

**Dated**

**20**

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**V STORE CONTRACT**

**Storage Year 2010/11**

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**Centrica Storage Limited  
42-54 London Road  
Staines  
Middlesex  
TW18 4HF**

Version 1 – 1<sup>st</sup> November 2009

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- 1.3 Terms applied in relation to the Customer in this Agreement shall have the equivalent meanings when applied in this Agreement in relation to another V STORE Customer.

## 2. Scope of Agreement and Storage Charges

- 2.1 During the Contract Period the Customer may use V STORE by injecting Gas to V STORE, by CSL holding Gas-in-V STORE and by withdrawing Gas from V STORE in accordance with the provisions of this Agreement.

- 2.2 For the purposes of this Agreement, the terms “injecting” and “withdrawing” are used for convenience and references to “**injecting**” and “**withdrawing**” Gas shall be construed as follows:

- (a) "injecting" shall refer to the transfer of Gas into V STORE by CSL on behalf of the Customer, and "withdrawing" shall refer to the transfer of Gas out of V STORE by CSL on behalf of the Customer, both in accordance with the provisions of this Agreement (and “**inject**” and “**withdraw**” shall be construed accordingly); and
- (b) the transfer of Gas by CSL on behalf of a Customer refers to the transfer of Gas by CSL pursuant to a Notification made or deemed to be made by such Customer,

and references to quantities of Gas “**injected**” and “**withdrawn**” shall be construed as meaning quantities of Gas transferred into and out of V STORE by CSL on behalf of the Customer pursuant to the terms of this Agreement.

- 2.3 For the purposes of this Agreement “**Storage Charges**” are charges payable by the Customer in respect of Capacity in or use of V STORE.

- 2.4 Storage Charges comprise Capacity Charges, Injection Charges and Withdrawal Charges.

## 3. Gas-in-V STORE

- 3.1 The Customer's “**Gas-in-V STORE**” at the end of any Day during the Contract Period in respect of V STORE is:

- (a) the sum of:
- (1) the Customer's Opening Storage Balance in accordance with Clause 3.3;
  - (2) the quantities of Gas injected by the Customer on Days in the Contract Period up to and including such Day; and
  - (3) the quantities of Gas (if any) purchased by the Customer from CSL pursuant to one or more agreements between the Customer and CSL which expressly designate such quantities as Gas-in-V Store; less

- (b) the quantities of Gas withdrawn by the Customer on Days in the Contract Period up to and including such Day; and

for the avoidance of doubt the Customer's Gas-in-V STORE at the beginning of any Day shall be the Customer's Gas-in-V STORE at the end of the preceding Day as calculated in accordance with this Clause 3.1.

- 3.2 Where the Customer has Gas-in-V STORE the Customer is entitled (subject to and in accordance with this Agreement) to have a quantity of Gas, equal to the amount of its Gas-in-V STORE, delivered to the NBP by way of withdrawing Gas, and (without prejudice to Clause 15) has no other entitlement in respect of Gas-in-V STORE.
- 3.3 The Customer's "**Opening Storage Balance**" in respect of V STORE shall be the amount of the Customer's gas-in-storage (if any) at 1 April 2010 or, if later, the date of this Agreement plus the quantities injected (if any) and less the quantities withdrawn on such Day.
- 3.4 Title and risk to Gas injected by the Customer to, or withdrawn by the Customer from, V STORE shall be treated as passing from the Customer to CSL or (as the case may be) from CSL to the Customer at the NBP.
- 3.5 CSL shall have title to and risk in all Gas deemed to be contained in V STORE.
- 3.6 CSL warrants to the Customer that CSL will have title to Gas to be withdrawn from V STORE and transferred to Customer at the NBP and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other charge arising on or before such withdrawal of gas from V STORE.
- 3.7 The Customer warrants to CSL that the Customer will have title to Gas to be transferred to CSL into V STORE at the NBP and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other charge arising on or before such transfer of gas into V STORE.
- 3.8 CSL shall indemnify the Customer and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Customer in consequence of a breach of the warranty in Clause 3.6.
- 3.9 The Customer shall indemnify CSL and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against CSL in consequence of a breach of the warranty in Clause 3.7.

#### **4. Registered, Available and Effective Capacity**

- 4.1 The Customer may hold capacity ("**Capacity**") in V STORE.
- 4.2 Capacity comprises Deliverability, Space and Injectability.
- 4.3 For the purposes of this Agreement:

- (a) “**Deliverability**” is capacity (expressed as a rate of withdrawal in kWh/Day) which entitles the Customer to withdraw Gas from V STORE at that rate of withdrawal;
- (b) “**Space**” is capacity (expressed in kWh) which entitles the Customer to have Gas-in-V STORE;
- (c) “**Injectability**” is capacity (expressed as a rate of injection in kWh/Day) which entitles the Customer to inject Gas into V STORE at that rate of injection.

4.4 For the purposes of this Agreement:

- (a) the Customer's “**Registered**” Deliverability, Space or Injectability in relation to V STORE is the Deliverability, Space or Injectability held by the Customer pursuant to an Auction or a Bilateral Sale or held by the Customer following a Capacity Assignment in accordance with Clause 16;
- (b) in respect of any Gas Flow Day, the Customer's “**Available**” Deliverability, Space and Injectability in relation to the V STORE is the Deliverability, Space and Injectability which the Customer holds (pursuant to paragraph (a)) on such Gas Flow Day (or at any particular time within such Gas Flow Day) in V STORE;
- (c) the Customer's “**Effective**”:
  - (i) Deliverability in respect of any Day (or at any particular time within the Day) is its Available Deliverability; and
  - (ii) Injectability in respect of any Day (or at any particular time within the Day) is its Available Injectability.

4.5 CSL shall provide to the Customer:

- (a) as soon as reasonably practicable following the allocation of Capacity to the Customer in V STORE pursuant to an Auction or following a Bilateral Sale a Registered Capacity Certificate for each Capacity allocated to the Customer in V STORE by CSL (showing the details in accordance with Clause 4.6 in respect of the Capacity so allocated);
- (b) following a Capacity Assignment by not later than the Assignment Date, a Registered Capacity Certificate in respect of the Capacity subject to the Capacity Assignment in V STORE, and such Registered Capacity Certificate:
  - (i) shall show the details in accordance with Clause 4.6 taking into account the Capacity Assignment;
  - (ii) shall, where the Customer had previously been provided with a Registered Capacity Certificate in respect of the Capacity, be in substitution for and replace the certificate previously provided by CSL.

- 4.6 A Registered Capacity Certificate shall identify:
- (a) the Customer's name;
  - (b) a unique certificate number;
  - (c) the type of Capacity, the amount of Capacity (expressed in respect of Deliverability and Injectability in kWh/Day and in respect of Space in kWh) and the Applicable Annual Rate;
  - (d) the date from which the Customer is first registered as holding the Capacity (the “**Entitlement Start Date**”) and the date following which the Customer ceases to be registered as holding the Capacity (the “**Entitlement End Date**”) being those dates determined by reference, as appropriate, to an Auction, Bilateral Sale or Capacity Assignment.

## 5. Capacity Charges

- 5.1 The Customer shall pay Capacity Charges in respect of its Registered Capacity in V STORE
- 5.2 For the purposes of this Agreement:
- (a) “**Capacity Charge**” means a Deliverability Charge, a Space Charge or an Injectability Charge;
  - (b) “**Deliverability Charge**” is a charge (expressed in pence per kWh/Day per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Deliverability;
  - (c) “**Space Charge**” is a charge (expressed in pence per kWh per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Space;
  - (d) “**Injectability Charge**” is a charge (expressed in pence per kWh/Day per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Injectability.
- 5.3 The Capacity Charges payable by the Customer in respect of each Day (in the period from the Entitlement Start Date to the Entitlement End Date (inclusive)) and in respect of V STORE will be determined as the amount of the Customer's Registered Capacity shown on each Registered Capacity Certificate in respect of V STORE multiplied by the Applicable Daily Rate.
- 5.4 The annual rate of Capacity Charges payable by the Customer in respect of Registered Capacity shown on a Registered Capacity Certificate shall be specified in that Registered Capacity Certificate (the “**Applicable Annual Rate**”) and the “**Applicable Daily Rate**” is the Applicable Annual Rate divided by 365.
- 5.5 Capacity Charges will be invoiced and are payable monthly in accordance with Clause 11.

## **6. Gas in V STORE at Entitlement End Date**

- 6.1 Where the Customer holds Gas-in-V STORE after the Entitlement End Date the provisions of Clause 6.2 will apply and CSL will give the Customer not less than 5 Days notice thereof and shall specify in such notice the Day on which the provisions of Clause 6.2 shall take effect.
- 6.2 Where this Clause 6.2 applies, the Customer shall be deemed to have made a Withdrawal Notification (and accordingly shall withdraw Gas), for each of the 5 consecutive Days (Days 1 to 5) following the Day specified by CSL pursuant to Clause 6.1, for a Notified Quantity determined as  $1/n$  times the amount of the Customer's Excess Gas-in-V STORE, and the applicable Withdrawal Charges shall be calculated in accordance with Clause 10.3.
- 6.3 For the purposes of Clause 6.2:
- (a) 'n' is 5 for Day 1, 4 for Day 2, 3 for Day 3, 2 for Day 4 and 1 for Day 5;
  - (b) the Customer's "**Excess Gas-in-V STORE**" on any of Days 1 to 5 is the amount by which the Customer's Gas-in-V STORE exceeds its Available Space on that Day.
- 6.4 CSL may, at its discretion, offer to the Customer the option for the Customer to transfer its Excess Gas-in-V STORE into another storage service provided by CSL (whether or not such storage service is provided by CSL as at the date of this Agreement). The terms of such transfer shall be governed by written agreement between CSL and the Customer, provided that CSL shall offer equivalent terms to all V STORE Customers to which CSL offers the option to transfer Excess Gas-in-V STORE.

## **7. Notifications**

- 7.1 Where the Customer wishes to have quantities of Gas injected into or withdrawn from V STORE it shall be required to make notifications in accordance with this Clause 7.
- 7.2 Each Notification submitted by the Customer must specify:
- (a) the Gas Flow Day;
  - (b) the Customer's identity;
  - (c) whether it is an Injection Notification or a Withdrawal Notification; and
  - (d) in the case of:
    - (i) an Injection Notification, the quantity of Gas to be injected into V STORE; or
    - (ii) a Withdrawal Notification, the quantity of Gas to be withdrawn from V STORE.

- 7.3 The Customer will not be entitled to make a Withdrawal Notification in respect of a Day where the quantity notified for withdrawal from V STORE exceeds the sum of the Customer's Gas-in-V STORE at the beginning of such Day.
- 7.4 Without prejudice to any other provision of this Agreement, the Customer may submit Notifications not earlier than forty-five (45) Days before the Gas Flow Day and not later than the Notification Time (provided that where the Customer has not submitted a Notification for a Gas Flow Day by the Notification Time the Customer will be deemed to have submitted a Notification for such Day in respect of which the Notified Quantity is zero).
- 7.5 CSL may reject (but shall not be required to reject) a Notification:
- (a) where it does not comply with the requirements of Clause 7.2;
  - (b) which is not in accordance with Clause 7.3;
  - (c) where submitted other than in accordance with Clause 7.4;
  - (d) in accordance with Clause 20

and where CSL rejects a Notification it shall promptly inform the Customer (and provide the reasons therefor).

- 7.6 A Notification submitted to CSL which has not been rejected within 60 minutes after the Notification Time shall be deemed to be approved.
- 7.7 The Customer may revise, replace or remove a Notification at any time up to the Notification Time by clearly communicating to CSL in writing the previous Notification to be revised, replaced or removed and, in the case of revision or replacement, by submitting such revised or replaced Notification in accordance with Clauses 7.2, 7.3 and 7.4. The prevailing Notification in place at the Notification Time shall be the Customer's only Notification and any previous Notification shall be deemed removed and shall not be capable of being accepted or rejected by CSL. For the avoidance of doubt, the Customer cannot revise, replace or remove any Notification after the Notification Time and CSL shall disregard any attempt to do so.
- 7.8 In respect of a Withdrawal Notification, the “**Effective Withdrawal Rate**” for a Day or any hour within that Day is the rate (in kWh/hour) determined as the Customer's Effective Deliverability divided by 24.
- 7.9 In respect of an Injection Notification, the “**Effective Injection Rate**” for a Day or any hour within that Day is the rate (in kWh/hour) determined as the Customer's Effective Injectability divided by 24.

## **8. Allocation and NBP Transfers**

- 8.1 The quantity of Gas accounted for as injected or withdrawn on a Day to or from V STORE by the Customer will be the Notified Quantity under its Notification prevailing at the Notification Time for that Day and the Parties shall effect an NBP Transfer for the Notified Quantity in accordance with the provisions of this Clause 8.

- 8.2 For each Day in respect of which there is a positive Notified Quantity under the Notification prevailing at the Notification Time for that Day the Parties shall each make an Accurate Trade Nomination being (i) in the case of an Injection Notification, a Disposing Trade Nomination by the Customer for such Notified Quantity and an Acquiring Trade Nomination by CSL for such Notified Quantity and (ii) in the case of a Withdrawal Notification, a Disposing Trade Nomination by CSL for such Notified Quantity and an Acquiring Trade Nomination by the Customer for such Notified Quantity. The Parties shall use reasonable endeavours to make Accurate Trade Nominations by no later than 1200 hours on the relevant Day. All Trade Nominations shall be made for nil consideration.
- 8.3 If for any Day for which an NBP Transfer is required to be made, UK Link is affected by a Code Contingency and which affects a Party, such Party shall submit its Trade Nomination by the means and in the manner provided for in the Contingency Procedures.
- 8.4 Where, in respect of a Day and a Notified Quantity, the Trade Nominations submitted by the Parties are considered not to be effective and are rejected by NGG in accordance with Section C.5 of the UNC:
- (a) a breach by the Customer shall be deemed to have occurred if the last Accurate Trade Nomination notified to NGG in respect of the Notified Quantity was made by CSL; and
  - (b) a breach by CSL shall be deemed to have occurred if the last Accurate Trade Nomination notified to NGG in respect of the Notified Quantity was made by the Customer.
- 8.5 Where NGG has accepted an Accurate Trade Nomination, neither Party shall, unless otherwise agreed by the Parties, amend or withdraw such Accurate Trade Nomination.
- 8.6 Save and except in the case of NBP Force Majeure, if for any Day CSL is in breach of Clauses 8.2, 8.3, 8.4 or 8.5, CSL shall pay to the Customer the sum, where positive of  $(RP - CP) * NQ$ , where:
- RP is (i) where the relevant Notified Quantity is made pursuant to an Injection Nomination, System Marginal Sell Price for that Day and (ii) where the relevant Notified Quantity is made pursuant to a Withdrawal Nomination, System Marginal Buy Price for that Day;
- CP is zero; and
- NQ is the Notified Quantity for that Day.
- Payment in accordance with the provisions of this Clause 8.6 shall be in full and final satisfaction of the rights of the Customer and the sole remedy available to the Customer in respect of a breach by CSL of Clauses 8.2, 8.3, 8.4 or 8.5 howsoever caused and even where caused by the negligence or breach of duty of CSL.
- 8.7 Save and except in the case of NBP Force Majeure, if for any Day the Customer is in breach of Clauses 8.2, 8.3, 8.4 or 8.5, the Customer shall pay to CSL the sum, where positive of  $(RP - CP) * NQ$ , where:

RP is (i) where the relevant Notified Quantity is made pursuant to an Injection Nomination, System Marginal Buy Price for that Day and (ii) where the relevant Notified Quantity is made pursuant to a Withdrawal Nomination, System Marginal Sell Price for that Day;

CP is zero; and

NQ is the Notified Quantity for that Day.

Payment in accordance with the provisions of this Clause 8.7 shall be in full and final satisfaction of the rights of CSL and the sole remedy available to CSL in respect of a breach by the Customer of Clauses 8.2, 8.3, 8.4 or 8.5 howsoever caused and even where caused by the negligence or breach of duty of the Customer.

8.8 If a Party is by reason of NBP Force Majeure rendered unable wholly or in part to carry out its obligations in accordance with this Clause 8, then upon notice in writing of such NBP Force Majeure from the Party affected to the other Party as soon as reasonably practicable after the occurrence of the event or circumstance relied on, the Party affected shall be relieved of liability to the extent that it is in breach by reason of NBP Force Majeure and for the period during which such NBP Force Majeure persists, provided that:

- (a) the Party seeking relief under this Clause 8.8 shall advise the other Party as soon as reasonably practicable after the occurrence of the event or circumstance constituting NBP Force Majeure together with its estimate of the likely effect of such NBP Force Majeure on its ability to perform its obligations hereunder and of the likely period of such NBP Force Majeure; and
- (b) the Party affected shall use all reasonable endeavours to terminate or overcome the event or circumstance constituting NBP Force Majeure.

8.9 Each Party warrants and undertakes to the other that it is a User and a party to the UNC and that it shall maintain at all times during the Contract Period, access to and use of UK Link and shall make all Trade Nominations in accordance with the UNC necessary to enable Gas to be injected into and/or withdrawn from V Store in accordance with the terms of this Agreement.

## **9. Injection**

9.1 The Customer may inject Gas into V STORE on any Day in accordance with this Agreement, provided at all times Gas may not be injected if and to the extent that the quantity of Gas to be injected would be in excess of the Customer's Available Space at the relevant time of injection.

9.2 The Customer shall pay charges (“**Injection Charges**”) in respect of quantities injected into V STORE at the rate of 0.021 pence per kWh.

9.3 Injection Charges will be invoiced and are payable monthly in accordance with Clause 11.

## **10. Withdrawals**

- 10.1 The Customer may withdraw Gas from V STORE on any Day in accordance with this Agreement, provided at all times Gas may not be withdrawn if and to the extent that the quantity of Gas to be withdrawn would be in excess of the Customer's Gas-in-V STORE.
- 10.2 Subject to Clause 10.3, the Customer shall pay charges (“**Withdrawal Charges**”) in respect of the quantities withdrawn from V STORE at the rate of 0.007 pence per kWh.
- 10.3 In the event that, and only in the event that, Clause 6.2 applies the Withdrawal Charges in respect of the quantities withdrawn from V STORE after the Entitlement End Date will be at the rate of 150% of the System Marginal Buy Price for each Day.
- 10.4 Withdrawal Charges will be invoiced and are payable monthly in accordance with Clause 11.

## **11. Invoicing and Payment**

- 11.1 The amounts payable by the Customer to CSL and by CSL to the Customer in accordance with this Agreement will be invoiced and payable in accordance with this Clause 11.
- 11.2 Each Invoice submitted by CSL will specify:
  - (a) the identity of the Customer;
  - (b) the Invoice Period;
  - (c) in respect of each Invoice Item, the Invoice Amount;
  - (d) a unique reference number; and
  - (e) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and the further details required under regulation 14 of the regulations referred to in Clause 11.3

and shall be accompanied by all reasonably necessary supporting data and information.

- 11.3 An Invoice may show as an Invoice Amount an amount (a “**Self Bill Amount**”) payable by CSL to the Customer in respect of which regulation 13(3) of the Value Added Tax Regulations 1995 is to apply.
- 11.4 An Invoice may contain an adjustment by way of a credit (“**Invoice Credit**”) in respect of an Invoice Amount in another Invoice (and where an Invoice contains an Invoice Credit it will identify the amount of the Invoice Credit and the Invoice to which the Invoice Credit relates).
- 11.5 The Customer may elect by notice in writing to CSL to receive Invoices by post or by such electronic means as the Customer and CSL agree will be available for the submission of Invoices and CSL will submit Invoices by post or (as the case may be) by such electronic means.

- 11.6 CSL will submit an Invoice in respect of each Invoice Period by the Invoice Submission Date (provided that no delay in submitting an Invoice will prejudice the liability of the Customer or CSL for the amounts in relation thereto).
- 11.7 The date on which CSL shall endeavour to submit an Invoice (“**Invoice Submission Date**”) by the 7th Business Day of the month following the Invoice Period.
- 11.8 Notwithstanding Clause 11.6 and without prejudice to Clause 14.8(b), CSL may at any time after submitting a Termination Notice in accordance with Clause 14 submit an Invoice in respect of:
- (a) an Invoice Period, or part of an Invoice Period ending at or before the time at which CSL submits such Invoice; and
  - (b) Capacity Charges for Invoice Periods after the date referred to in Clause 14.6(a) in accordance with Clause 14.8(b)

and where CSL has submitted a Termination Notice to the Customer, all amounts payable by the Customer to CSL or by CSL to the Customer whether the Invoice in which such amounts are shown was submitted before or after the date of the Termination Notice shall be immediately payable notwithstanding Clause 11.10.

- 11.9 All amounts expressed as payable under this Agreement are exclusive of any applicable Value Added Tax and Value Added Tax shall be paid by the paying party where properly chargeable in respect of any such amount.
- 11.10 The “**Invoice Due Date**” in respect of an Invoice is the day ending at 24:00 hours on the 20th Day or previous working day if the 20<sup>th</sup> Day is not a working day after the last day of the invoice period to which the invoice relates.
- 11.11 CSL and the Customer shall each notify the other of the account name, number, name, address and sort code of the bank in the United Kingdom to which payments by the Customer to CSL or by CSL to the Customer are to be made within 5 Business Days of the date of this Agreement, and of any changes in such details not less than 30 Days before such change occurs.
- 11.12 Payments of amounts payable under this Agreement shall be in pounds sterling (and not in euro) in same day funds to the account of the payee at a bank in the United Kingdom notified to the payer under Clause 11.11 and the payer shall instruct the bank remitting payment of any amount payable under this Agreement to quote the number (under Clause 11.2(d)) of the relevant Invoice when remitting such payment.
- 11.13 Without prejudice to Clause 11.20, amounts payable under this Agreement shall be paid:
- (a) free and clear of any restriction, reservation or condition; and
  - (b) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by set-off, counterclaim or otherwise; and

- (c) where payment is to be made by the Customer and any deduction or withholding is required to be made by the law of any country other than the United Kingdom:
  - (i) such that the deduction or withholding does not exceed the minimum required;
  - (ii) and the Customer shall pay CSL such additional amounts as will ensure that the net amount received by CSL will be equal to the amount which CSL would have received had no such deduction or withholding been made;
  - (iii) and the Customer shall pay the amount deducted or withheld to the relevant authority in accordance with the relevant requirement of the law, and provide to CSL a receipt issued by such authority (or where such a receipt is not available) a certificate in respect of such payment.

11.14 Without prejudice to Clause 11.24, where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, before and after judgement, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which the payment is made (and nothing in this Clause 11.14 shall be construed as permitting late payment of an Invoice Amount).

11.15 Interest payable under this Clause 11 shall:

- (a) accrue on a daily basis and on the basis of a 365 day year; and
- (b) be compounded to the extent and by virtue of being invoiced (not more frequently than each calendar month) in an Invoice.

11.16 The “**Applicable Interest Rate**” is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or the subject of repayment, under this Agreement, and shall be the base rate for the time being of Barclays Bank plc plus:

- (a) except as provided in (b), three (3) percentage points per annum;
- (b) for the purposes only of Clauses 11.22 and 11.25, one (1) percentage point per annum.

11.17 For the purposes of this Clause 11 an “**Invoice Query**” is any question or dispute as to the proper calculation of any amount shown as payable by the Customer or CSL under an Invoice or as to whether any such amount was or is properly payable and references to the amount of an Invoice Query are to the amount by which the Customer considers the Invoice Amount to be incorrect.

11.18 CSL and the Customer will endeavour to resolve Invoice Queries by agreement (and reference in this Clause 11 to the resolution of a Invoice Query is a reference to the resolution thereof by agreement between CSL and the Customer or to the outcome of any proceedings commenced by CSL or the Customer in respect thereof).

- 11.19 Where the Customer wishes to raise an Invoice Query in respect of any amount shown as payable by the Customer under an Invoice, the Customer may by not later than the Day before the Invoice Due Date notify CSL of the Invoice Query; specifying:
- (a) the number of the Invoice;
  - (b) the Invoice Item to which the Invoice Query relates;
  - (c) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:
    - (i) identified by reference to the particular item of supporting data in respect of which the Invoice Query arises;
    - (ii) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice is determined is incorrectly stated in the supporting data, the amount (estimated as accurately as reasonably practicable) by which such value is incorrectly stated;
  - (d) the amount of the Invoice Amount which is not subject to the Invoice Query determined on the basis that only so much of the Invoice Amount as identified in (c) is subject to the Invoice Query.
- 11.20 Where the Customer raises an Invoice Query in accordance with the requirements of Clause 11.19 (but not otherwise) the amount subject to the Invoice Query shall not be payable on the Invoice Due Date, but without prejudice to Clause 11.22.
- 11.21 Except as provided in Clause 11.20, but without prejudice to Clause 11.24 the whole amount shown as payable by the Customer shall be payable on the Invoice Due Date.
- 11.22 Where pursuant to Clause 11.20, any amount is not paid on the Invoice Due Date by the Customer, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the Customer shall be payable upon such resolution and interest from the Invoice Due Date shall be payable in accordance with Clause 11.14 (but subject to Clause 11.25) on such amount.
- 11.23 For the purposes of Clause 11.22, where it is agreed or determined that the question or dispute the subject of the Invoice Query pursuant to Clause 11.20 was a bona fide question or dispute, the Applicable Interest Rate shall be that under Clause 11.16(b) until the expiry of two (2) Business Days following the resolution of the Invoice Query.
- 11.24 Subject to Clause 11.26, nothing in this Clause 11 shall prevent the Customer raising an Invoice Query other than pursuant to Clause 11.19, including in respect of any amount after payment has been made of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof; provided that (without prejudice to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.

- 11.25 Where, upon resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall repay the overpaid amount with interest at the Applicable Interest Rate from the date on which the payment was made to it or if later the Invoice Due Date until the date of such repayment.
- 11.26 In the absence of fraud, after the expiry of 18 months (or any other period agreed between CSL and the Customer) after the Invoice Due Date in respect of an Invoice:
- (a) no adjustment may be made to an Invoice Amount under that Invoice, other than:
    - (i) an adjustment of which CSL has given notice to the Customer;
    - (ii) an adjustment pursuant to an Invoice Query raised by the Customer in accordance with this Clause 11before the expiry of such period;
  - (b) no Invoice Query may be raised in respect of the Invoice;
  - (c) the Invoice shall (subject to any adjustments already made and any permitted under (a)) be deemed final and conclusive as to the amounts payable thereunder.

## **12. Liabilities**

- 12.1 Subject to the further provisions of this Clause 12, each Party agrees and acknowledges that:
- (a) neither Party shall be liable to the other Party for loss arising from or in connection with any breach of this Agreement, other than for loss directly resulting from such breach and which at the date of this Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach; and
  - (b) neither Party shall in any circumstances be liable in respect of any breach of this Agreement to the other Party for:
    - (i) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or
    - (ii) any indirect or consequential loss; or
    - (iii) except as provided in Clause 12.4, loss resulting from the liability of the other Party to any other person howsoever and whensoever arising.
- 12.2 The amount or amounts for which a Party may be liable to the other Party pursuant to Clause 12.1(a) in respect of any single event or circumstance or any series of connected events or circumstances constituting or resulting in that Party's breach of a provision of this Agreement shall not exceed £1,000,000.

- 12.3 Clause 12.1 is without prejudice to Clauses 8.6 and 8.7 or any provision of this Agreement which provides for an indemnity or which provides for a Party to make a payment to the other Party.
- 12.4 Nothing in this Agreement shall exclude or limit the liability of either Party for death or personal injury resulting from the negligence of such Party.
- 12.5 The rights and remedies of the Parties pursuant to this Agreement exclude and are in place of any rights or remedies of either Party in tort (including negligence and nuisance) in respect of the subject matter of this Agreement and accordingly, but without prejudice to Clauses 12.4 and 12.8, each Party (to the fullest extent permitted by law):
- (a) waives any rights or remedies; and
  - (b) releases the other Party from any duties or liabilities arising in tort in respect of the subject matter of this Agreement.
- 12.6 Without prejudice to Clause 12.5, where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Agreement, both Parties agree and acknowledge that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstances giving rise thereto.
- 12.7 For the avoidance of doubt, nothing in this Clause 12 shall prevent either Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement.
- 12.8 Nothing in this Clause 12 shall constitute a waiver by either Party of any right or remedy it may have (other than pursuant to this Agreement) in respect of a breach by the other Party of any Legal Requirement.
- 12.9 Each provision of this Clause 12 shall be construed as a separate and severable contract term, and shall survive termination of this Agreement.
- 12.10 Where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Agreement, both Parties agree and acknowledge that the amount provided to be payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.
- 12.11 The amount or amounts for which a Party may be liable to the other Party pursuant to any indemnity provided for in this Agreement in respect of any one event or circumstance giving rise to liability under such indemnity shall not exceed £1,000,000.
- 12.12 Clauses 12.1 and 12.2 shall not apply to limit the liability of CSL pursuant to Clause 8.6 or the liability of the Customer pursuant to Clause 8.7.

### **13. Customer Discontinuance**

- 13.1 The Customer may at any time by giving notice (“**Discontinuance Notice**”) to CSL apply to have this Agreement terminated.
- 13.2 This Agreement may not be terminated in accordance with this Clause 13 until such time as:
- (a) all amounts payable or which may become payable by the Customer to CSL pursuant to any provision of this Agreement have been paid in full;
  - (b) the Customer has no Registered Capacity in respect of V STORE;
  - (c) the Customer has no Available Capacity in respect of V STORE in respect of any future Day; and
  - (d) the Customer has no Gas-in-V STORE.
- 13.3 Where the Customer has given notice under Clause 13.1 the Customer and CSL shall remain bound by this Agreement until the requirements of Clause 13.2 are satisfied.
- 13.4 Where the Customer has given notice under Clause 13.1, after the satisfaction of the last of the requirements of Clause 13.2 to be satisfied this Agreement shall be terminated with effect from the 5th Business Day following such satisfaction.
- 13.5 Notwithstanding Clause 13.4, CSL or (as the case may be) the Customer shall remain liable, subject to and in accordance with this Agreement, to the other, after the Discontinuance Date:
- (a) for any amount which was or becomes payable under this Agreement in respect of any period before the Discontinuance Date; and
  - (b) in respect of any outstanding breach of any provision of this Agreement where such breach was not capable of remedy or was capable of remedy but was not remedied.

#### **14. Termination**

- 14.1 For the purposes of this Clause there shall have occurred a “**Default**”:
- (a) in relation to the Customer if any of the events or circumstances in Clause 14.3(a), (b), (c), (d) or (e) have occurred;
  - (b) in relation to CSL if any of the events or circumstances in Clause 14.3(a), (c), (d) or (e) have occurred.
- 14.2 The “**Non-Defaulting Party**” and the “**Defaulting Party**” shall be in relation to a Default:
- (a) under Clause 14.1(a), respectively CSL and the Customer;
  - (b) under Clause 14.1(b), respectively the Customer and CSL.

14.3 The events or circumstances referred to in Clause 14.1 are:

- (a) where in relation to any amount (or amounts in aggregate) of not less than £10,000 which has become due for payment by a Party under this Agreement (excluding for the avoidance of doubt amounts the subject of an Invoice Query which by virtue of Clause 11 have not become due for payment):
  - (i) the Party has not paid the amount in full by the 5th Business Day after the due date for payment; and
  - (ii) on or after the 5th Business Day after the due date for payment the other Party has given notice requiring payment of such amount; and
  - (iii) the Party has not paid such amount in full by the 5th Business Day after the date of the notice under paragraph (ii); or
- (b) in accordance with Clause 20 or where the Customer is in breach of the Credit Agreement; or
- (c) where:
  - (i) a Party is in material breach, other than such a breach as is referred to in Clause 14.10 of any material provision (other than a payment obligation) of this Agreement; and
  - (ii) the breach is capable of remedy by such Party; and
  - (iii) the other Party has given notice (making reference to this Clause 14) of such breach to the Party in material breach; and
  - (iv) within 14 Days after notice under paragraph (iii), the Party in material breach does not either:
    - (1) remedy the breach in all material respects, where the breach is capable of remedy within such period of 14 Days; or
    - (2) where the breach is not so capable of remedy, provide to the other Party a programme (setting out the steps to be taken by the Party in material breach and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable; and
  - (v) in the case in paragraph (iv)(2), the Party in material breach does not:
    - (1) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that paragraph or a revised programme pursuant to paragraph (2); and
    - (2) where notwithstanding the reasonable diligence of the Party in material breach it is not reasonably practicable for such Party to remedy the breach in accordance with that

programme, provide to the other Party a revised such programme; and

- (vi) the breach remains unremedied in any material respect after the expiry of 7 Days after a further notice by the other Party to the Party in material breach to the effect that the Party in material breach has not complied with paragraph (iv) or (v); or

(d) where:

- (i) a Party is in material breach, other than such a breach as is referred to in Clause 14.10, of any relevant provision (other than a payment obligation) of this Agreement; and
- (ii) the breach is not capable of remedy; and
- (iii) the other Party has given notice (making reference to this Clause 14) of the breach to the Party in material breach; and
- (iv) at any time within the period of 12 months following the other Party's notice under paragraph (iii), there occurs a further material breach by the Party in material breach of the same provision of this Agreement; and
- (v) the other Party has given a notice of such further breach to the Party in material breach and a period of 7 Days has expired following such notice; or

(e) where a Party:

- (i) is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to Clause 14.4), or any voluntary arrangement is proposed in relation to it under Section 1 of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (ii) has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed; or
- (iii) has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or
- (iv) passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (v) becomes subject to an order by the High Court for winding-up.

14.4 For the purposes of Clause 14.3(e)(i), Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for “£750” there was substituted “£10,000”; and the Party shall

not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in the said Section is being contested in good faith by the Party with recourse to all appropriate measures and procedures.

14.5 Upon the occurrence of a Default, and at any time after such occurrence at which the Default is continuing, the Non-Defaulting Party may give notice (a “**Termination Notice**”) to the Defaulting Party to the effect that this Agreement will be terminated with effect from the date (which, subject to Clause 14.6(b)), may be any date on or after the date on which the notice is given specified in the notice.

14.6 Where:

- (a) CSL gives a Termination Notice to the Customer, with effect from the date specified in the notice; or
- (b) the Customer gives a Termination Notice to CSL, with effect from the later of the date specified in the notice or the date on which all of the requirements in Clause 14.7 are satisfied

this Agreement will terminate and subject to Clauses 14.8 and 19.7 CSL and the Customer shall cease to be bound by the terms of this Agreement.

14.7 The requirements referred to in Clause 14.6(b) are the requirements set out in Clause 13.2(a) and (d).

14.8 The giving of a Termination Notice and the application of Clause 14.6:

- (a) shall not affect the rights and obligations of CSL and the Customer under this Agreement (including rights and obligations in respect of the Default, and in respect of amounts including interest payable by the Customer or CSL) accrued up to the date referred to in Clause 14.6(a) or as the case may be Clause 14.6(b), which shall continue to be enforceable notwithstanding that Clause;
- (b) where given by CSL shall not relieve the Customer from the liability to pay Capacity Charges that would otherwise have been payable in respect of the period from the date referred to in Clause 14.6(a) until the end of the Contract Period (such amounts to be determined by reference to the Entitlement End Dates on all Registered Capacity Certificates held by the Customer at such date) which such Capacity Charges shall be immediately payable by the Customer provided that where CSL is able subsequently to dispose of Capacity equivalent to the Customer's Registered Capacity pursuant to Clause 6.4 the Customer's liability under this paragraph (b) shall be reduced accordingly.

14.9 Where a Party has given a Termination Notice it shall be entitled to inform such persons as it thinks fit that it has done so.

14.10 For the purposes of Clause 14.3(c)(i) and (d)(i) the following breaches are excluded:

- (a) a breach

- (i) by the Customer other than a wilful breach of a provision of this Agreement where this Agreement specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances;
  - (ii) by CSL other than a wilful breach of a provision of this Agreement where this Agreement specifically provides some other remedy for such breach other than where such breach continues for a period of greater than ninety (90) consecutive Days;
- (b) a breach which results from a breach by the other Party of this Agreement.

14.11 For the purposes of Clause 14.3(c)(i) and (d)(i) a breach is a material breach of a relevant provision where and only where:

- (a) in the case of a material provision, the breach is wilful or reckless; or
- (b) in the case of any provision, as a result of the breach the Non-Defaulting Party is in material breach of any material provision of this Agreement or any Legal Requirement or incurs any material liability or expense.

## **15. Gas-in-V STORE on Termination**

15.1 Where CSL gives a Termination Notice and the Customer has Gas-in-V STORE:

- (a) the Customer shall cease to have the entitlement conferred pursuant to Clause 3.2 in respect of such Gas-in-V STORE;
- (b) CSL will, within a reasonable time after the Discontinuance Date, seek to dispose of an amount of Gas-in-V STORE equal to the Gas-in-V STORE of the Customer;
- (c) CSL shall be entitled to set-off against and deduct from the proceeds (if any) of the disposal under paragraph (b) the amounts described in Clause 15.2, in the priority therein stated; and
- (d) CSL will pay the balance if any of such proceeds to the Customer.

15.2 The amounts referred to in Clause 15.1(c) are:

- (a) first, all costs and expenses incurred by CSL in connection with the tender referred to in Clause 15.1(b);
- (b) secondly, all amounts for which the Customer is liable to CSL under this Agreement (whether or not having become due for payment), including accrued interest thereon.

15.3 Where the Customer, as the Non-Defaulting Party, gives a Termination Notice in accordance with Clause 14.5 and the Customer has Gas-in- V STORE, the value of the Customer's gas remaining in V STORE in p/th shall be determined as the value the Customer would have been able to have reasonably realised in the market on the

day of receipt of such Termination Notice, taking into consideration the Customer's Registered Deliverability.

## **16. Registered Capacity Assignment**

16.1 The Customer may at any time in respect of V STORE dispose of all (but, for the avoidance of doubt, not part only) of its Assignable Capacity to another V STORE Customer. For the purposes of this Clause, the Customer's **Assignable Capacity** shall comprise the Customer's Registered Deliverability, Registered Space, Registered Injectability and all the Customer's Available Gas-in-V STORE.

16.2 For the purposes of this Agreement a "**Capacity Assignment**" is an assignment of the Customer's Assignable Capacity.

16.3 A Capacity Assignment shall be for the period from (and including) the Assignment Date until the Entitlement End Date in respect of the relevant Capacity (the "**Assignment Period**").

16.4 In respect of a Capacity Assignment:

- (a) the "**Assigned Capacity**" is, as the context dictates, the amount of:
  - (i) the Assignable Capacity which is (or is to be) disposed of by the Customer; or
  - (ii) the Deliverability, Space or Injectability and Gas-in-V STORE which is (or is to be) acquired by the Customer;
- (b) the "**Assignment Date**" is the Day, being the first day of a calendar month, from which the Capacity Assignment is to take effect.

16.5 The Assigned Capacity under a Capacity Assignment in respect of which the Customer is the assignor may not exceed an amount equal to the Customer's Available Capacity held in respect of any Day or part of any Day during the Assignment Period.

## **17. Registered Capacity Assignment Procedure and Effect**

17.1 If the Customer proposes to make a Capacity Assignment, the Customer must notify CSL of the proposed Capacity Assignment (and procure that the other V STORE Customer so notifies CSL) specifying:

- (a) the identity of the Customer and the other V STORE Customer and which party is the assignor and the assignee;
- (b) the amount of the Assigned Capacity;
- (c) the amount of the Gas-in-V STORE
- (d) the Assignment Period;
- (e) the Assignment Date

and where the Customer is the assignor it shall in addition specify the certificate number of the relevant Registered Capacity Certificate.

17.2 The Customer must notify CSL of a proposed Capacity Assignment (and procure that the other V STORE Customer so notifies CSL) not later than one month prior to the proposed Assignment Date.

17.3 A proposed Capacity Assignment will be rejected by CSL:

- (a) where it is not in accordance with Clause 16.1 and Clause 16.5; or
- (b) where either the Customer or the other V STORE Customer does not notify CSL of the Capacity Assignment in accordance with Clauses 17.1 or 17.2; or
- (c) in the event where any amounts payable by the Customer pursuant to any provision of this Agreement prior to the Assignment Date have not been paid in full; or
- (d) where the sum of :
  - (i) the projected Indebtedness of the assignee on the Assignment Date;
  - (ii) an amount equivalent to the 51/365ths of the Applicable Annual Rate multiplied by the Assigned Capacity; and/or
  - (iii) a reasonable amount for Injection Charges and Withdrawal Charges based on projected activity of the assigneewould exceed the Credit Limit of the assignee; or
- (e) where the Customer proposes to assign anything less than the full amount of Assignable Capacity; or
- (f) otherwise in accordance with Clause 20

and where a proposed Capacity Assignment is rejected CSL shall notify the Customer not later than 14 Days after it was notified by the Customer or (if later) the other V STORE Customer under Clause 17.1 (and shall indicate the reasons for such rejection).

17.4 Where CSL notified the Customer that a proposed Capacity Assignment has been rejected CSL need take no further action in relation to the proposed Capacity Assignment.

17.5 With effect from the Assignment Date, in respect of a Capacity Assignment in relation to which the Customer is:

- (a) the assignor, the Customer shall be treated as no longer holding the Assigned Capacity and shall no longer be liable for Capacity Charges in relation to the Assigned Capacity;

- (b) the assignee, the Customer shall be treated as holding the Assigned Capacity and shall be liable for Capacity Charges in relation to the Assigned Capacity.

17.6 Not later than the Assignment Date CSL shall provide to the Customer a revised Registered Capacity Certificate in accordance with Clause 4.5(b).

## **18. Assignment by CSL**

18.1 CSL may assign all or part of its rights under this Agreement, subject to Clause 18.2:

- (a) to an Affiliate, which has the necessary technical expertise and financial resources to operate V STORE;
- (b) with the prior written agreement of the Customer (which may not be unreasonably withheld) to any person.

18.2 Where CSL assigns its rights under this Agreement to a person pursuant to Clause 18.1;

- (a) it shall be a condition precedent to such assignment that such person shall enter into an agreement with the Customer covenanting to be bound by this Agreement;
- (b) CSL shall be released from obligations under this Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.

## **19. Confidentiality**

19.1 For the purposes of this Clause 19:

- (a) **“Protected Information”** means:
  - (i) for the purposes of CSL's obligations under Clause 19.2 any information relating to the affairs of the Customer which is obtained by CSL pursuant to or in the course of the negotiation, implementation or performance of this Agreement;
  - (ii) for the purposes of the Customer's obligations under Clause 19.3 any information relating to the affairs of CSL which is obtained by the Customer pursuant to or in the course of the implementation or performance of this Agreement;
- (b) **“CSL Activities”** means the carrying on by CSL of any Gas storage business, including the operation, administration, maintenance and development of V STORE and the implementation and performance of this Agreement;
- (c) **“Disclosing Party”** and **“Protected Party”** shall be construed as follows:
  - (i) for the purposes of CSL's obligations under Clause 19.2, the Disclosing Party is CSL and the Protected Party is the Customer;
  - (ii) for the purposes of a Customer's obligations under Clause 19.3, the Disclosing Party is the Customer and the Protected Party is CSL.

19.2 CSL shall secure that Protected Information is not:

- (a) disclosed to any person other than an officer, employee, professional adviser (whose province it is to know the same) or to any Affiliate of CSL which from time to time carries on gas supply, trading, storage procurement activities or asset operations (which includes all those businesses listed in Annex 5 to the Undertakings) other than as permitted in the Undertakings and in any such case in accordance with the requirements of Clause 19.4; or
- (b) used by CSL for any purpose other than carrying on the CSL Activities.

19.3 The Customer shall secure that Protected Information is not:

- (a) disclosed to any person other than an officer, employee, professional adviser (whose province it is to know the same) or any Affiliate of the Customer in any such case in accordance with the requirements of Clause 19.4; or
- (b) used by the Customer for any purpose other than expressly contemplated in this Agreement.

19.4 Where Protected Information is disclosed by CSL as permitted under Clause 19.2(a) or by the Customer as permitted under Clause 19.3(a), the Disclosing Party shall (without prejudice to its obligations under Clause 19.2 or 19.3) take all reasonable steps to secure that the person to whom the information is disclosed is aware of the Disclosing Party's obligations under this Clause 19 and does not use or disclose the information other than as is permitted of the Disclosing Party in accordance with this Clause 19.

19.5 Nothing in Clauses 19.2 or 19.3 shall apply:

- (a) to the disclosure or use by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;
- (b) to any Protected Information which:
  - (i) before it is obtained by the Disclosing Party is in the public domain; or
  - (ii) after it is obtained by the Disclosing Party enters the public domain
 in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under Clauses 19.2 or 19.3;
- (c) to the disclosure of any Protected Information to any person if and to the extent that the Disclosing Party is required to make such disclosure to such person:
  - (i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent Authority; or
  - (ii) in compliance with the conditions of any Licence held by the Disclosing Party or any document referred to in such Licence with which the Disclosing Party is required by virtue of the Act or such Licence to comply; or
  - (iii) in compliance with any other Legal Requirement; or
  - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
  - (v) pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;

- (d) to any Protected Information to the extent that the Disclosing Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which the Protected Party is party (including the UNC, the Network Code Framework Agreement and any Ancillary Agreement);
- (e) to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information;
- (f) to the disclosure of any Protected Information to the Director, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of a Licence held by the Protected Party to the extent reasonably necessary to draw such possible breach to the attention of the Director.

19.6 The provisions of this Agreement are without prejudice to the requirements of the Data Protection Act 1984.

19.7 The provisions of Clauses 19.1 to 19.5 (inclusive) shall continue, for a period of three (3) years after the Discontinuance Date, to bind the Customer and CSL.

## **20. Credit Terms**

20.1 CSL will determine and assign to the Customer a Credit Limit and will revise such Credit Limit from time to time, in each case in accordance with the Credit Agreement.

20.2 Where:

- (a) the Customer's Indebtedness exceeds 70% of its Credit Limit and CSL has given notice to that effect to the Customer;
- (b) at any time following such notice the Customer's Indebtedness exceeds 85% of its Credit Limit and CSL has given notice to that effect to the Customer (which may be given at the same time as that under paragraph (a))

Clauses 20.3 and 20.4 shall apply.

20.3 Where and for so long as the Indebtedness of the Customer for the time being exceeds 85% of the Customer's Credit Limit, CSL shall be entitled to reject or refuse to accept any of the following from the Customer:

- (a) a Capacity Assignment under Clause 17 in respect of which the Customer is the assignee; or
- (b) a Notification in respect of which the quantity notified:
  - (i) for withdrawal exceeds the Customer's Available Deliverability;

- (ii) for injection exceeds the Customer's Available Injectability or would result in the Customer having Gas-in-V STORE at the end of the Day in respect of which the Notification was made in excess of its Available Space.
- 20.4 Where and for so long as the Indebtedness of the Customer for the time being exceeds 100% of the Customer's Credit Limit, CSL shall be entitled to:
  - (a) reject or refuse to accept a Notification or Capacity Assignment in relation to the Customer;
  - (b) give the Customer a Termination Notice (in accordance with Clause 14).
- 20.5 Where CSL reasonably believes that following the submission of a Notification the Indebtedness of the Customer will exceed 100% of the Customer's Credit Limit CSL shall be entitled to reject such Notification.
- 20.6 Where the Customer is required pursuant to the Credit Agreement to provide CSL with security (in accordance with applicable provisions of the Credit Agreement) CSL shall be entitled to reject or refuse to accept a Notification or Capacity Assignment until such time as the Customer has made such security available to CSL in accordance with any applicable requirements of the Credit Agreement.
- 20.7 It shall not be a condition to CSL giving a Termination Notice under Clause 20.4 that CSL shall have first made any call upon, or taken any steps to enforce and realise any security made available pursuant to the Credit Agreement.

## **21. Notices and Communications**

- 21.1 A “**Communication**” is any notice or communication to be given by the Customer to CSL or by CSL to the Customer under this Agreement.
- 21.2 For the purposes of this Agreement a Communication shall be given:
  - (a) in accordance with Schedule C;
  - (b) by electronic means where the Customer has elected to receive Invoices by such means in accordance with Clause 11.5 or where CSL and the Customer agree a Communication may be given by such means;
  - (c) by telephone where CSL and the Customer agree a Communication may be given by such means;
  - (d) otherwise by delivery or by post or by facsimile.
- 21.3 Any Communication shall be in writing and shall be addressed to the recipient Party at the recipient Party's address or facsimile number or electronic address referred to in Clause 21.4, and marked for the attention of the representative (identified by name or title) referred to in that Clause or to such other address or facsimile number or electronic address and/or marked for such other attention as the recipient Party may

from time to time specify by Communication given in accordance with this Clause 21 to the Party giving the notice.

21.4 The initial address and facsimile number and electronic address of CSL and the Customer shall be as follows:

CSL: Centrica Storage Limited  
42-54 London Road, Staines, Middlesex, TW18 4HF  
  
Telephone: +44 (0)1784 415 304  
Facsimile: +44 (0) 1784 415 318  
Electronic: operations@centrica-sl.co.uk  
  
Attention: Head of Sales & Marketing

Customer: .....  
.....  
.....  
  
Telephone: .....  
  
Facsimile: .....  
  
Electronic: .....  
  
Attention: .....

21.5 Any Communication given by delivery shall be given by letter delivered by hand, and any notice given by post shall be sent by first class prepaid post (airmail if overseas).

21.6 Any Communication shall be deemed to have been received

- (a) in the case of delivery by hand, when delivered; or
- (b) in the case of first class prepaid post, on the second Day following the Day of posting or (if sent airmail overseas or from overseas) on the fifth Day following the Day of posting; or
- (c) in the case of facsimile, on acknowledgement by the recipient Party's facsimile receiving equipment; or
- (d) in the case of delivery by electronic means, on the following Business Day or such other time as CSL and the Customer may agree.

21.7 Where a Communication is sent by facsimile:

- (a) the Party giving the Communication shall (but without prejudice to Clause 21.6(c)) if requested by the recipient Party, resend as soon as reasonably practicable the Communication by facsimile; and

- (b) in the case of a Termination Notice, the Party giving the Communication will in any event, within 2 Days following the sending of such facsimile, send to the recipient Party a copy of the Communication by first class prepaid post (airmail if overseas).

21.8 A Party may specify different addresses or facsimile numbers and representatives pursuant to Clause 21.3 for the purposes of Communications of different kinds or relating to different matters.

## **22. Waiver**

22.1 No delay or omission by either Party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.

22.2 Any single or partial exercise of such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

## **23. Language**

Every Communication to be given by one Party to the other shall be in the English language.

## **24. Severance**

If any provision of this Agreement is or becomes invalid, unenforceable or illegal, or is declared invalid, unenforceable or illegal by any court of competent jurisdiction or by order of any Competent Authority, such invalidity, unenforceability or illegality shall not prejudice the remaining provisions of this Agreement which shall continue in full force and effect notwithstanding the same.

## **25. Entire Agreement**

25.1 This Agreement contains the entire agreement between the Parties with respect to the subject matter thereof, and supersedes all previous agreements or understandings between the Parties with respect thereto, and any warranty, condition or other term implied by law or custom is (to the fullest extent permitted by law) expressly excluded therefrom.

25.2 Each Party acknowledges that in entering into this Agreement it does not rely on any representation, warranty or other understanding not expressly contained in this Agreement.

25.3 Nothing contained in a document referred to in this Agreement, beyond what is expressly contemplated in this Agreement as being contained in such document or is necessary for the purposes of giving effect to a term of this Agreement, shall modify or have any effect for the purposes of this Agreement or be construed as relevant to the interpretation of this Agreement.

**26. Jurisdiction**

26.1 The Parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any suit or action or proceeding (collectively "proceedings") arising out of or in connection with this Agreement may be brought in such courts.

26.2 Each Party irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any proceedings in any such court as is referred to in Clause 26.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any proceedings brought in the English courts shall be conclusive and binding upon such Party and may be enforced by the courts of any other jurisdiction.

26.3 Where the Customer is not a company incorporated under the Companies Act 1985 it shall provide to CSL an address in England and Wales for service of process on its behalf in any proceedings.

**27. Governing Law**

This Agreement shall be governed by, and construed in all respects in accordance with, English law.

**AS WITNESS** the hands of the duly authorised representatives of the parties hereto the day and year first above written.

**SIGNED** by the duly authorised

representative for and on behalf of **Centrica Storage Limited**

**SIGNED** by the duly authorised

representative for and on behalf of

.....

.....

.....

## SCHEDULE A

### DEFINITIONS

**“Accurate Trade Nomination”**: means in respect of a Day and a Notified Quantity, a Trade Nomination made by a Party which complies with the Code Credit Limits before 04:00 hours on the Day (being (i) in the case of an Injection Notification, a Disposing Trade Nomination by the Customer and an Acquiring Trade Nomination by CSL and (ii) in the case of a Withdrawal Notification, a Disposing Trade Nomination by CSL and an Acquiring Trade Nomination by the Customer) for such Notified Quantity identifying the other Party as the person making the corresponding Trade Nomination;

**“Acquiring Trade Nomination”**: has the meaning given to such term in the UNC;

**“Act”**: the Gas Act 1986, as amended by the Gas Act 1995 and as otherwise amended;

**“Affiliate”**: in relation to either Party any holding company or subsidiary of such Party or any subsidiary of a holding company of such Party (in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989)) and an **“Affiliate”** of a specified percentage in relation to a body corporate is:

- (a) another body corporate which holds not less than the specified percentage of the voting rights of the first body corporate;
- (b) a subsidiary of the first body corporate or such a body corporate as is referred to in paragraph (a)

and for these purposes ‘voting rights’, ‘holding’ voting rights and ‘subsidiary’ are to be construed in accordance with section 736A of the Companies Act 1985;

this **“Agreement”**: means this agreement (including the Schedules);

**“Ancillary Agreement”**: has the meaning given to such term in the UNC;

**“Applicable Annual Rate”**: is defined in Clause 5.4;

**“Applicable Daily Rate”**: is defined in Clause 5.4;

**“Applicable Interest Rate”**: is defined in Clause 11.16;

**“Assignable Capacity”**: is defined in Clause 16.1;

**“Assigned Capacity”**: is defined in Clause 16.4(a);

**“Assignment Date”**: is defined in Clause 16.4(b);

**“Assignment Period”**: is defined in Clause 16.3;

**“Auction”**: is an auction conducted by CSL of Capacity, Deliverability, Space or Injectability;

**“Authority”**: the Gas and Electricity Markets Authority as established pursuant to Section 1 of the Utilities Act 2000;

**“Bilateral Sale”**: means the direct sale by CSL to the Customer of Capacity, Deliverability, Space or Injectability;

**“Available”**: is defined in Clause 4.4(b);

**“Business Day”**: a Day other than a Saturday or Sunday or a Day which begins at 06:00 hours on a bank holiday in England and Wales;

**“Capacity”**: is defined in Clause 4.1;

**“Capacity Assignment”**: is defined in Clause 16.2;

**“Capacity Charge”**: is defined in Clause 5.2(a);

**“Code Credit Limits”**: has the meaning given to such term in the UNC;

**“Code Contingency”**: has the meaning given to such term in the UNC;

**“Communication”**: is defined in Clause 21.1;

**“Competent Authority”**: the Authority, or any local, national or supra national agency, authority or department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) or the European Communities which has jurisdiction over CSL or the Customer or the subject matter of this Agreement;

**“Contingency Procedures”**: has the meaning given to such term in the UNC;

**“Contract Period”**: is the period from 06:00 hours on 1 April 2010 until 06:00 hours on 1 April 2011 or such earlier time that this Agreement is terminated in accordance with Clauses 13, 14 or 20;

**“Credit Agreement”**: is the agreement between CSL and the Customer of even date herewith;

**“Credit Limit”**: has the meaning given to such term in the Credit Agreement;

**“CSHL”**: is Centrica Storage Holdings Limited, of which CSL is a 100% subsidiary

**“CSL Activities”**: is defined in Clause 19.1(b);

**“Daily Imbalance”**: has the meaning given to such term in the UNC;

**“Day”**: means the period from 06:00 hours on one day until 06:00 hours on the following day;

**“Default”**: is defined in Clause 14.1;

**“Defaulting Party”**: is defined in Clause 14.2;

**“Deliverability”**: is defined in Clause 4.3(a);

**“Deliverability Charge”**: is defined in Clause 5.2(b);

**“Directive”**: any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority (but only, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force) and any modification, extension or replacement thereof;

**“Disclosing Party”**: is defined in Clause 19.1(c);

**“Discontinuance Date”**: is the date with effect from which (in accordance with Clauses 19 and 20) this Agreement may be terminated;

**“Discontinuance Notice”**: is defined in Clause 13.1;

**“Disposing Trade Nomination”**: has the meaning given to such term in the UNC;

**“Effective”**: is defined in Clause 4.4(c);

**“Effective Injection Rate”**: is defined in Clause 7.9;

**“Effective Withdrawal Rate”**: is defined in Clause 7.8;

**“Entitlement End Date”**: is defined in Clause 4.6(d);

**“Entitlement Start Date”**: is defined in Clause 4.6(d);

**“Excess Gas-in-V STORE”**: is defined in Clause 6.3(b);

**“Gas”**: means hydrocarbons or a mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees celsius and at an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state;

**“Gas Flow Day”**: in relation to the application of any provision of this Agreement, the Day in relation to the injection or withdrawal of Gas or flows of Gas or other operations on which such provision is to apply;

**“Gas-in-V STORE”**: is defined in Clause 3.1;

**“Indebtedness”**: has the meaning given to such term in the Credit Agreement;

**“Injecting”**: is defined in Clause 2.2;

**“Injectability”**: is defined in Clause 4.3(c);

**“Injectability Charge”**: is defined in Clause 5.2(d);

**“Injection Charges”**: is defined in Clause 9.2;

**“Injection Notification”**: in respect of V STORE is a notification made in accordance with the terms of this Agreement in respect of a quantity of gas to be injected into V STORE on a Day;

**“Invoice”**: an invoice submitted by CSL to the Customer in accordance with Clause 11;

**“Invoice Amount”**: in relation to an Invoice Item, the amount shown as payable by the Customer or CSL in respect of that item under the relevant Invoice;

**“Invoice Credit”**: is defined in Clause 11.4;

**“Invoice Due Date”**: is defined in Clause 11.10;

**“Invoice Item”**: is an item (in respect of charges of a particular kind) shown as payable by the Customer or by CSL in an Invoice (including where relevant a Self Bill Amount in accordance with Clause 11.3) including interest payable in accordance with Clause 11;

**“Invoice Period”**: is a calendar month;

**“Invoice Query”**: is defined in Clause 11.17;

**“Invoice Submission Date”**: is defined in Clause 11.7;

**“Invoicing”**: means the process by which an invoice is submitted by CSL to the Customer in accordance with Clause 11;

**“Legal Requirement”**: any Act of Parliament, regulation, licence or Directive of a Competent Authority;

**“Licence”**: a licence granted pursuant to the Act;

**“NBP”**: the notional point at which Trade Nominations may be effected in accordance with the UNC;

**“NBP Force Majeure”**: any event or circumstance beyond the reasonable control of a Party which totally prevents a Trade Nomination from being submitted by such Party to NGG or from being received and taken into account by NGG in determining such Party’s Daily Imbalance;

**“NBP Transfer”**: means in respect of a Notified Quantity, where:

- (a) in respect of any Day, the Parties make corresponding Trade Nominations in respect of such Notified Quantity subject to and in accordance with Section C of the UNC; and
- (b) neither Trade Nomination is amended or withdrawn thereafter,

the deduction by NGG of that quantity of Gas in determining for that Day the Daily Imbalance of the Party making the Disposing Trade Nomination and the addition by NGG of that quantity of Gas in determining for the same Day the Daily Imbalance of the Party making the Acquiring Trade Nomination;

**“Network Code Framework Agreement”**: has the meaning given to such term in the UNC;

“**NGG**”: National Grid Gas plc in its capacity as licensed gas transporter;

“**Non-Defaulting Party**”: is defined in Clause 14.2;

“**Notification**”: is an Injection Notification or a Withdrawal Notification;

“**Notification Time**”: is 02:00 hours on the Preceding Day;

“**Notified Quantity**”: is the quantity of gas notified for injection or withdrawal from V STORE under the Customer's prevailing Notification;

“**Non-Defaulting Party**”: is defined in Clause 14.2;

“**Opening Storage Balance**”: is defined in Clause 3.3;

“**Party**”: CSL or the Customer, and “**Parties**” shall be construed accordingly;

“**Payment**”: means the process by which payment is made by the Customer to CSL in accordance with Clause 11;

“**Preceding Day**”: the Day before the Gas Flow Day;

“**Protected Information**”: is defined in Clause 19.1(a);

“**Protected Party**”: is defined in Clause 19.1(c);

“**Registered**”: is defined in Clause 4.4(a);

“**Registered Capacity Certificate**”: is a certificate substantially in the form set out in Schedule B;

“**Self Bill Amount**”: is defined in Clause 11.3;

“**Space**”: is defined in Clause 4.3(b);

“**Space Charge**”: is defined in Clause 5.2(c);

“**Storage Charges**”: is defined in Clause 2.3;

“**Storage Year**”: is the period from 1 April in any year to (and including) the following 31 March;

“**System Marginal Buy Price**”: has the meaning given to such term in the UNC;

“**System Marginal Sell Price**”: has the meaning given to such term in the UNC;

“**Termination Notice**”: is defined in Clause 14.5;

“**Trade Nomination**”: has the meaning given to such term in the UNC;

“**Type 1**” and “**Type 2**”: are defined in paragraph 2 of Schedule C;

- “UK Link”**: has the meaning given to such term in the UNC;
- “UNC”**: the network code prepared by NGG pursuant to its licence as gas transporter as from time to time modified in accordance with such licence;
- “Undertakings”**: the undertakings given by Centrica plc and CSHL to the Secretary of State for Trade and Industry dated December 2003;
- “User”**: has the meaning given to such term in the UNC;
- “V STORE”**: the virtual storage service offered by CSL in accordance with to this Agreement;
- “V STORE Customer”**: a person who at the relevant time is a customer of CSL in relation to V STORE and who has signed an agreement substantially similar to this Agreement;
- “Withdrawal Charges”**: is defined in Clause 10.2;
- “Withdrawal Notification”**: in respect of V STORE is a notification made in accordance with the terms of this Agreement in respect of a quantity of gas to be withdrawn from V STORE on a Day;
- “Withdrawing”**: is defined in Clause 2.2;

## **SCHEDULE B**

### **PRO-FORMA REGISTERED CAPACITY CERTIFICATE**

1. CUSTOMER: [ ]
2. REGISTERED CAPACITY CERTIFICATE NO: [ ]
3. CAPACITY TYPE: [DELIVERABILITY] [SPACE] [INJECTABILITY]
4. ENTITLEMENT START DATE: [            ]
5. ENTITLEMENT END DATE: [            ]
6. CAPACITY QUANTITY: [ ] [kWh/Day] [kWh]
7. APPLICABLE ANNUAL RATE : [ ] [PENCE PER kWh/DAY PER ANNUM]  
[PENCE PER kWh PER ANNUM]

## SCHEDULE C COMMUNICATIONS

### 1. Introduction and Interpretation

This Schedule sets out the procedures and rules for certain Communications between CSL and Customers.

### 2. Definitions

For the purposes of this Schedule C the following words shall have the following meanings unless the context requires otherwise:

**"Automatic Audit Trail"**: the facility forming part of the STORIT System which automatically records the sending or the receipt by CSL of a STORIT Communication and logs the date and time it is sent or received;

**"Contingency Event"**: an event or circumstance affecting the STORIT System, subject to paragraph 7.2, which affects the ability of CSL or the Customer to give or receive STORIT Communications;

**"STORIT Communications"**: Type 1 and Type 2 Communications;

**"STORIT Customers"**: V STORE Customers (including the Customer) who have elected to use the STORIT System;

**"STORIT Manual"**: the document so entitled and issued by CSL, as revised from time to time;

**"STORIT System"**: the computer systems, software and communications connection as modified from time to time, operated by or on behalf of CSL to support certain communications with V STORE Customers;

**"Type 1 Communication"**: a CSL to Customer communication specified in Annex 1 to be given using the STORIT System in accordance with paragraph 3.1;

**"Type 2 Communication"**: a Customer to CSL communication specified in Annex 1 to be given using the STORIT System in accordance with paragraph 3.2;

### 3. License to Use the STORIT System

3.1 CSL grants to the Customer a non-exclusive, non-transferable licence to use the STORIT System and the STORIT Manual solely for the purposes and subject to the terms of this Agreement.

3.2 It is the responsibility of the Customer, at its own expense, to ensure that there are provided at its premises and maintained and from time to time (as necessary) modified, upgraded or replaced, the computer hardware and other equipment, software and telecommunication facilities, and all other facilities and resources, necessary to enable the Customer to access and use the STORIT System.

3.3 CSL shall operate the STORIT System with all reasonable skill and care but does not warrant to the Customer that the operation of the STORIT System will be uninterrupted or error free. The Customer acknowledges that the choice of equipment, software and communications connection it makes for accessing the STORIT System may affect the performance levels and ease of use of the STORIT System.

- 3.4 CSL will provide help, as set out in the STORIT Manual, to assist STORIT Customers in identifying the nature and cause of operational problems experienced in using the STORIT System.
- 3.5 The Customer shall be entitled to an initial training course on use of the STORIT System, as set out in the STORIT Manual. CSL may charge the Customer for any additional training at the rates set out in the STORIT Manual.
- 3.6 The STORIT System and the STORIT Manual and all copyright and other intellectual property rights of whatever nature therein are and shall at all times remain as between CSL and the Customer the property of CSL. The Customer shall not alter, remove or obscure any proprietary notices of CSL or a third party on any copy of the STORIT Manual.

#### **4. Types of Communication**

##### 4.1 Type 1 Communication

A Type 1 Communication shall be deemed received by the Customer at the time the message is logged as "sent" by the Automatic Audit Trail, irrespective of whether or when accessed by the Customer.

A message transmitted as a Type 1 Communication will reside in the STORIT System and can be accessed by the Customer on-line for the period specified in the STORIT Manual, following which it will no longer be accessible. The Customer shall be responsible for accessing Type 1 Communications at such intervals as shall be appropriate and prudent.

##### 4.2 Type 2 Communication

A Type 2 Communication shall be deemed received by CSL at the time and date the message is logged as "received" by the Automatic Audit Trail.

#### **5. Audit Trail Records**

- 5.1 CSL shall ensure that electronic or computer records containing STORIT Communications are readily accessible and are capable of being reproduced in a human readable form and of being printed, if required.
- 5.2 Records made by the Automatic Audit Trail of the transmission or receipt of a STORIT Communication shall be prima facie evidence of the transmission or receipt of that STORIT Communication.
- 5.3 In the event of a dispute as to a STORIT Communication, CSL will, as soon as reasonably practicable after a request to do so, provide the Customer with a copy of what was recorded by the Automatic Audit Trail in respect of that Communication.

#### **6. General Provisions concerning Communications and the STORIT System**

- 6.1 A STORIT Communication given in accordance with this Schedule C shall be treated as an effective and valid communication and CSL and the Customer each confirm that it intends and agrees that STORIT Communications shall have legal effect for the purposes of this Agreement.

- 6.2 Subject to paragraph 7, Type 1 and Type 2 Communications may only be given using the STORIT System.
- 6.3 CSL may give not less than 14 Days written notice to the Customer of changes to the types of Communications set out in Annex 1 to this Schedule C where those changes are required following changes to the STORIT System or to reflect revisions to operational procedures.
- 6.4 The STORIT System incorporates further information and facilities, (in addition to the facilities for making STORIT Communications), which the Customer shall be entitled to access and use in accordance with the STORIT Manual. In particular, the Customer may elect, in accordance with Clause 16.5 to receive its Invoices electronically via the STORIT System.
- 6.5 Without prejudice to any contractual obligation binding on CSL, CSL accepts no responsibility or liability for the accuracy or completeness of information available on the STORIT System or the failure of any facilities of the STORIT System to function as intended.

## **7. Operational Security**

- 7.1 The Customer and CSL undertake to implement and maintain all security procedures and measures required in the STORIT Manual to prevent unauthorised access to or use of the STORIT System and to ensure the protection of STORIT Communications against the risk of resulting alteration, delay, disruption or loss.
- 7.2 If the Customer becomes aware of any unauthorised access to or use of the STORIT System, it shall promptly notify CSL and take such other steps as may be required in the STORIT Manual.
- 7.3 If CSL becomes aware of any unauthorised access to or use of the STORIT System which adversely affect the Customer, it shall promptly notify the Customer and take such other steps as may be required under the STORIT Manual.
- 7.4 If through the STORIT System the Customer obtains or receives unauthorised access to information concerning another STORIT Customer, or receives a STORIT Communication sent to another STORIT Customer, the Customer shall promptly inform CSL, delete such information or communication and make no further use thereof.
- 7.5 The Customer shall not, and shall not attempt to, download, delete, modify or knowingly damage or access for any purpose any computer coding comprised in the STORIT System or installed on any equipment forming part of the STORIT System.
- 7.6 The Customer shall not access or use the STORIT System in any way which might significantly reduce or otherwise affect the performance of the STORIT System, including, without limitation, the setting up of any automatic repeat query process of an interval of less than 5 minutes.

## **8. Authorised Representatives and Account Representatives**

- 8.1 The Customer shall designate a person as having authority to control access and use of the STORIT System, on behalf of the Customer (the “**Authorised**

**Representative**”). The Authorised Representative can appoint additional people who shall be entitled to access and use the STORIT System on behalf of the Customer ("**Account Representatives**") up to the number set out in the STORIT Manual.

- 8.2 The Customer may only access and use the STORIT System by means of its Authorised Representative and Account Representatives.
- 8.3 A designation, and any withdrawal of the designation, of an Authorised Representative shall be made by the Customer by written notice to CSL specifying the name of the representative and the date with effect from which such designation or withdrawal is to take effect, being not less than 5 Business Days after the notification is given. Following notice of designation of an Authorised Representative, CSL shall issue a password to enable that Authorised Representative to access the STORIT System.
- 8.4 The Customer shall be responsible for the actions of its Authorised Representative and Account Representatives, and for the security of all access passwords held by those individuals, which access passwords shall not be assigned, transferred or made known to any third party.
- 8.5 The Customer shall ensure that its Authorised Representative and Account Representatives shall comply with this Agreement, including without limitation Clause 19, and the STORIT Manual as regards their access to and use of the STORIT System.
- 8.6 The Customer acknowledges that its Authorised Representative and/or Account Representatives may act as an authorised or account representative for more than one V STORE Customer.
- 8.7 CSL shall only amend the access rights of the Customer's Authorised Representative to allow that Authorised Representative to access the STORIT System on behalf of the Customer and other named STORIT Customers following receipt of written notice from all the relevant STORIT Customers consenting to such access.
- 8.8 CSL shall be entitled to assume that any person using the access password of the Authorised Representative and/or any Account Representatives of the Customer, are fully authorised to access and use the STORIT System and any STORIT Communication transmitted by such persons shall be treated as having been given by the Customer.

## **9. Temporary Inhibition of Access**

- 9.1 If a Customer (including its Authorised Representative and any Account Representative) is not complying with any requirement of this Schedule C or the STORIT Manual in respect of access to or use of the STORIT System, CSL may take any reasonable steps to inhibit or disable access to the STORIT System by the Customer, its Authorised Representative and/or applicable Account Representative(s).
- 9.2 CSL will restore the Customer's access to the STORIT System upon the Customer demonstrating to CSL's reasonable satisfaction that the non-compliance will not recur.

## **10. Contingency Arrangements**

- 10.1 CSL and the Customer agree to adopt and implement the relevant contingency procedures set out in the STORIT Manual (the “**Contingency Procedures**”) if a Contingency Event occurs.
- 10.2 CSL may, by notice, suspend access to and use of the STORIT System, or a part thereof, at a time and for a period which will not result in significant inconvenience to the STORIT Customers in making STORIT Communications without initiating the Contingency Procedures. If at any time subsequently it becomes apparent to CSL that such suspension will continue for a period or at a time at which it will result in significant inconvenience to V STORE Customers, the Contingency Procedures will be initiated.

## **11. Changes to the STORIT System**

- 11.1 CSL shall be entitled to modify the STORIT System and/or the STORIT Manual as it sees fit. The Customer may propose changes to the STORIT System and/or the STORIT Manual but CSL shall not be obligated to implement any such proposal.
- 11.2 If a change to the STORIT System will affect the way the Customer uses the STORIT System, then prior to implementation of that change CSL will notify the Customer giving not less than:
- (a) 2 months notice, where the change involves a change to any format or layout of Customer data in order to give the Customer an opportunity to consult with CSL; and
  - (b) 1 week, for any other change.

The notice periods set out in paragraph 11.2(a) and (b) shall not apply in respect of a change carried out in order to remedy a fault preventing the correct functioning of the STORIT System, which change shall be notified as soon as practicable to STORIT Customers. CSL shall not be obliged to notify the Customer of a change to the STORIT System except to the extent and in the circumstances set out in this paragraph 11.2.

## **12. Termination Provisions**

12.1 On termination of this Agreement the Customer shall:

- (a) return all copies of the STORIT Manual forthwith to CSL or supply a certificate to CSL signed by an authorised officer of the Customer confirming that all copies of the STORIT Manual have been destroyed;
- (b) ensure that its Authorised Representative and Account Representatives immediately discontinue access to and use of the STORIT System.

## ANNEX 1

### TYPE 1 COMMUNICATIONS

<b>Clause</b>	<b>From</b>	<b>To</b>	<b>Communication</b>
7.5	CSL	Customer	Rejection of Injection or Withdrawal Notification

### TYPE 2 COMMUNICATIONS

<b>Clause</b>	<b>From</b>	<b>To</b>	<b>Communication</b>
7.2	Customer	CSL	Submission of Injection or Withdrawal Notification
7.7	Customer	CSL	Amendment of Initial Notification