customer per 1 April 2023 06.00 a.m.
 - o The ownership of the Stored Natural Gas stays with GSD until 1 January 2024 06.00 a.m. where the ownership passes from GSD to the Storage Customer by 1 GWh per 1 January 2024 06.00 a.m., 1 GWh per 1 February 2024 06.00 a.m. and 1 GWh per 1 March 2024 06.00 a.m.
 - o The total price for the Stored Natural Gas will be €150,000.00, which the Storage Customer pays to GSD in three instalments of €50,000.00 invoiced in the beginning of January, February, and March 2024 as illustrated in *Table 2*.
 - o Agreement Period: from 1 April 2023 06.00 a.m. to 1 April 2024 06.00 a.m. (12 months). During that period the Storage Customer will provide security for the Stored Natural Gas owned by GSD in compliance with the Natural Gas Agreement, *Appendix II*, clause 5.

	2023									2024		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Standard Storage Agreement, Appendix I: Capacity on disposal to the Storage Customer												
Volume, GWh	3	3	3	3	3	3	3	3	3	3	3	3
Injection, kWh/h	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Withdrawal, kWh/h	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Unit price 3.62 €/MWh												
Invoiced by GSD, €/month	905	905	905	905	905	905	905	905	905	905	905	905
Natural Gas Agreement, Appendix II: Stored Natural Gas made available to the Storage Customer												
GSD ownership, GWh	3	3	3	3	3	3	3	3	3	2	1	-
Storage Customer ownership, GWh	-	-	-	-	-	-	-	-	-	1	2	3
Resulting Price 50.00 €/MWh												
Invoiced by GSD, €/month	0	0	0	0	0	0	0	0	0	50000	50000	50000

Table 2

5.5. Injection and Withdrawal Restrictions

The offered SBUs are subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions are notified in *Appendix III*.

5.6. Reporting to ACER on behalf of GSD

GSD has no access to a reporting platform for REMIT in respect of the sale of the Stored Natural Gas to the Storage Customer. Successful Bidder(s) in the Auction must therefore report the sale of the Stored Natural Gas to ACER on behalf of GSD by using GSD's EIC code: 21X000000001104T / ACER code: A0014094Y.DK.

The reporting must take place three (3) days after the title transfer on 1 January 2024 at 06.00 a.m. (1/3), 1 February 2024 at 06.00 a.m. (1/3) and 1 March 2024 at 06.00 a.m. (1/3) at the latest.

After each reporting the Storage Customer shall confirm the reporting to GSD by email sent to contact@gasstorage.dk.

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 Natural Gas Agreement, cf. *Appendix II* to this Auction Rules, will be the bidding price the Storage Customer has submitted in the Auction minus 3.62 €/MWh. 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 minus 3.62 €/MWh.

6.2. One single Bid cannot be less than 1 SBU (1 MWh) or more than the corresponding Maximum Quantity specified in clause 5.2.

6.3. The Auction shall be conducted over one (1) round.

a. The round will start at 11:00 and will close at 12:00 a.m. Danish time. Bids received outside this time will be rejected.

b. 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.

c. 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. Storage Customers may submit Bid(s) by completing the bidding sheet and sending it attached in an email to contact@gasstorage.dk. The completed bidding sheet shall contain the following information:
- a. the identity of the Bidder (company name and contact information, such as the name, email and phone number of the contact person); and
 - b. the quantity expressed as a non-negative whole integer representing the total quantity the Bidder requests, in the unit "MWh"; and
 - c. the price expressed as a non-negative number with up to three decimals, in the unit "€/MWh"; and
 - d. the type of the bidding specified either as "fixed volume bid" or "fill bid", cf. clause 6.7. c).
- 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, the Combined Natural Gas & Storage Capacity product will be allocated to the Bidders, as follows:
- a. a Bid with a price lower than the Reservation Price as specified in clause 5.3, will not be considered; and
 - b. no more than the relevant Maximum Quantity as specified in clause 5.2 will be allocated; and
 - c. GSD shall sort all Bids from the highest to the lowest price and allocate the offered number of SBUs from the top until no more SBUs are available or no more SBUs are demanded:
 - i. 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.
 - ii. 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.
 - iii. If there are identical Bids in price, declared as "fill bid", which also happened to be Exceeding Bids, GSD shall choose the Bid with the highest Quantity. If both

Price and Quantity are identical, the Quantity of the Exceeding Bids will be reduced pro rata, rounded to the nearest integer.

- 6.8. All Bidders will be notified about the Auction outcome no later than 13:00 Danish time on the Auction Date.
- 6.9. The Resulting Price in the Natural Gas Agreement concluded between the Storage Customer and GSD, will be expressed in €/MWh with three decimals. The total price for the sold amount of Stored Natural Gas will be expressed either in DKK or EUR with two decimals as agreed with the Storage Customer.

For the price conversion from € to DKK, GSD shall use the official exchange rate €/DKK with four decimals as published by the Danish Central Bank (Danmarks Nationalbank) on 6 March 2023.

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.

It should be noted that the Natural Gas Agreement (*Appendix II*) contains terms and conditions for additional security that may be required for the Natural Gas Agreement, cf. clause 5 in *Appendix II*.

- 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 to cancel, postpone, suspend, or restart the Auction due to technical or operational reasons, market price volatility, 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 Storage Agreement(s) 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 price calculated according to clause 6.1.
The remaining participants will be informed about the total number of SBUs allocated in the Auction and the corresponding volume weighted price.
- 7.9. The closing of the Auction shall be announced on GSD's website.
- 7.10. GSD shall forward the Standard Storage Agreement (*Appendix I*) and the Natural Gas Agreement (*Appendix II*) to the Storage Customer successfully participated in the Auction not later than three (3) Business Days after the closing of the Auction.
- 7.11. These Auction Rules in addition with (1) the Standard Storage Agreement (*Appendix I*); (2) Natural Gas Agreement (*Appendix II*); (3) the description of restrictions, maintenance, and other payments during the Storage Period (*Appendix III*); and (4) GTCGS; 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) *Appendix III*;
- 4) This Auction Rules;
- 5) GTCGS in the version applying at any time.

8. CONTACT

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

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

Marni Jacobsen: +45 30594137
Email: mjq@gasstorage.dk

APPENDIX I

to the Auction Rules
7 March 2023

Standard Storage Agreement
("Storage Agreement")
between
[customer name]
and
Gas Storage Denmark A/S

Agreement ID: KON-XXXX-XXXX

1. Parties to the Storage Agreement

This Storage Agreement has been entered into between:

Gas Storage Denmark

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

2. Definitions

Unless otherwise expressly stated, capitalized words shall have the meaning defined in General Terms and Conditions Gas Storage ("GTCGS") in the version applying at any time.

3. Storage Period

This Storage Agreement has the following Storage Period:
01-April-2023 at 06:00 hours to 01-April-2024 at 06:00 hours.

4. Capacities

The Storage Customer's Firm Capacities are as follows:

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

5. Injection Restrictions and Withdrawal Restrictions

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

6. Payments

The Storage Customer's purchase and use of Firm Capacity under this Storage Agreement shall be subject to the following charges:

a) Capacity charge for the Firm Capacity amounts to: [X,XXX,XXX,XX] DKK/Storage Period

The capacity charge for the Firm Capacity is calculated based on a unit price of 3.62 €/MWh for the Storage Period and is 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 the 6 March 2023.

The capacity charge for Firm Capacity is payable with 1/12 each month during the Storage Period.

b) Charge for injection of Natural Gas is based on the quantities of Natural Gas that the Storage Customer injects into the Storage Facilities.

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

7. 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 the Danish System Operator, if relevant. The Storage Customer may request GSD to deliver this service pursuant to section 7.2.6 of GTCGS.

8. Contact details

The Storage Customer may contact GSD's Control Center Gas round-the-clock concerning operational issues. Contact details:

GSD's control center gas

Name: Control Centre Gas
Address: Tonne Kjaersvej 65
Postcode and town: DK-7000 Fredericia
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 may use the following contacts for operations:

Storage Customer (within Business Hours):

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

Storage Customer (outside Business Hours)

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

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

Stenlille, / / 2023

, / / 2023

Gas Storage Denmark A/S:

[name of Storage Customer]:

Rune H. Gjermundbo
Head of Business Operations

[Name and title of employee]

APPENDIX II

to the Auction Rules
7 March 2023

Natural Gas Agreement
between
[Storage Customer]
and
Gas Storage Denmark A/S

Agreement ID: [XXX]

This Natural Gas 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")

Whereas

(1) This Natural Gas Agreement and the Standard Storage Agreement with agreement ID: [XXX] and the Auction Rules stipulate the terms and conditions for the Combined Natural Gas & Storage Capacity product auctioned by GSD on 7 March 2023, where the Storage Customer has been a successful bidder.

(2) With effect per 1 April 2023 at 06:00 a.m. Danish time GSD will make available to the Storage Customer an amount of Stored Natural Gas corresponding to the Firm Volume Capacity in the Standard Storage Agreement with agreement ID: [XXX].

(3) The title transfer of the said amount of Stored Natural Gas will pass irrevocably from GSD to the Storage Customer in accordance with clause 3 against payments as described in clause 4 in this Natural Gas Agreement.

(4) The Storage Customer is obliged to provide security for the Stored Natural Gas owned by GSD in compliance with clause 5 in this Natural Gas Agreement.

(5) All said Hours in this Natural Gas Agreement are in Danish Time.

1. Definitions

Unless otherwise expressly stated under this Natural Gas Agreement, capitalized words shall have the meaning defined in the General Terms and Conditions for Gas Storage ("GTCGS") in the version applying at any time as published on GSD's website.

2. Period

This Natural Gas Agreement is valid from 1 April 2023 at 06:00 a.m. to 1 April 2024 at 06:00 a.m.

For the avoidance of doubt, the Standard Storage Agreement with agreement ID: [XXX] has a corresponding Storage Period.

3. Title Transfer

GSD transfers [XX,XXX] MWh from own storage account to the storage account of the Storage Customer per 1 April 2023 06:00 a.m.

The ownership of the said amount of Stored Natural Gas stays with GSD until 1 January 2024 06.00 a.m., where the ownership passes from GSD to the Storage Customer in three (3) equal portions on 1 January 2024 06.00 a.m., 1 February 2024 06.00 a.m., and 1 March 2024 06.00 a.m. unless explicitly agreed otherwise with the Storage Customer under clause 5. (g) of this Natural Gas Agreement.

4. Payment

The Storage Customer's use and purchase of Stored Natural Gas under this Natural Gas Agreement shall be subject to the following charges:

a) Charge for the sold Stored Natural Gas amounts to: [X,XXX,XXX,XX] DKK

This charge is calculated based on the Resulting Price of [XX.XXX] €/MWh and is 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 the 6 March 2023.

GSD will invoice the charge for the sold Stored Natural Gas by 1/3 in the beginning of each month in Q1 2024 unless explicitly agreed otherwise with the Storage Customer under clause 5. (g) of this Natural Gas Agreement.

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

There is no cost associated with the transfer of the Stored Natural Gas mentioned in clause 3 above. GSD shall perform the transfer on behalf of the Storage Customer according to this Natural Gas Agreement.

5. Security

Since the Stored Natural Gas is transferred from GSD to the Storage Customer on 1 April 2023 06.00 a.m. and the Storage Customer's payments for the Stored Natural Gas are scheduled in three (3) instalments in the beginning of each month in Q1 2024, the Storage Customer shall provide any credit-enhancing security required in accordance with the principles provided for by clause 17.2 of GTCGS.

The principles of clause 17.2 of GTCGS are expanded to cover the transferred Stored Natural Gas in accordance with the principles listed below, which also reflect the GSD's entitlement to seek full or partial satisfaction for every outstanding claim in any of the Storage Customer's Stored Natural Gas in compliance with clause 16.5 c) of GTCGS:

(a) The security in relation to this Natural Gas Agreement and clause 17.2 of GTCGS shall be calculated based on the formula:

$$S = P \times TGNP \times (1 - GAS), \text{ where}$$

S = Amount of security to be provided in € or DKK;

P = Resulting Price [XX.XXX] €/MWh;

TGNP = Amount of the transferred Stored Natural Gas not paid yet for by the Storage Customer, in unit "MWh"; and

GAS = Parameter, which is equal to the storage filling of the Storage Customer's storage account divided by TGNP. If GAS becomes higher than 1 it is subsequently set to 1.

For the price conversion from € to DKK, GSD shall use the official exchange rate €/DKK with four decimals as published by the Danish Central Bank (Danmarks Nationalbank) on day before the calculation of S.

- (b) The security shall be provided in full or partly depending on the available free space under the Storage Customer's approved credit limit multiplied by factor 0.5, calculated by GSD.
- (c) The Storage Customer may provide GSD with security in DKK or EUR, in one of the forms notified in clause 17.2 a) (i)– (vi) of GTCGS.
- (d) The due date for the provision of the security is three (3) Business Days after the transfer of the Stored Natural Gas.
- (e) During the validity period of this Natural Gas Agreement, GSD is entitled to require additional security according to the calculation of the formula for S at the beginning of each month with 3 (three) Business Days due date for the provision of the security.
- (f) GSD shall release security provided by the Storage Customer in compliance with clause 17.2 c) of GTCGS.
- (g) If relevant before or during the validity period of this Natural Gas Agreement, insofar the Storage Customer wishes to omit the provision of any security required according to this clause 5 or release any already provided security, the Storage Customer may propose another payment schema than notified in clause 4 in this Natural Gas Agreement. In such case GSD may adopt the payment terms accordingly by concluding a side letter to this Natural Gas Agreement with the Storage Customer.

GSD shall contact in a timely manner the Storage Customer for exchanging bank details and undertaking other appropriate arrangements in respect of the security after the Storage Customer's successful participation in the Auction.

6. Reporting to ACER on behalf of GSD

GSD has no access to a reporting platform for REMIT in respect of the sale of the Natural Gas. The Storage Customer is therefore obliged to report the sale of the Natural Gas to ACER on behalf of GSD by using GSD's EIC code: 21X000000001104T / ACER code: A0014094Y.DK.

The reporting must take place 3 (three) days after the title transfer on respectively the 1 January 2024, 1 February 2024 and 1 March 2024 at the latest. After each reporting the Storage Customer shall confirm the reporting to GSD by email sent to contact@gasstorage.dk.

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Unless otherwise agreed, this Natural Gas Agreement is subject to the version of GTCGS applicable at any time, which the Storage Customer by signing this Natural Gas Agreement accepts to be bound of. In case of conflict between this Natural Gas Agreement and GTCGS, this Natural Gas Agreement shall prevail. In witness whereof GSD and the Storage Customer have signed this Natural Gas Agreement on respective dates set out below, in two identical copies, with effect from 1 April 2023.

Stenlille, / / 2023

, / / 2023

Gas Storage Denmark A/S:

[name of Storage Customer]:

Rune H. Gjermundbo
Head of Business Operations

[Name and title of employee]

APPENDIX III

to the Auction Rules
7 March 2023

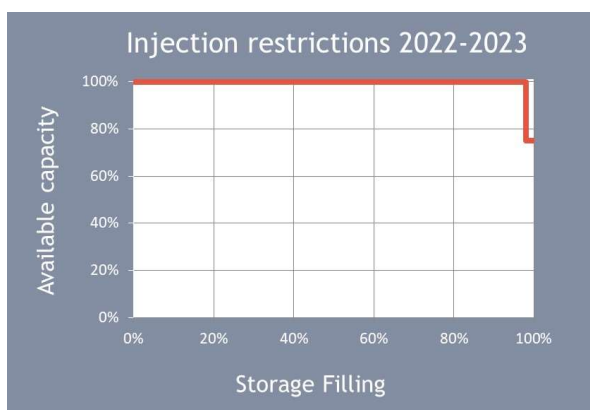
Description of restrictions, maintenance, and other payments during the Storage Period

The Standard Storage Agreement, cf. *Appendix I*, is subject to Injection and Withdrawal Restrictions. The Injection and Withdrawal Restrictions are set in accordance with GTCGS 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 in SY2023 are expected to be unchanged compared to the injection restrictions valid in SY2022, which are shown on the diagram below:



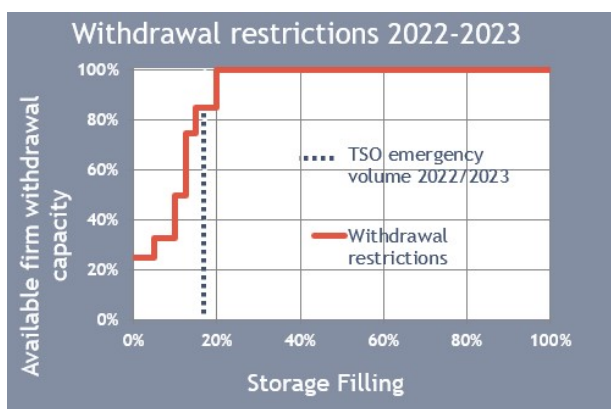
B. Withdrawal Restrictions

The Withdrawal Restrictions in SY2023 are not fully assessed yet and there could be some minor adjustments compared to the Withdrawal Restrictions valid in SY2022.

For information, the Withdrawal Restrictions in SY2022 are as follow:

- 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 SY2022 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 SY2023.

D. Variable charge

i) Variable charge for injection

In accordance with GTCGS, a variable charge for injection of Natural Gas into the storage facility will be applied, unless otherwise informed by GSD. The variable charge reflects the expected costs associated with the gas being injected into and withdrawn from the storage facility.

The variable charge for injection in SY2022 is 0.004393 DKK/kWh (approx. 0.59 €/MWh).

ii) Flat-rate product

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

The payment for flat rate is 0.004393 DKK/kWh (approx. 0.59 €/MWh) applied to the Firm Volume Capacity booked in SY2022.

Please note that according to section 9.1 d) of GTCGS, GSD is entitled to adjust tariffs incl. the charge for variable injection (i) and the flat-rate payment (ii), on an on-going basis.