



**MAIN CONDITIONS FOR ACCESSING THE ZEEBRUGGE LNG TERMINAL OF
FLUXYS LNG APPROVED BY THE COMMISSION FOR REGULATION OF ELECTRICITY AND
GAS (CREG) IN ACCORDANCE WITH ARTICLES 10 AND 11 OF THE ROYAL DECREE
OF 4 APRIL 2003 CONCERNING THE CODE OF CONDUCT WITH REGARD TO
ACCESS TO THE NATURAL GAS TRANSMISSION INFRASTRUCTURE**

TRANSLATION FROM OFFICIAL FRENCH VERSION
NON-BINDING

DEFINITIONS	4
CHAPTER I – <i>Method for calculating usable and available capacities</i>	6
<i>Section 1 - Reception Capacity</i>	6
<i>Section 2 – LNG terminal Storage Volume</i>	7
<i>Section 3 - LNG terminal Regasification Capacity</i>	8
<i>Section 4 - Determination of the Theoretical Maximum Number of Slots</i>	9
CHAPTER II – <i>Method for calculating the unused capacity mentioned in Article 47, §2 of the Code of Conduct</i>	11
<i>Section 1: Records of use of the allocated capacity</i>	11
<i>Section 2: Method for calculating the unused capacity mentioned in Article 47, §2 of the Code of Conduct</i>	11
CHAPTER III – <i>Capacity allocation rules and the way in which the interruptible capacity is offered</i>	12
<i>Section 1: Allocation of capacities of the LNG terminal through Open Season process</i>	12
<i>Section 2: Allocation of capacities not allocated in the Open Season process specified in Section 1</i>	13
<i>Section 3: Allocation of the capacities liberated pursuant to Article 48 of the Code of Conduct.</i>	13
<i>Section 4: Specific principles concerning the allocation of interruptible regasification capacities</i>	13
CHAPTER IV – <i>Rules regarding the negotiability of the capacity of the LNG terminal and the way in which they are established in transport contracts</i>	14
CHAPTER V – <i>Balance between natural gas flows in the LNG terminal</i>	16
CHAPTER VI – <i>Units of time and tolerance values under Articles 52 and 53 of the Code of Conduct</i>	17
CHAPTER VII – <i>Aggregation of Imbalances</i>	17
CHAPTER VIII – <i>Natural gas quality requirements for the different entry points to the transmission infrastructure</i>	18
<i>Section 1 – LNG quality specifications required for unloading at the LNG terminal</i> .	18
<i>Section 2 – Non-compliance with the quality specification for unloading LNG at the LNG terminal</i>	18
CHAPTER IX – <i>Monitoring Programme</i>	20
<i>Section 1 – Internal Rules of Conduct</i>	20
<i>Section 2 – External Policy Rules</i>	21
<i>Section 3 – Compliance with the Monitoring Programme</i>	21
CHAPTER X – <i>Congestion Policy and Associated Contractual Provisions</i>	22
<i>Section 1: Basic Principles Stemming from the Code of Conduct</i>	22
<i>Section 2: Fluxys LNG’s Congestion Management Policy</i>	22
CHAPTER XI – <i>Processing of Natural Gas For Own Use by the Transport Company and Periodic Energy Balance Differences</i>	23
<i>Section 1 – Own Consumption Record</i>	23
<i>Section 2 – Energy Balance Record</i>	23
<i>Section 3 – Form of records</i>	23
<i>Section 4 – Purchase of Gas For Own Use</i>	23
CHAPTER XII – <i>Applicable Rules With Regard To Liability And Financial Guarantees</i>	24
<i>Section 1 – Liability and Insurance</i>	24
<i>Section 2 – Financial Guarantees</i>	25

CHAPTER XIII – *Conditions With Regard To Contract Termination And Possible Indemnities* 26

DEFINITIONS

Arrival window	Time period in which the user of the LNG terminal may bring in its carrier for unloading of LNG at the LNG terminal.
Available volume	Part of the non-allocated usable and still available volume for the users of the LNG terminal.
Basic storage or buffer storage	LNG storage service included in a slot.
Basic regasification capacity	Regasification capacity of the LNG terminal included in a slot.
Basic storage duration	Period during which a user of the LNG terminal has the buffer storage (basic storage) included in a slot at its disposal.
Capacity allocation	Allocation of the available capacity by Fluxys LNG to applicants in accordance with the capacity allocation rules.
Code of Conduct	Royal Decree of 4 April 2003 (published in the “Belgisch Staatsblad/Moniteur belge (<i>Belgian Official Journal</i>) of 02 May 2003 concerning the Code of Conduct with regard to access to the natural gas transmission systems.
CREG	Commission for Electricity and Gas Regulation.
Day or gas day	Period beginning at 06:00 (local time) each day and ending at 06:00 (local time) the next day. This period may comprise 23, 24 or 25 hours, depending on the particular circumstances.
Difference in the overall energy balance of the LNG terminal	Difference, for a given period, between (i) the sum of the quantities of gas allocated at the output of the LNG terminal, for own uses (including losses) during the said period and the quantity of energy stored within the storage capacity of the LNG terminal at the end of the period and, (ii) the sum of the quantities of gas allocated at the input of the LNG terminal and the quantity of energy stored in the storage capacity of the LNG terminal at the start of the period.
Fluxys	Fluxys NV/SA, 31, Avenue des Arts, 1040 Brussels, Belgium. Registered in the Brussels Commercial Register: 34.991 (VAT Nr: BE 402.954.628)
Fluxys LNG	Fluxys LNG NV/SA, 4, Rue Guimard 1040 Brussels, Belgium. Registered in the Brussels Commercial Register: 462.688 (VAT Nr: BE 426.047.853)
Gas Act	Amended Act of 12 April 1965 relating to the transport of gaseous and other products by pipeline.
Gas quality specification	Requirements regarding the composition of the natural gas.
Gross calorific value (GCV)	Quantity of heat expressed in megajoules produced by the full combustion of 1 m ³ (n) of natural gas at 25 degrees Celsius and an absolute pressure of 1.01325 bar with excess air at the same temperature and pressure as the natural gas when the combustion products are cooled to 25 degrees Celsius and when the water formed by combustion is condensed in the liquid state and the combustion products contain the same total mass of water vapour as the natural gas and air prior to combustion.
LNG	Liquefied Natural Gas.
LNG terminal	LNG installations in Zeebrugge managed by Fluxys LNG.

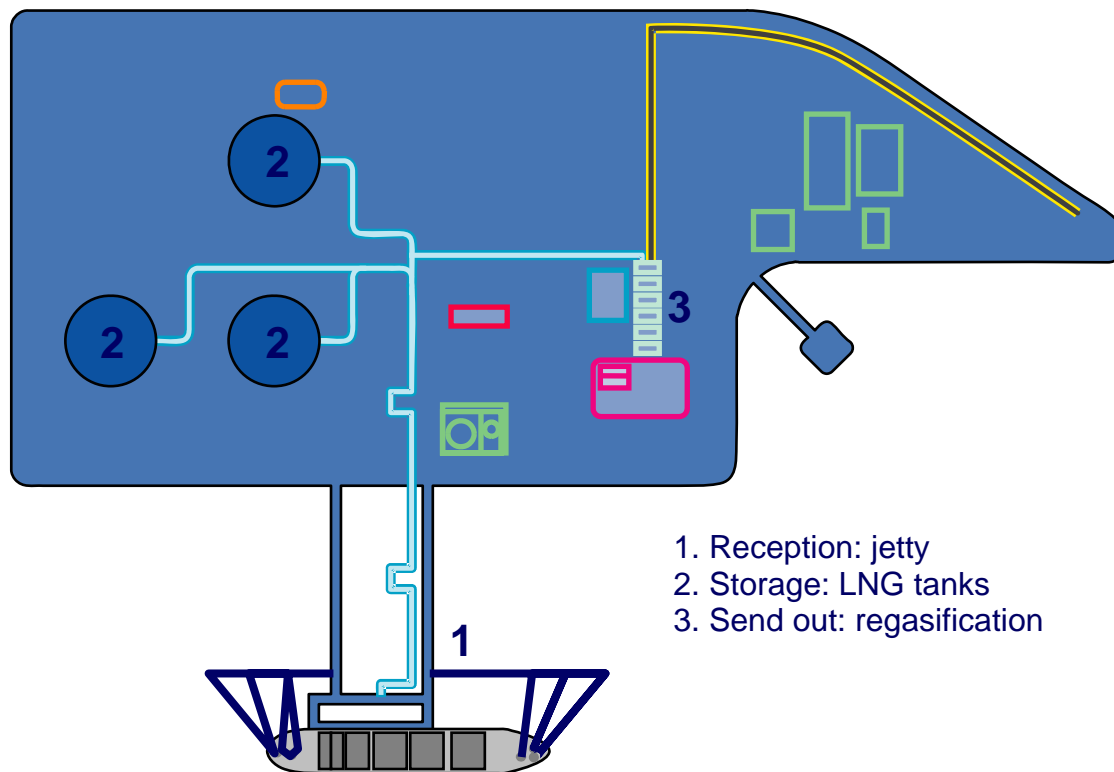
Month M	Month in which the arrival of a carrier is scheduled.
Month M-1	Month preceding month M.
Month M-2	Month preceding month M-1.
Effective volume	Maximum volume of LNG that can be stored in the LNG installation for the users of the LNG terminal, for the operational needs of Fluxys LNG and for its statutory obligations.
Own use	Natural gas consumed by Fluxys LNG within the scope of its activities, including losses.
Ship Approval Procedure	The procedure that all carriers must go through before accessing the LNG terminal, the purpose of which is to verify the compatibility between the carrier and the installations of the LNG terminal.
Standardised cubic metre m³(n)	Quantity of dry gas that, at a temperature of zero degrees Celsius and under an absolute pressure of 1.01325 bars, occupies a volume of one cubic metre.
Supply licence	Licence referred to in Article 15/3 of the Gas Act.
Tariff Decree	Royal decree of 15 April 2002 on the general tariff structure, basic principles and procedures in respect of tariffs and accounting for natural gas transmission companies operating in Belgium.
Terminalling contract	Contract linking Fluxys LNG to a user of the LNG terminal for the provision of services at the LNG terminal.
Total volume	Maximum volume of LNG that can be stored in the LNG installation.
Usable volume	Maximum volume of LNG that can be stored in the LNG installation for the users of the LNG terminal.
User of the LNG terminal	Any person or firm that has entered into a terminalling contract. This notion is different to the notion of a grid user, which designates any person or firm that supplies a network or is supplied by this network (cf. Gas Act).

For definitions other than those given above, Fluxys LNG refers readers to the definitions provided in the relevant laws and regulations and, in particular, the Gas Act.

CHAPTER I – Method for calculating usable and available capacities

Art. 1. The capacities of the LNG terminal are characterised by:

- the reception capacity
- the LNG storage volume
- the LNG regasification capacity.



In accordance with Chapter 4, Section 2 of the Code of Conduct, Fluxys LNG's installations are described on Fluxys LNG's website.

Art. 2. Fluxys LNG indicates the total, effective and usable capacities of the LNG terminal under Sections 1 to 3 of this chapter and in its indicative transport programme.

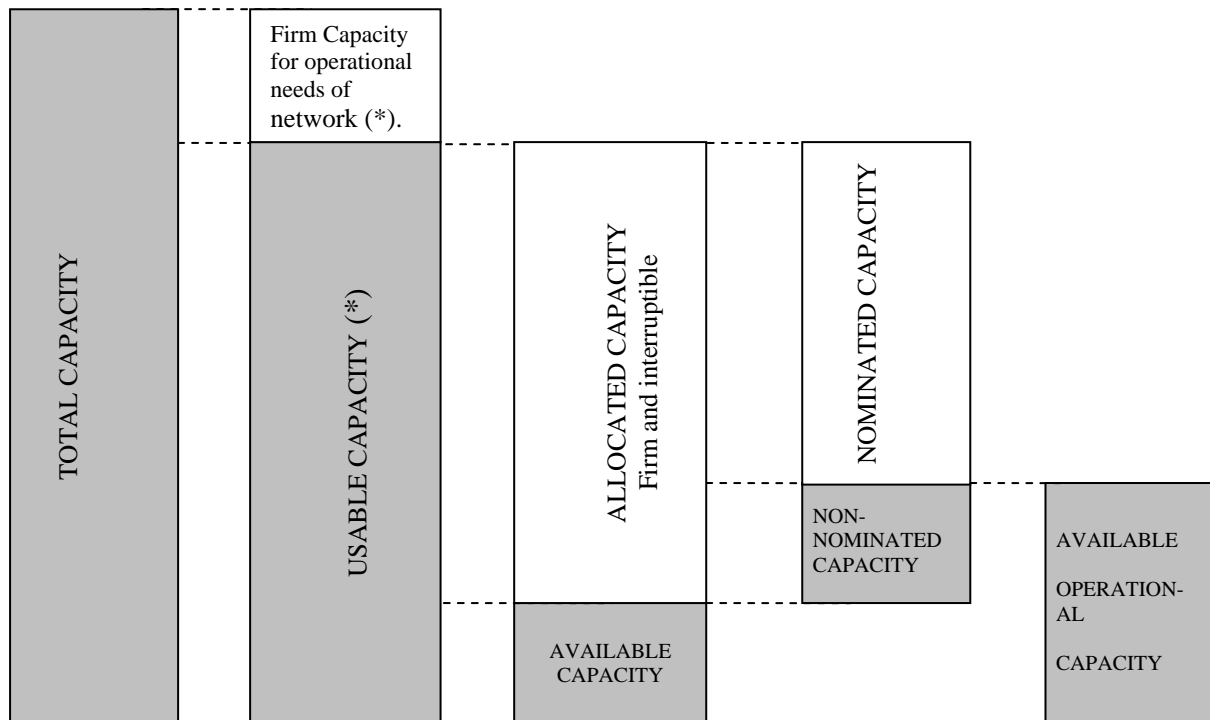
Section 1 - Reception Capacity

Art. 3. Considered independently of the storage volume and regasification capacity, the reception capacity of the LNG terminal jetty is characterised by the theoretical maximum frequency at which it can receive carriers and by the size of those carriers:

- i. Frequency: the theoretical maximum receiving frequency of the jetty is one carrier every 3 tides. This theoretical maximum frequency takes the maritime conditions for accessing the port into account as well as the time required for mooring and unloading the carrier, and constitutes a peak capacity, which cannot be sustained in continuous service.

Section 3 - LNG terminal Regasification Capacity

Art. 9. The notions of Usable, Available and Available Operational Capacity have been introduced by the Code of Conduct. These capacities are shown schematically below:



(*) including, if the case arises, capacities made interruptible for operational needs of the transport network.

Art. 10. *The total regasification capacity* of the LNG terminal is determined by the technical characteristics of the LNG regasification installations, taking into account the technical reserve capacities whose purpose is to improve the continuity of the regasification service.

Art. 11. *The usable regasification capacity* is the difference between

- (i) The total regasification capacity and,
- (ii) The regasification capacities for the operational needs of Fluxys LNG, given its statutory obligations and its co-operation agreements with other transport companies in order to ensure the integrity of the transmission infrastructure in Belgium, in so far as they have been approved by the CREG.

Fluxys LNG determines the usable regasification part that is sold in the form of firm regasification capacity, taking into account the expected availability of the concerned capacities. In addition, the regasification capacities may be interruptible for the operational needs of Fluxys LNG, given its statutory obligations and its co-operation agreements with other transport companies in order to ensure the integrity of the transmission infrastructure in Belgium.

Art. 12. *The available regasification capacity* of the LNG terminal at a given moment is the difference between (i) the usable regasification capacity of the LNG terminal and (ii) the regasification capacity of the LNG terminal already allocated to users of the LNG terminal.

Art. 13. In addition to the LNG regasification capacities (sent out in gas form), Fluxys LNG offers, subject to the holding of the necessary permissions, a service enabling the loading of container lorries and carriers (for cool-down, for example) with LNG at the LNG terminal.

Section 4 - Determination of the Theoretical Maximum Number of Slots

Art. 14. In its indicative transport programme, Fluxys LNG determines the content of the slot service and, in particular, the provisions with regard to:

- i. The duration of the carrier's arrival, unloading and departure window;
- ii. The buffer storage (basic storage): the volume, profile and duration (basic storage duration) of that storage.
- iii. The regasification capacities (basic regasification capacity).

Art. 15. The determination of the maximum theoretical number of slots per year requires combining the constraints linked to the reception capacity, the storage volume and the regasification capacity with the offer of services included in a slot.

The theoretical maximum number of slots per year is determined by the most restrictive of the following three constraints:

- (i) Constraints linked to the reception capacity:

The frequency at which the jetty can receive carriers in continuous service is less than the theoretical maximum receiving frequency referred to in Art. 3 (i) and is determined by Fluxys LNG as a reasonable and prudent operator, taking into account the prevailing practices and customs generally recognised and followed within this sector.

The theoretical maximum number of slots that the jetty can receive per year depends on the receiving frequency that the jetty can attain in continuous service in accordance with the following table:

<i>Receiving frequency in continuous service</i>	<i>Theoretical maximum number of slots per year</i>
1 carrier every 4 tides	176
1 carrier every 5 tides	141
1 carrier every 6 tides	117

- (ii) Constraints linked to the regasification capacity:

The maximum annual volume that can be accepted at the LNG terminal is obtained on the basis of the firm usable regasification capacity using the following formula:

$$\text{Maximum annual volume} = \frac{\text{Firm usable regasification capacity} \times 8760 \text{ hours}}{\text{Flexibility coefficient}}$$

The flexibility coefficient takes into account the firm capacity usage rate, the modulation requirements of the users of the LNG terminal and the availability of the installations (planned and unplanned maintenance).

On the basis of an assumption concerning the standard size of carriers, the annual volume may be translated into a theoretical maximum number of slots that may be accommodated each year:

$$\text{Maximum_number_of_slots} = \frac{\text{Maximum_annual_volume}}{\text{Standard_size_carrier}}$$

(iii) Constraints linked to the storage volume:

The theoretical maximum number of slots per year, considering the storage volume at the LNG terminal earmarked for the slot service offer, is obtained from the following formula:

$$\text{Maximum_number_slots} = \frac{(2 \times V_{\text{base}} - 1) \times 365}{D_{\text{base}}}$$

Where

- V_{base} = storage volume at the LNG terminal earmarked for the slot service offer expressed as a multiple of the size of the carriers for which the slot service is defined.
- D_{base} = basic storage duration (in number of days) per slot.

Art. 16. The theoretical maximum number of slots per year, calculated in accordance with Art. 15 is given on an indicative basis. This number is small taking into account the constraints below and is given in the indicative transport programme of Fluxys LNG:

- The impact of the number of slots on the users of the LNG terminal and, in particular, on the costs of the integrated LNG chain for those users.
- The planning constraints linked to the production and transport of LNG;
- The needs for flexibility and guarantees of availability of the reception installations that the users of the LNG terminal require;
- Unforeseen events linked to maritime transport.
- The transit time between the loading ports and the LNG terminal of Fluxys LNG.

CHAPTER II – *Method for calculating the unused capacity mentioned in Article 47, §2 of the Code of Conduct*

Section 1: Records of use of the allocated capacity

Art. 17. Fluxys LNG establishes a record of use of the capacities of the LNG terminal that details, for each user of the LNG terminal:

- i. the number of slots nominated by the user of the LNG terminal for each month in accordance with Art. 31 (iii) of these main conditions;
- ii. the unloading dates of carriers and the amounts unloaded;
- iii. the nominated slots (in accordance with Art. 31 (iii)) but which have not been used by the user of the LNG terminal and the reasons why these slots have been missed (in so far as these reasons are known to Fluxys LNG). The slots accounted for in accordance with Art. 31 (vii) are clearly identified;
- iv. the regasification capacity allocated (and not interrupted) to the user of the LNG terminal and
- v. the maximum and the daily total of scheduled regasification nominations.

Art. 18. The record covered by Article 17 will be in electronic form. It is confidential and can be consulted only by the CREG and the concerned user of the LNG terminal.

Section 2: Method for calculating the unused capacity mentioned in Article 47, §2 of the Code of Conduct

Art. 19. The calculation method applied by Fluxys LNG reflects the past use of capacities and is based on the data contained within the records referred to in the previous section. The calculation by Fluxys LNG of the unused capacity must be regarded as a preliminary analysis that could help the CREG to apply, in the event of congestion, the provisions of Article 48, § 3 of the Code of Conduct.

Art. 20. For each user of the LNG terminal the calculation method takes into account:

- i. The annual slot usage rate, i.e. the number of slots used divided by the number of slots to which the user is contractually entitled on an annual basis.
- ii. The monthly slot usage rate, i.e. the number of slots used divided by the number of slots nominated on a monthly basis.
- iii. The slots accounted for in accordance with Art. 31 (vii).
- iv. The daily usage rate of regasification capacities (maximum and daily total of regasification nominations divided by the total subscribed (and not interrupted)).
- v. The operational availability of the installations and relevant external factors (for example, the closing of the port of Zeebrugge).
- vi. The firm capacity allocated in the context of supply contracts and/or supply of which Fluxys LNG is aware.
- vii. Any capacity assigned with release of the assignor.

- viii. The capacity offered on the secondary market in accordance with Article 47, §2, 3° of the Code of Conduct.
- ix. Public service obligations.
- x. The characteristics of the subscribed services.
- xi. Any justifications and relevant facts submitted by the user of the LNG terminal.

CHAPTER III – *Capacity allocation rules and the way in which the interruptible capacity is offered*

Art. 21. The following types of capacities can be distinguished:

- a) The available capacities (not yet allocated by Fluxys LNG). Sections 1 and 2 of this chapter describe the allocation principles applied by Fluxys LNG for allocating these capacities.
- b) the capacities allocated by Fluxys LNG to a user of the LNG terminal and
 - i. used by that user.
 - ii. offered on the secondary market by this user or by Fluxys LNG on behalf of this user (cf. Art. 31).
 - iii. released pursuant to Article 48 of the Code of Conduct. These capacities are allocated in accordance with Section 3 of this chapter.

The specific principles pertaining to the allocation of interruptible regasification capacities are dealt with in Section 4.

Art. 22. Independently of the market on which the capacity has been acquired, only carriers that have successfully passed the Ship Approval Procedure are authorised to access the LNG terminal.

Art. 23. In order to be able to access the installations of Fluxys LNG, all applicants must submit an access request to Fluxys LNG in accordance with the Code of Conduct, Chapter 3, Section 2.

The access procedure is in accordance with the provisions of Chapter 3 of the Code of Conduct.

Section 1: Allocation of capacities of the LNG terminal through Open Season process

Art. 24. The capacities of the LNG terminal are allocated through an Open Season process, which is both transparent and accessible to everyone. The following procedure is applied:

- i. An information memorandum is sent to potential players and is published in the press and on the Fluxys LNG website.
- ii. The interested parties get involved in the process and sign a confidentiality agreement.
- iii. The parties enter into discussions with Fluxys LNG.
- iv. The parties sign conditional agreements.

- v. If the demand for capacity is higher than Fluxys LNG's offer, given its investment programme, non-discriminatory and transparent priority criteria are used to decide between the applicants. These criteria are determined by market conditions and are approved by the CREG.
- vi. The parties sign the terminalling contracts.

Art. 25. Capacities not allocated in the context of the Open Season process mentioned in Article 24 are allocated in accordance with Section 2 until a new Open Season process is organised.

Section 2: Allocation of capacities not allocated in the Open Season process specified in Section 1

Art. 26. Capacities not allocated in the context of an Open Season process as mentioned in Section 1 are allocated according to the principle of *First Committed First Served*.

Section 3: Allocation of the capacities released pursuant to Article 48 of the Code of Conduct.

Art. 27. The quantity of the allocation granted corresponds to the capacity released to the applicant that has demonstrated that it is actually going to use the capacity newly requested in accordance with Article 48 §2 of the Code of Conduct.

Section 4: Specific principles concerning the allocation of interruptible regasification capacities

Art. 28. Article 8, Paragraph 2 of the Code of Conduct lays down that the transport company offers as interruptible capacity on the following day's primary market, as high a percentage as possible of the firm capacity allocated to the grid users but not nominated.

Article 100 of the Code of Conduct grants transport companies an implementation period. This period has not yet run out and the system is not available on the submission date of the present document.

Art. 29. There are no specific rules with regard to the allocation of interruptible regasification capacities apart from the interruptible capacities sold in accordance with Article 8, §2 of the Code of Conduct.

CHAPTER IV – *Rules regarding the negotiability of the capacity of the LNG terminal and the way in which they are established in transport contracts*

Art. 30. The user of the LNG terminal may assign with or without release the capacity which it has subscribed.

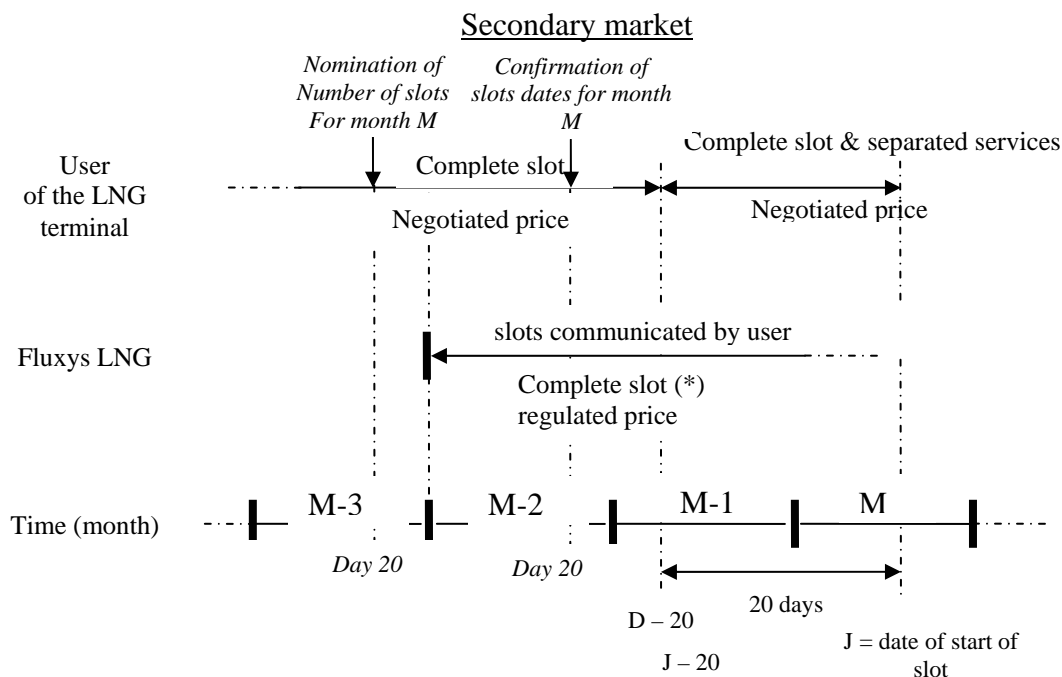
Art. 31. Within the framework of its congestion management policy and facilitating the secondary market, Fluxys LNG provides for the following measures¹:

- i. For the period preceding the first day of month M-2, without prejudice to point (ii) of the present article, no specific measures are taken by Fluxys LNG with regard to the secondary market. However, Fluxys LNG points out that the Code of Conduct stipulates:
 - Article 46 Paragraph 2: “Without prejudice to Article 10, §2 12°, the grid user offers, on the secondary market, the firm allocated capacity which it no longer needs momentarily or which it no longer needs permanently”.
 - Article 46 Paragraph 3: “In the absence of a public stock market for the capacity and the flexibility, as stipulated in Article 24, or if the grid user does not wish to offer its capacity via this stock exchange, the grid user communicates, to the transport company, the quantity and the price of the offer each time that it submits or modifies an offer. The transport company publishes this offer at the same time as the offer for the primary market in accordance with the provisions of Article 34.”
- ii. More than 20 days before the start date of the slot, the user of the LNG terminal can only sell its slots on the secondary market in the form of full slots (without breaking them down to their constituent services). From 20 days before the start date of the slot, the user of the LNG terminal can sell the different services that constitute a slot separately on the secondary market.
- iii. Before the 20th day of month M-3, the user of the LNG terminal nominates the number of slots that it is scheduling for the month M. Before the 20th day of month M-2, the user of the LNG terminal notifies the dates of the slots that it has nominated.
- iv. On the 1st of month M-2 at the latest, the user of the LNG terminal must notify Fluxys LNG of the slots that it does not intend to use. Through this notification, the user of the LNG terminal authorises Fluxys LNG to sell, on behalf of the user of the LNG terminal, the slot in question.
- v. Fluxys LNG sells the slots that it has been notified of in accordance with Point (iv). These slots are published on Fluxys LNG’s website, and are sold as complete slots (without breaking them down to their constituent services) at the regulated tariff up to 10 days before the start date of the slot and are allocated on the basis of the principle of *First Committed First Served*. Ten days before the start date of the slot, the capacities that constitute the slot are marketed by Fluxys LNG in a dissociated way at the regulated price. Fluxys LNG shall immediately notify the user of the LNG terminal when the slot or the constituent capacity have been allocated.

¹ To clarify matters, a schematic representation of the way the secondary market works is given at the end of the article.

- vi. Without prejudice to Points (iv) and (v) of this Article and without prejudice to Article 46 Paragraph 3 of the Code of Conduct, the user of the LNG terminal still retains the possibility of selling the slots (and, from 20 days before the start date of the slot, the services making up this slot - cf. Point (ii)) on the secondary market, at a negotiated price. If the user of the LNG terminal has sold a slot (or capacities constituting a slot) that has been the subject of a notification in accordance with Point (iv) of this Article, the user of the LNG terminal will immediately notify Fluxys LNG, which will discontinue the sale of the slot in question. If the user of the LNG terminal has sold capacity in a dissociated way, the possible residual capacity not sold ten days before the start date of the slot will be marketed by Fluxys LNG in accordance with Point (v).
- vii. Fluxys LNG enters, in the record mentioned in Art. 17 (iii), any slot nominated by the user of the LNG terminal pursuant to the Point (iii) of this Article but not used, provided that this slot was not the subject of a notification pursuant to Point (iv) of this Article. In accordance with Article 48 of the Code of Conduct, this information is transmitted to the CREG in the event of congestion.

By way of indication, the diagram below shows, in schematic form, the way the secondary market operates:



(*) as from D-10, separated services

Art. 32. The assignment of capacity with or without release of the assignor results in the assignment of all obligations and contractual rights as well as associated characteristics, without modifying them towards Fluxys LNG.

Art. 33. In the event of assignment without release of the assignor, the assignor remains jointly and severally liable vis-à-vis Fluxys LNG with the assignee for all obligations ensuing from the terminalling contract.

The assignor and the assignee who have concluded an assignment of capacity agreement without release of the assignor must inform Fluxys LNG of this in writing at least 5 working days before the date of performing the service (this time is reduced to 2 days when the system

mentioned in Article 8, Paragraph 2 of the Code of Conduct is available (cfr. Art. 28) without prejudice to the Ship Approval Procedure (cfr Art.22).

Any assignment without release of the assignor must in any event comply with the operational mechanisms put in place by Fluxys LNG.

Art. 34. A capacity assignment with release of the assignor is subject to the prior, written notification to Fluxys LNG, which has the right to accept or refuse it. Fluxys LNG may not unreasonably refuse its agreement. Fluxys LNG will give its agreement with regard to an assignment with release of the assignor providing the following conditions are met:

1° The assignee obtains, for the use of the assigned capacity, access to the LNG terminal of Fluxys LNG in accordance with the Code of Conduct. Fluxys LNG deals with the access request of the assignee, in a non-discriminatory and transparent way, just like a new access request. In particular, Fluxys LNG checks that the financial guarantees stipulated in Chapter XII of these main conditions are complied with.

2° The absence of any debt owed by the assignor to Fluxys LNG, unless the assignee irrevocably and unconditionally undertakes to pay any such debts to Fluxys LNG.

Art. 35. Independently of the assignment of capacities, the transfer of quantities of stored LNG (or the rights to these quantities) of a user of the terminal to another is authorised within the limit of the storage volumes that they have been allocated.

Art. 35bis The offers that the users of the LNG terminal make on the secondary capacity market and that are communicated to Fluxys LNG pursuant to Article 46 Paragraph 3 of the Code of Conduct are published on the Fluxys LNG website.

CHAPTER V – *Balance between natural gas flows in the LNG terminal*

Art. 36. Fluxys LNG established, on an hourly basis, a gas-in-storage account for each user of the LNG terminal on the basis of the input and output allocations of the LNG terminal, taking into account an offtake of gas in kind in accordance with the tariffs approved by the CREG, in accordance with Art. 39 and any quantities of LNG that may be transferred between users of the terminal, in accordance with Art. 35.

Art. 37. The gas-in-storage account of a user of the LNG terminal must, at any given moment:

- Be more than or equal to zero (without prejudice to an LNG lending service), and
- Be less than or equal to the storage capacity at the disposal of the user of the LNG terminal at that particular moment.

Art. 38. Without prejudice to an LNG lending service, Fluxys LNG refuses the send out nominations of any users of the terminal whose gas account (expressed in energy) has reached zero.

Art. 39. If the gas account balance of a user of the LNG terminal exceeds its storage capacity, Fluxys LNG may:

- Reduce the gas account of the user of the terminal by the quantity of gas in excess compared to its storage capacity and,

- Reimburse the user of the terminal the revenue generated by the sale of this quantity of gas, after deducting reasonable costs incurred by Fluxys LNG.

CHAPTER VI – *Units of time and tolerance values under Articles 52 and 53 of the Code of Conduct*

Art. 40. Article 10, §2, 6°, of the Code of Conduct does not apply to the LNG terminal with regard to the time units and Fluxys LNG does not apply tolerance values.

CHAPTER VII – *Aggregation of Imbalances*

Art. 41. Article 10, §2, 7°, of the Code of Conduct does not apply to the LNG terminal.

CHAPTER VIII – *Natural gas quality requirements for the different entry points of the transmission infrastructure*

Section 1 – LNG quality specifications required for unloading at the LNG terminal

Art. 42. The quality specifications for the LNG that need to be met for unloading at the LNG terminal by the user of the LNG terminal are given in a table published on the Fluxys LNG website.

The following table shows the situation at this document’s submission date; these figures are published on the Fluxys LNG website.

Minimum GCV	10,83	kWh(25° C)/m ³ (n)
Maximum GCV	12,43	kWh(25° C)/m ³ (n)
Minimum Wobbe	14,17	kWh(25° C)/m ³ (n)
Maximum Wobbe	15,56	kWh(25° C)/m ³ (n)
Maximum H ₂ S + COS (as S)	5	mg/m ³ (n)
Maximum Total S (as S)	22,4	mg/m ³ (n)
Mercaptans (as S)	6	mg/m ³ (n)
Maximum O ₂	10	ppm (vol)
Maximum CO ₂	100	ppm (vol)
Maximum CO	1	ppm (vol)
Maximum H ₂ O	0,1	ppm (vol)
Maximum hydrocarbon dew point	-20	°C @ 0-69 barg
Maximum Hg	50	ng/m ³ (n)
Minimum CH ₄	80	mol%
Maximum N ₂	1,2	mol%
Min. Density (equilibrium at atmospheric pressure – 1013.25 mbar)	425	kg/m ³ LNG
Max. Density (equilibrium at atmospheric pressure– 1013.25 mbar)	480	kg/m ³ LNG
Maximum H ₂	1	ppm (vol)
Maximum iC4	1	mol%
Maximum nC4	1	mol%
Maximum iC5	0,2	mol%
Maximum nC5	0,2	mol%
Maximum C6+	0,1	mol%
Solids: no deposition on a “Mesh Strainer 32”		

In addition, the LNG must not contain solid or liquid impurities or contaminants.

Section 2 – Non-compliance with the quality specification for unloading LNG at the LNG terminal

Art. 43. Fluxys LNG has the right to refuse, but uses reasonable efforts to accept, the unloading of any cargo of LNG that does not comply with the quality specifications stipulated in Section 1 of this chapter. It is understood that, when Fluxys LNG has accepted LNG that does not comply with the quality specifications, Fluxys LNG uses reasonable efforts to make that LNG compliant with the quality specifications, provided the user of the LNG terminal bears the direct costs, disbursements and losses relating to the processing of that LNG (including, *inter alia*, the costs relating to the segregation of the non-compliant LNG, and to the processing due to the contamination of the LNG of other users of the LNG terminal, and,

if Fluxys LNG uses other possibilities available downstream of the LNG terminal to make the gas compliant with the specifications, the costs relating to that processing).

It is understood that Fluxys LNG shall use every reasonable effort to minimise the costs, disbursements and losses, which are to be borne by the user of the terminal.

Art. 44. If LNG, which is not compliant with the quality specifications as specified in Section 1 of this chapter, is discharged in the LNG installations without its quality having been accepted beforehand by Fluxys LNG, the user of the LNG terminal must reimburse Fluxys LNG for all the reasonable direct costs, disbursements and losses (including, *inter alia*, the costs relating to the segregation of the non-compliant LNG and the processing due to the contamination of the LNG of other users of the LNG terminal and, if Fluxys LNG uses other possibilities available downstream of the LNG terminal to make the gas compliant with the specifications, the costs relating to that processing) relating to the non-compliance with the quality specifications by the user of the LNG terminal, it being understood that Fluxys LNG will take reasonable measures to minimise those costs, disbursements and losses.

Art. 45. Providing the user of the LNG terminal has unloaded LNG that complies with the quality specifications applicable at the entry point, the user of the LNG terminal has the right to refuse, but uses reasonable efforts to accept delivery of gas made available by Fluxys LNG at the exit point if that natural gas does not comply with the quality specifications applicable at this point.

If however Fluxys LNG has the gas processed downstream of the LNG terminal in order to make it compliant with the specifications, and bears the direct costs, disbursements and losses relating to that processing, the user of the LNG terminal cannot refuse the delivery of it. It is understood that the user of the LNG terminal shall make every reasonable effort to minimise the costs, disbursements and losses, which are to be borne by Fluxys LNG.

Art. 46. If Fluxys LNG delivers, at the exit point, natural gas that does not comply with the quality specifications applicable at this point, without the quality of this natural gas having been accepted beforehand by the user of the LNG terminal and providing that the user of the LNG terminal has complied with the quality specifications applicable at the entry point, Fluxys LNG must reimburse the user of the LNG terminal all reasonable costs, disbursements and losses directly linked to the non-compliance with the quality specifications by Fluxys LNG, it being understood that the user of the LNG terminal will take all reasonable measures to minimise said direct costs, disbursements and losses.

CHAPTER IX – *Monitoring Programme*

Art. 47. Fluxys implements a monitoring programme which aims to ensure that an active policy of non-discrimination and transparency is applied, both internally and externally, towards grid users. For the purposes of implementing this monitoring programme, Fluxys and its subsidiary Fluxys LNG are considered as the same entity.

Art. 48. Fluxys' monitoring programme is based on the following principles:

- 1° Transparency and non-discrimination between grid users or categories thereof, and
- 2° Protection of the confidential information relating to the grid users.

Art. 49. The monitoring programme applies to all employees of Fluxys within the scope of the provision by Fluxys of services linked to the transport of gas in Belgium.

Art. 50. The "Compliance Officer" is responsible for ensuring that this monitoring programme is properly complied with, in accordance with Art. 55 and Art. 56 below.

Section 1 – Internal Rules of Conduct

Art. 51. Fluxys' internal rules of conduct comprise, in particular:

- 1° Procedures that the employees of Fluxys must follow in their contacts with the grid users or potential grid users.
- 2° Internal regulations, established in accordance with the Code of Conduct;
- 3° Rules concerning how to deal with the questions and files of the grid users or potential grid users.

Art. 52. As regards the protection of confidential information, the internal rules of conduct stipulate, in particular, that:

- 1° Confidential information cannot, in any way whatsoever, be disclosed by Fluxys to people that are not its own employees. This information may only be disclosed to those people or services that need to know in order to allow access to the transmission infrastructure or to allow the use of the transmission infrastructure.
The directors and employees of Fluxys, in so far as they have access to the confidential information, cannot be members of staff of a supply company, whether remunerated or not.
- 2° Fluxys and/or its employees may however disclose confidential information to:
 - the CREG and the *Administration de l'Energie* (Energy Administration), or any other relevant administrative body, in accordance with the provisions of the Gas Act and its executory decisions.
 - The courts or arbitration panels that need to make a ruling on a dispute between Fluxys and a grid user, as well as the advisers that represent Fluxys before these bodies and the experts, if Fluxys' defence so requires.
 - Its Statutory Auditor.
 - the legal agents, contractors and subcontractors of Fluxys, in so far as they are subject to the rules of confidentiality that guarantee, in an adequate way, the protection of the confidentiality of information and in so far as there are no patrimonial interests in their mutual relations with supply companies or with one of their associated or affiliated companies.

- 3° Fluxys may use the confidential information given to it by the grid users or potential grid users for statistical purposes, providing that the resulting statistical data disclosed by Fluxys does not allow grid users or potential grid users to be individually identified.
- 4° The following information is not considered as confidential:
- Information in the public domain.
 - Information that has been given to Fluxys by a grid user or potential grid user, the disclosure of which complies with the terms of a written agreement with the grid user or potential grid user who has provided the information.
 - Information intended for a grid user or potential grid user that falls within the data required for the purposes of the transport services offered to this grid user or potential grid user.
 - Information relating to the quantities of reserved and available capacities as well as to the number of unloadings carried out per month.
- 5° All Fluxys employees are held to the obligation of non-disclosure of confidential information to any non-authorized party throughout the term of their employment contracts and for a period of five years after the termination of said employment contracts.

Art. 53. The procedures that Fluxys employees have to follow in their contacts with grid users or potential grid users and the rules with regard to dealing with the questions and files of the grid users or potential grid users, provide, in particular, that:

1° When disseminating information, Fluxys employees must demonstrate the greatest possible discretion.

2° Only information in the public domain may be communicated externally. All other requests for information are transmitted to the relevant Fluxys departments to decide which information may be communicated, depending on the type of information requested.

3° The Fluxys departments that receive and process questions concerning:

- The operational exploitation of the transport installations.
- The commercial exploitation of the transport services.
- The technical exploitation of the transport installations,

are determined by Fluxys.

Section 2 – External Policy Rules

Art. 54. Fluxys draws up external policy rules, which are communicated to the grid users in accordance with Article 27 of the Code of Conduct.

Section 3 – Compliance with the Monitoring Programme

Art. 55. In connection with the Fluxys management, the compliance officer is responsible for ensuring compliance with the monitoring programme.

The compliance officer sees to the following missions:

1° To ensure the application of internal and external rules with regard to confidentiality, non-discrimination and transparency.

2° To give advice to Fluxys employees for any questions relating to the application of this programme;

3° To assess compliance with the monitoring programme.

Art. 56. Any member of Fluxys staff who becomes aware of an infringement of the compliance monitoring programme, whether intentional or unintentional, must duly notify the compliance officer.

CHAPTER X – Congestion Policy and Associated Contractual Provisions

Section 1: Basic Principles Stemming from the Code of Conduct

Art. 57. With regard to the basic principles for managing congestion, Fluxys LNG refers to the Code of Conduct and, in particular, Articles 45 to 48 of said code.

Reminder: the Code of Conduct provides for (see Article 48) the possibility, in the event of congestion, to cancel the allocated capacities. In accordance with Article 47 of the Code of Conduct and chapter II of the present main conditions, this means that the unused capacities are detailed by Fluxys LNG in a record unless the user of the LNG terminal has authorised Fluxys LNG to sell these capacities on behalf of the user of the LNG terminal, in accordance with the procedure of Art. 31 (iv) and (v) of these main conditions.

Section 2: Fluxys LNG's Congestion Management Policy

Art. 58. In accordance with Article 45 of the Code of Conduct, Fluxys LNG follows a proactive and non-discriminatory congestion management policy that aims to facilitate the sale of unused capacities and to facilitate the secondary market for the LNG terminal's capacities.

In this respect, Fluxys LNG refers to the provisions of Chapter IV of the present main conditions.

Art. 59. In accordance with Article 46, Paragraph 3 of the Code of Conduct, Fluxys LNG will offer on the primary market, prioritarily in the form of slots, the capacities still available while ensuring that the terminal's capacities are used optimally and in accordance with the proactive congestion management policy.

CHAPTER XI – *Processing of Natural Gas For Own Use by the Transport Company and Periodic Energy Balance Differences*

Section 1 – Own Consumption Record

Art. 60. Fluxys LNG must establish, for the LNG terminal, a record called the “Own Consumption Record”.

Art. 61. The record mentioned at Art. 60 details, on a monthly basis, the quantity of gas offtaken for own use. These quantities of gas are broken down into the following categories:

- 1° The gas used by the vaporisers for regasifying the LNG.
- 2° The gas used during interventions on the installations and losses.
- 3° Given the situation with regard to the ownership / co-ownership of the cogeneration installation, if appropriate, the gas used for the production of heat by the cogeneration unit.
- 4° Own uses linked to the compressors and the heating of the premises.

Section 2 – Energy Balance Record

Art. 62. Fluxys LNG must establish, for the LNG terminal, a record called “Energy balance record”.

Art. 63. The record stipulated in Art. 62 details, on a monthly basis, the difference (positive or negative) of the overall energy balance of the LNG terminal installation.

Section 3 – Form of records

Art. 64. The records stipulated in Art. 60 and Art. 62 shall be in electronic form.

Section 4 – Purchase of Gas For Own Use

Art. 65. Any purchases of gas for own use beyond the offtake of gas in kind according to the tariffs approved by the CREG are carried out in a non-discriminatory and transparent way, in accordance with Fluxys LNG’s external rules policy (cf. Art. 54). These purchases will be in accordance with the provisions of the Code of Conduct (Article 2, §3).

CHAPTER XII – Applicable Rules With Regard To Liability And Financial Guarantees

Section 1 – Liability and Insurance

Art. 66. In the event of contractual liability or in the event of co-existence of contractual liability and the extra-contractual liability between S.A. FLUXYS LNG and the user of the LNG terminal and/or their associated companies, the above-mentioned parties shall exclusively be entitled to compensation for the direct costs, losses and disbursements, loss of earnings included, that are in direct causal relation with the contractual fault. All other damages are expressly excluded. This compensation is limited in accordance with Article 70.

Art. 67. With the exclusion of a gross or intentional negligence or fraud, any consecutive damage is expressly excluded in the event of extra-contractual liability on the part of S.A. Fluxys LNG and/or the user of the LNG terminal and/or their associated companies, as well as in the event of co-existence of contractual and extra contractual liability. Consecutive damage means any loss or indirect damage incurred by the other party and/or any third party, in causal relation with the offence in question in this article, including but not limited to any loss of profits, loss or interruption of production and any loss of contract, howsoever the same may arise undergone or incurred by that party and/or any third party that results from any claim, demand or action exercised by that party and/or any third party. For all the other damages, compensation is limited in accordance with Article 70.

Art. 68. §1 Each party (or associated companies) shall be liable with respect to the other party (or associated companies) for any direct material damage caused to the LNG terminal and to the methane tankers, up to a maximum amount per event of €150,000,000.

§2 The parties hold each other harmless for all that exceeds the limit envisaged in §1.

Art. 69. Fluxys LNG shall be liable with regard to the user of the LNG terminal for the value of natural gas in liquid or gaseous form (value at Zeebrugge spot market price of the day of the loss of natural gas in liquid or gas form) in the LNG terminal for that user of the LNG terminal in the event of loss of that natural gas in liquid or gas form, in so far as that loss was not caused by that user of the LNG terminal.

Art. 70. §1 With the exclusion of Articles 44, 46, 68 and 69, the maximum compensation shall not exceed a maximum of:

a/ For each slot lost or interrupted following an event or a series of events: an amount equal to five times the regulated tariff payable for the slot concerned provided this amount does not exceed the amount envisaged for the contractual year;

b/ For each service (other than the slot) envisaged by the terminalling contract that is lost or interrupted following an event or a series of events: an amount equal to 2.5 (two and a half) times the regulated tariff payable for the slot concerned provided this amount does not exceed the amount envisaged for the contractual year;

c/ Per contractual year : an amount equal to 3/12 of the invoicing amount payable by the user of the LNG terminal concerned during the contractual year for all its terminalling contracts, with a minimum equal to the regulated tariff payable for a slot.

§2 The parties hold each other harmless for all that exceeds the limits envisaged in §1 a, b and c.

Art. 71. The parties' liability for any death or physical injury resulting from their negligence or the negligence of one their representatives is not limited.

Section 2 – Financial Guarantees

Art. 72. For a terminalling contract of 30 days or more:

§1 The user of the LNG terminal must, at any time and at the latest thirty (30) days before the provision of services, have a bank guarantee, in favour of Fluxys LNG, with a bank approved by the Banking, Finance and Insurance Commission (or an equivalent organisation of one of the 15 Members States of the European Union at 30 April 2004) of an amount at least equal to the average monthly amount (VAT included) calculated on the basis of the total amount of the invoices anticipated for the contractual year to come and of which there are not less than thirty (30) days to run.

§2 On the anniversary date of the terminalling contract in progress at the latest and provided that there remain no less than thirty (30) days to run for this contract, the user of the LNG terminal shall give evidence to Fluxys LNG each year that the financial institution that issued the bank guarantee or another financial institution that satisfies the criteria enumerated in §1 above, has extended the period of the bank guarantee and adapted its amount according to the average monthly amount (VAT included) calculated on the basis of the total amount of the invoices anticipated for the contractual year to come.

Art. 73. For a terminalling contract of less than thirty (30) days, the user of the LNG terminal shall transfer to Fluxys LNG, at the latest by the date that the services start, the invoicing amount (including VAT) anticipated for the said terminalling contract.

Art. 74. When the user of the LNG terminal has ceased to meet the requirements stipulated in Article 72, it must, under penalty of contractual default, immediately inform Fluxys LNG thereof by registered letter. The user of the LNG terminal shall have twenty (20) banking days to submit the proof to Fluxys LNG of a new bank guarantee that meets the requirements under Article 72. After the expiry of twenty (20) banking days and in the absence of a new bank guarantee, the terminalling contract of the user of the LNG terminal shall be automatically suspended as of right.

Art. 75. In the absence of payment of the invoices after the due date and beyond the fourteen (14) calendar days after the receipt by the user of the LNG terminal of a formal notice sent by Fluxys LNG by registered letter, Fluxys LNG shall be entitled to invoke the bank guarantee. When Fluxys LNG invokes the bank guarantee, the user of the LNG terminal, within twenty (20) banking days from the day when Fluxys LNG invoked the bank guarantee, shall give evidence that the financial institution that issued the bank guarantee has adapted the amount of the bank guarantee to the level determined in Article 72 or will constitute a new bank guarantee meeting the conditions mentioned in Article 72. Failing which, the terminalling contract shall be automatically suspended as of right.

CHAPTER XIII – *Conditions With Regard To Contract Termination And Possible Indemnities*

Art. 76. The terminalling contracts provide for the possibility for the user of the LNG terminal to terminate the terminalling contract in accordance with the following terms and conditions:

- i. For contracts involving the unloading of less than 5 carriers and a maximum contract period of 2 years:
 - o In the event where the user notifies (by registered letter) its wish to terminate the terminalling contract at least 3 months before the start date of the contract in question, the user of the LNG terminal may terminate the terminalling contract in return for the payment, to Fluxys LNG, of an indemnity corresponding to 75% of the invoiced sums (calculated on the basis of the tariff conditions linked to the reservation of capacity – exclusive of the terms linked to use) provided for by the terminalling contract;
 - o In other cases, the user of the LNG terminal may terminate the terminalling contract in return for the payment, to Fluxys LNG, of an indemnity corresponding to the invoiced sums (calculated on the basis of the tariff conditions linked to the reservation of capacity - exclusive of the terms linked to use) provided for by the terminalling contract for the remaining contractual period.
- ii. For contracts other than those stipulated in Point (i) of this article, the user of the LNG terminal may terminate the terminalling contract in return for the payment, to Fluxys LNG, of an indemnity corresponding to:
 - o 95% of the invoiced sums (calculated on the basis of the tariff conditions linked to the reservation of capacity - exclusive of the terms linked to use) provided for by the terminalling contract for the remaining contractual period in so far as said period is greater than 2 years;
 - o 100% of the invoiced sums (calculated on the basis of the tariff conditions linked to the reservation of capacity - exclusive of the terms linked to use) provided for by the terminalling contract for the remaining contractual period in so far as said period is less than or equal to 2 years.