

**CAPACITY RESERVATION  
AND  
TRANSIT SERVICES AGREEMENT**

**BETWEEN**

**FLUXSWISS SAGL**

**AND**

**[SHIPPER]**

## Capacity Reservation and Transit Services Agreement

This Capacity Reservation and Transit Services Agreement (hereafter the “**Agreement**”) is entered into by and between:

- (1) **FLUXSWISS Sagl**, a company incorporated in and under the laws of Switzerland, having its registered office at Via delle Scuole 8, 6900 Paradiso, Switzerland;  
Hereinafter referred to as “**FluxSwiss**” or the “**Carrier**”;  
Hereby duly represented by Damien Adriaens, Deputy Chief Executive Officer and Raoul Raffagli, Commercial Manager.

and:

- (2) [●], a company incorporated in and under the laws of [●], having its registered office at [●], registered at the [●] under number [●] with VAT number [●];  
Referred to as the “**Shipper**”;  
Hereby duly represented by [●], [●] and [●], [●];

Carrier and Shipper may hereinafter individually be referred to as a “**Party**” and collectively as the “**Parties**”.

### WHEREAS:

- (A) Shipper has available a certain quantity of Natural Gas at the Delivery Point and wishes to have said natural gas transited by Carrier to the Redelivery Point in accordance with the terms and conditions of this ship-or-pay Agreement;
- (B) Carrier has available transit capacity in the Pipeline System and is willing to provide Transit Services to Shipper in accordance with the terms and conditions of this ship-or-pay Agreement.

### NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

Unless the context requires otherwise in this Agreement and its Attachments, the terms used in this Agreement and its Attachments shall have the meaning given to them in GC 1 of the General Conditions.

##### 1.2 Interpretation

- (i) The headings of Articles shall not affect their interpretation.
- (ii) Words importing a gender include every gender.
- (iii) References to a ‘company’ shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.
- (iv) References to ‘person’ shall be construed so as to include any physical person, individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality).
- (v) Reference to any person includes references to that person’s successors and permitted assignees.
- (vi) Reference to a statute, by-law, regulation, rule, delegated legislation or order is to the same as amended, modified or replaced, from time to time, and to any by-law, regulation, rule, delegated legislation or order made thereunder.

- (vii) In case an index used or referred to in this Agreement ceases to be available or is materially changed or affected in its content, or no longer reflects the price of the commodity it refers to at the place it refers to, or the methodology used to calculate the index is materially altered as compared to how it was calculated at the date of execution of this Agreement, Carrier shall provide an appropriate adjustment or replacement of such index in order to achieve as accurately as possible the objectives which were at the basis of the choice of the original index. Such adjustment or replacement shall apply automatically. In the event Shipper does not agree with the adjustment or replacement provided by Carrier, the Parties shall try and resolve the matter amicably, failing which GC 16.2 shall apply.

## **2. OBJECT OF THE AGREEMENT**

The object of this Agreement is to lay down the terms and conditions upon which Shipper will be able, on and from the Effective Date, to subscribe to Transit Services offered by Carrier and upon which Carrier shall perform such Transit Services.

## **3. CONTENTS OF THE AGREEMENT**

The following Attachments all form integral parts of this Agreement:

### **Attachment 1: Transit Services Confirmation**

In addition to the provisions set out herein and the General Conditions contained in Attachment 2, any Transit Service provided by Carrier under this Agreement shall be confirmed by Carrier via the relevant Transit Services Confirmation. Such Transit Services Confirmations once signed shall be inserted in Attachment 1, and shall form an integral part of this Agreement. In the event of any inconsistency between a Transit Services Confirmation and any other part of this Agreement, the former shall prevail.

### **Attachment 2: General Conditions**

In addition to the provisions set out in this Agreement, the terms and conditions applicable to this Agreement are set out in the General Conditions contained in Attachment 2. By signing this Agreement, each of the Parties agrees to be bound by all provisions set out herein and in the General Conditions.

Equally, the following Annexes to Attachment 2 shall form an integral part of the Agreement:

- (a) Annex A: Daily and Monthly Quantity Report
- (b) Annex B: Communication
- (c) Annex C: Creditworthiness requirements
- (d) Annex D: Form of Escrow Agreement

## **4. MODIFICATION OF THIS AGREEMENT**

This Agreement and its Attachments may be changed from time to time, subject to mutual agreement between the Parties.

## **5. EFFECTIVE DATE**

The date (the “**Effective Date**”), on which this Agreement will enter into force and effect, shall be [●].

**6. CONTACT DETAILS**

- 6.1 Any notice, demand, offer or other written instrument required or permitted to be given pursuant to this Agreement shall be sent to the contact persons mentioned in the contact details sheet as provided for in Annex B of Attachment 2.
- 6.2 Each Party may change these contact detail to which notice shall be sent, or specify one additional address to which copies of notices shall be sent, in accordance with the provisions of this Agreement.

\* \* \*

**IN WITNESS WHEREOF**

This Agreement is made up in Paradiso, Switzerland on [●] in two (2) original copies; each Party acknowledges having received one (1) original copy.

**FOR THE PARTIES:**

For and on behalf of Carrier:

Name: \_\_\_\_\_

Function: \_\_\_\_\_

Name: \_\_\_\_\_

Function: \_\_\_\_\_

For and on behalf of Shipper:

Name: \_\_\_\_\_

Function: \_\_\_\_\_

Name: \_\_\_\_\_

Function: \_\_\_\_\_

**ATTACHMENT 1**

**FORM OF TRANSIT SERVICES CONFIRMATION**

[Transit Services Confirmations to be inserted upon execution]

**TRANSIT SERVICES CONFIRMATION**

Shipper: [●]  
CRTSA: [●]  
TSC Effective Date: [●]  
Start Date: [●]  
End Date: [●]  
Delivery Point: [●]  
Redelivery Point: [●]  
Committed Capacity: [●] kWh/hour  
Firm or Interruptible: [●]  
Level of Interruptibility: [●]  
Fee: CHF [●]

Specific conditions applicable to the Transit Services subscribed pursuant to this Transit Services Confirmation:  
[TO BE COMPLETED FOR EACH TRANSIT SERVICES CONFIRMATION, IF NEED BE]

\* \* \*

This Transit Services Confirmation is made up in Paradiso, Switzerland on [●] in two (2) original copies; each Party acknowledges having received one (1) original copy.

**FOR THE PARTIES:**

For and on behalf of Carrier:

Name: \_\_\_\_\_  
Function: \_\_\_\_\_

Name: \_\_\_\_\_  
Function: \_\_\_\_\_

For and on behalf of Shipper:

Name: \_\_\_\_\_  
Function: \_\_\_\_\_

Name: \_\_\_\_\_  
Function: \_\_\_\_\_

**Attachment 2**  
**General Conditions**

**1. Definitions**

Except where explicitly otherwise indicated the following capitalised and uppercases terms shall have the following meanings:

**"Affiliate"** means any company or a legal entity which (a) controls either directly or indirectly a Party or (b) is controlled directly or indirectly by a Party or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls a Party; where **"control"**, for the purpose of this definition, shall mean the ability to direct the affairs of another company whether by way of ownership of shares or quotas, by-laws, contract or otherwise howsoever; and **"controls"** and **"controlled"** shall be construed accordingly.

**"Agreement"** means this contract, including the Recitals and any Attachments (including annexes and appendices to the Attachments), which all constitute integral parts of this Agreement.

**"Amount Involved"** has the meaning given to it in GC 16.2(ii).

**"Bank Guarantee"** has the meaning given to it in Section 1 of Annex C.

**"Business Day"** means any day other than Saturday and Sunday in which banks are generally open for business in Paradiso.

**"CHF"** or **"Swiss Francs"** means the currency of the Swiss Confederation.

**"Claimant's Award"** has the meaning given to it in GC 16.2(x)(a).

**"Committed Capacity"** has the meaning given to it in GC 4.

**"Confidential Information"** has the meaning given to it in GC 24.1.

**"Daily and Monthly Quantity Report"** has the meaning given to it in GC 15.1.

**"Day"** means a period of time beginning at 06:00 AM on any calendar day and ending at 06:00 AM on the following calendar day. The reference date of any Day is the date of the calendar day on which the Day begins. **"Daily"** shall be construed accordingly. **"Dayi"** means the Day under reference. **"Dayi-1"** means the Day before the Dayi. **"Dayi-2"** means the Day before the Dayi-1.

**"Delivery Point"** shall mean IP OL or IP WB or IP GP, as specified in the relevant Transit Services Confirmation.

**"Due Date"** has the meaning given to it in GC 14.2.

**"Effective Date"** has the meaning given to it in Article 5 of this Agreement.

**"End Date"** means the last Day on which the Transit Services covered by a specific Transit Services Confirmation are to be provided, as specified in the relevant Transit Services Confirmation.

**"Escrow Account"** has the meaning given to it in GC 16.2(v)(b).

**"Exceptional Event"** means any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at a given interconnection point, with possible consequences on interactions between transmission system operators as well as between transmission system operator and network users;

**"Fee"** has the meaning given to it in GC 13.1.

**"Firm Transit Services"** means the Transit Services as set forth in GC 5.2 to be performed by Carrier under this Agreement on the Pipeline System.

**"Force Majeure"** has the meaning given to it in GC 18.1.

**"Fuel Gas"** means all the Natural Gas consumed by the infrastructure of the Pipeline System (fuel, heating, etc.), necessary in order to perform the Transit Services over a certain period of time.

**“Grace Period”** means 480 (four hundred and eighty) Hours in each full Year. If for any given TSC, the Start Date begins after the first Day of the Year or the End Date ends prior to the last Day of the Year, the Grace Period of 480 (four hundred and eighty) Hours for that Year shall be reduced pro rata (a) the number of Days as from the Start Date and up to the End Date (inclusive) (b) divided by the total number of Days in that Year.

**“Interconnection Agreement”** means the agreements, if any, concluded between Transitgas, Carrier and the operators of the adjacent Natural Gas pipeline systems in respect of an Interconnection Point.

**“Interconnection Point”** shall mean IP OL or IP WB or IP GP.

**“Interconnection Point Gries Pass”** or **“IP GP”** means the point where the Pipeline System is connected to the downstream gas transit system owned and operated by Snam Rete Gas S.p.A. at the Italian/Swiss border in the area of Gries Pass.

**“Interconnection Point Oltingue”** or **“IP OL”** means the point where the Pipeline System is connected to the upstream gas transit system owned by GRTgaz at the French/Swiss border in the area of Oltingue.

**“Interconnection Point Wallbach”** or **“IP WB”** means the point where the Pipeline System is connected to the upstream gas transit system owned by Trans Europa Naturgas GmbH & Co KG at the German/Swiss border in the area of Wallbach.

**“Interruptible Transit Services”** means the Transit Services as described in GC 5.3 to be performed by Carrier under this Agreement on the Pipeline System.

**“kWh/h”** means kiloWatt-hour per hour.

**“Maintenance”** means the activities and works to be carried out on the Pipeline System, and necessary to keep the Pipeline System in good repair and good usable conditions, in order to guarantee the continuity, the regularity and the safety of the Natural Gas transit in the Pipeline System or to comply with requests by competent regulatory or governmental bodies, as would be carried out by a Reasonable and Prudent Operator.

**“Month”** a period of time beginning at 06:00 AM on the first day of a calendar month and ending at 06:00 AM on the first day of the next calendar month. **“Monthly”** shall be construed accordingly.

**“Natural Gas”** or **“Gas”** shall mean any hydrocarbon or mixture of hydrocarbons and non-combustible gases which, when extracted from the subsoil of the earth in its natural state separately or together with liquid hydrocarbons, is in the gaseous state, being the object of the Transit Services.

**“Off-Spec Gas”** has the meaning given to it in GC 8.1.

**“Overrun of the Committed Capacity”** has the meaning given to it in GC 5.1(ii).

**“Pipeline System”** means the Gas pipeline system owned by Transitgas AG, running from the German-Swiss border in the area of Wallbach to the Swiss-Italian border in the area of Gries Pass (the **“Main Line”**), and from the French/Swiss border in the area of Oltingue to the connection with the Main Line in the area of Lostorf.

**“Pressure”** shall mean the gauge pressure, expressed in bar, which is the difference between the absolute pressure of the gas and the atmospheric pressure.

**“Quality Specifications”** has the meaning given to it in GC 8.1.

**“Reasonable and Prudent Operator”** shall mean a person seeking in good faith to perform its contractual obligations and to comply with requests by competent regulatory or governmental bodies, and, in so doing, exercising that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same business under the same or similar circumstances and conditions.

**“Redelivery Point”** shall mean IP OL or IP WB or IP GP, as specified in the relevant Transit Services Confirmation.

**“Security Amount”** has the meaning given to it in GC 16.2(v)(b).

“**Security Deposit**” has the meaning given to it in Section 1 of Annex C.

“**Shipper Manual**” has the meaning given to it in GC 11.

“**Start Date**” means the first Day on which the Transit Services covered by a specific Transit Services Confirmation are to be provided, as specified in the relevant Transit Services Confirmation. In the case of Within-Day capacity, a specific hour of the day will also be indicated.

“**Swiss Rules**” has the meaning given to it in GC 16.2(i).

“**Transitgas**” means Transitgas AG, a company existing and incorporated under the laws of Switzerland, having its registered office at Baumackerstrasse 46, Zurich, Switzerland.

“**Transit Services**” means either Firm Transit Services or Interruptible Transit Services.

“**TSC Effective Date**” means the date on which a specific Transit Services Confirmation has been executed by Shipper and Carrier, enters into force and effect and becomes part of this Agreement.

“**Unavailability**” has the meaning given to it in GC 10.2.

“**Year**” means a period of time beginning at 06:00 AM on the first calendar day of October of any year and ending at 06:00 AM on the first calendar day of October of the next year.

Measuring units not specifically defined herein shall be considered as defined in ISO 1000.

## 2. Duration

This Agreement shall enter into force on the Effective Date and, without prejudice to any rights and obligations accrued at the date thereof, shall terminate when terminated in accordance with the terms of this Agreement.

## 3. Object

This Agreement contains the provisions for:

- (i) the reservation by Carrier at the benefit of Shipper of the Committed Capacity set forth in GC 4.
- (ii) the provision of the Transit Services to be rendered by Carrier to Shipper as set forth in GC 5.

## 4. Committed Capacity

Subject to the terms and conditions of this Agreement, beginning from the Start Date until the End Date, the transit capacity in the Pipeline System reserved by Carrier at the benefit of Shipper, from the Delivery Point to the Redelivery Point, shall be equal to the committed capacity (the “**Committed Capacity**”), expressed in MWh/h and set out in the relevant Transit Services Confirmation.

## 5. Transit Services

### 5.1 Applicable to all Transit Services

- (i) Subject to the terms and conditions of this Agreement, beginning from the Start Date and until the End Date, Shipper shall have the right to deliver at the Delivery Point, within the Committed Capacity, the Natural Gas to be transited by Carrier.
- (ii) Carrier shall have no obligation to take delivery of, and transit, quantities of Natural Gas exceeding the Committed Capacity (an “**Overrun of the Committed Capacity**”). Shipper acknowledges and agrees that Carrier, acting as a Reasonable and Prudent Operator, shall be entitled to take any and all technical measures to prevent any possible occurrence of an Overrun of the Committed Capacity. In any event, Shipper shall indemnify and hold harmless Carrier from and against any properly

documented losses, damages and costs directly arising out of an Overrun of the Committed Capacity, including the ones claimed by other shippers on the Pipeline System.

- (iii) Subject to the terms and conditions of this Agreement, beginning from the Start Date and until the End Date, Shipper shall take delivery of the quantities of Natural Gas made available at the Redelivery Point by Carrier according to GC 5.1. In case Shipper does not comply with its obligation under this GC 5.1(iii), Carrier shall be automatically released from its obligation under GC 5.2 and GC 5.3 for the quantities not taken off by Shipper at the Redelivery Point and for the period during which Shipper does not comply with its obligations under GC 5.1(ii).
- (iv) The Parties' obligations to deliver and/or redeliver reported in this Agreement are intended for an hourly flow rate during each Day.

## **5.2 Applicable to Firm Transit Services**

Subject to the terms and conditions of this Agreement, beginning from the Start Date and until the End Date, Carrier shall take delivery of the quantities of Natural Gas nominated in accordance with GC 11 and made available at the Delivery Point by Shipper, and simultaneously - taking into account the technical ability of the Pipeline System - shall make available to Shipper at the Redelivery Point such quantities of Natural Gas which are equivalent in terms of energy to the quantities of Natural Gas delivered by Shipper to Carrier at the Delivery Point.

## **5.3 Applicable to Interruptible Transit Services**

- (i) Subject to the terms and conditions of this Agreement, provided that the interruptible Committed Capacity is available on the Pipeline System, beginning from the Start Date and until the End Date, Carrier shall take delivery of the quantities of Natural Gas nominated in accordance with GC 11 and made available at the Delivery Point by Shipper, and simultaneously, shall make available to Shipper at the Redelivery Point such quantities of Natural Gas which are equivalent in terms of energy to the quantities of Natural Gas delivered by Shipper to Carrier at the Delivery Point.
- (ii) Carrier shall have the right to interrupt the Interruptible Transit Services for any reason according to the provisions set forth in GC 10.3.

## **6. Title to Natural Gas**

- 6.1 Shipper warrants that it will have an unconditional and undisputed right to the Natural Gas delivered by Shipper to Carrier at the Delivery Point for transit through the Pipeline System and that said Natural Gas will be free from all liens, charges and adverse claims of every description of third parties. Shipper shall keep Carrier harmless and shall indemnify Carrier from and against any and all costs, claims or actions made from third parties on a full indemnity in respect thereto.
- 6.2 For the avoidance of doubt, all activities, costs, taxes and duties necessary for the importation of Natural Gas to be transited under this Agreement shall be at the sole charge and responsibility of Shipper and Shipper shall indemnify Carrier on a full indemnity basis in respect thereto.

## **7. Pressure**

- 7.1 Shipper shall deliver the Natural Gas at the Delivery Point at a Pressure not:

- (i) lower than the minimum pressure; and
- (ii) higher than the maximum pressure;

agreed between Transitgas and the operators of the upstream gas transit systems in the respective Interconnection Agreements. Carrier shall keep Shipper duly informed of any changes to the Pressure specifications contained in these Interconnection Agreements.

If Shipper delivers Natural Gas at the Delivery Point at a Pressure:

- (a) lower than the minimum Pressure limit set forth above Carrier shall be entitled to reduce the Natural Gas off taken at the Delivery Point in order to restore the the pressure to the minimum delivery Pressure; and,
- (b) higher than the maximum Pressure limit set forth above, Carrier shall be entitled to refuse taking delivery of Natural Gas until the above maximum Pressure limit is restored.

In any case Shipper shall indemnify Carrier from and against any losses, damages and costs caused to Carrier by the delivery of Natural Gas which does not comply with this GC 7.1 by Shipper at the Delivery Point properly documented by Carrier.

7.2 Provided that Shipper delivered Natural Gas with the specifications laid down in GC 7.1, Carrier shall redeliver the Natural Gas at the Redelivery Point at a Pressure not lower than the minimum pressure agreed between Transitgas and the operator(s) of the downstream gas transit system in the respective Interconnection Agreement(s).

7.3 If:

- (i) the Natural Gas delivered by Carrier at the Redelivery Point does not comply with the specification laid down in GC 7.2; and,
- (ii) provided that the Natural Gas delivered by Shipper at the Delivery Point complied with the specification laid down in GC 7.1,

Shipper shall be entitled to refuse such Natural Gas only in the event that said Natural Gas is refused by the operator of the downstream gas transit system and such Natural Gas shall be deemed as not redelivered at the Redelivery Point by Carrier for all purposes of this Agreement. In such case Carrier shall indemnify Shipper from and against any losses, damages and costs caused to Shipper by the redelivery of such Natural Gas by Carrier at the Redelivery Point, but only to the extent requested and properly documented by Shipper on the basis of the requests and the documentation submitted by the operator of the downstream gas transit system.

7.4 Shipper acknowledges that its Natural Gas delivered at the Delivery Point to be transited under this Agreement shall be transited through the Pipeline System together with and not separate from quantities of Natural Gas of other shippers that deliver Natural Gas at the same Delivery Point. It is therefore acknowledged that, if the Natural Gas at the same Delivery Point hereunder fails to comply with the specifications set forth in GC 7.1, also Shipper's Natural Gas delivered at the same Delivery Point shall be deemed not to comply with the specifications set forth in GC 7.1.

## 8. Gas Quality

8.1 The quality of Natural Gas delivered by Shipper to Carrier for Transit Services through the Pipeline System at:

- (i) IP OL, as determined on the basis of the data deriving from the measuring station owned and operated by GRTgaz in the area of Oltingue; and,
- (ii) IP WB, as determined on the basis of the data deriving from the measuring station owned and operated by Transitgas in the area of Walbach;

shall comply with the specifications (the "**Quality Specifications**") agreed between Transitgas and the operators of the upstream gas transit systems in the respective Interconnection Agreements. Carrier shall keep Shipper duly informed of any changes to the Quality Specifications contained in these Interconnection Agreements.

Shipper and Carrier shall inform each other as soon as one of them becomes aware that Natural Gas physically delivered does not comply with said Quality Specifications ("**Off-Spec Gas**").

8.2 Carrier shall be entitled to refuse to take delivery of and transit Off-Spec Gas and such Off-Spec Gas shall be deemed as not delivered at the Delivery Point by Shipper for all purposes of this Agreement. In this case, if Off-Spec Gas is nevertheless physically delivered at the Delivery Point, Shipper shall promptly indemnify Carrier from and against:

- (i) all reasonable costs and expenses incurred by Carrier in cleaning and clearing the Pipeline System and/or in taking reasonable measures to secure that the Pipeline System can be operated; and,
- (ii) all damages claimed by third parties toward Carrier and deriving directly from said Off-Spec Gas.

The above mentioned costs and damages shall be properly and duly documented by Carrier.

8.3 Shipper acknowledges that its Natural Gas delivered at the Delivery Point to be transited under this Agreement shall be transited through the Pipeline System together with and not separate from quantities of Natural Gas of other shippers that deliver Natural Gas at the same Delivery Point. It is therefore acknowledged that, if the natural gas delivered at the same Delivery Point hereunder fails to comply with the Quality Specification, also Shipper's Natural Gas delivered at the same Delivery Point shall be deemed not to comply with the Quality Specification.

8.4 The quality of Natural Gas redelivered by Carrier at the Redelivery Point, as determined on the basis of the data deriving from the measuring station owned and operated by Snam Rete Gas in the area of Masera, shall comply with the Quality Specifications, provided that the corresponding Natural Gas delivered by Shipper at the Delivery Point complies with the Quality Specifications.

8.5 If:

- (i) the quality of Natural Gas redelivered by Carrier at the Redelivery Point does not comply with the Quality Specifications; and,
- (ii) provided that Natural gas delivered by Shipper at the Delivery Point complied with the Quality Specifications as per GC 8.1;

Shipper shall be entitled to refuse such Off-Spec Gas only in the event that said Off-Spec Gas is refused, or in the reasonable opinion of Carrier is likely to be refused, by the operator of the downstream gas transit system and such Off-Spec Gas shall be deemed as not redelivered at the Redelivery Point by Carrier for all purposes of this Agreement. In such case Carrier shall indemnify Shipper from and against any losses, damages and costs caused to Shipper, and deriving directly from the redelivery of such Off-Spec Gas by Carrier at the Redelivery Point, but only to the extent requested, properly and duly documented by Shipper on the basis of the requests and the documentation submitted by the operator of the downstream gas transit system.

## **9. Allocation Procedure**

9.1 Notwithstanding the provisions set forth in GC 10, the quantities allocated at the Delivery Point shall be the quantities of the Confirmed Daily Nominations.

9.2 Notwithstanding the provisions set forth in GC 10, the quantities at the Redelivery Point shall be the quantities of the Confirmed Daily Nominations. However, in case of Exceptional Events the TSO may need to change to a measure-based system for specific days: in such case, the allocated quantities at the Redelivery Point will be based on measured quantities at the Redelivery Point pro rata the total FluxSwiss' shipper nominations, with daily credit/debit for difference between measure allocated and nominations, which differences will be settled at the end of each quarter, using the following reference price:

- the monthly average of the 'Italian PSV – Day-Ahead' prices published by Platts in the 'EUROPEAN GAS DAILY' report in the table 'Platts European Gas Midpoints'.

In the event the allocation process between Carrier and its adjacent pipeline operator(s) is changed so that the quantities at the Redelivery Point shall be the quantities of the Confirmed Daily Nomination, such change may be notified to Shippers with a 30 (thirty) days notice, and shall apply as from the first day of the month indicated in such notification.

## **10. Reduction of Capacity and Interruption of Transit Services**

### **10.1 As applicable to all Transit Services**

- (i) If, for reasons of Maintenance and/or of works for the expansion of the Pipeline System, Carrier, acting as a Reasonable and Prudent Operator, is unable to make available to Shipper (part of) the Committed Capacity as set forth in GC 4, Carrier shall have the right to decrease, for the duration of the expansions and/or modifications of the Pipeline System or Maintenance, the Committed Capacity available for the Transit Service, provided that Shipper has been notified by Carrier as soon as reasonably possible of the beginning, end and extent of such reductions in the Transit Services, as such information may be subsequently modified and/or updated by Carrier from time to time.
- (ii) If, in case of Force Majeure, as defined under GC 18 below, resulting in a reduction of the transit capacity, Carrier, acting as a Reasonable and Prudent Operator, is unable to make available to Shipper (part of) the Committed Capacity as set forth in GC 4, Carrier shall have the right to decrease, for the duration of such reduction, the Committed Capacity available for Transit Service. Carrier shall as soon as reasonably possible notify Shipper of the extent and the possible duration of such reduction, as such information may be subsequently modified and/or updated by Carrier from time to time.
- (iii) In any case of reduction and/or interruption of Transit Services, Carrier shall use its reasonable efforts to minimise any such reduction and/or interruption.

### **10.2 As applicable to Firm Transit Services**

- (i) If the Committed Capacity of Shipper is not entirely available for the Transit Services in the events set forth in GC 10.1(i) above (“Unavailability”), whereby it is hereby agreed that in case the duration of such Unavailability (which shall be calculated on a (i) per Day and (ii) prorated basis, meaning that if – by way of example - 90% of the Committed Capacity is available over the course of 24 hours, the Unavailability shall be calculated as 10% \* 24 hours):
  - (a) does not exceed a duration equal to the Grace Period, the Fee shall continue to be due and payable by Shipper; and,
  - (b) exceeds a duration equal to the Grace Period, the Fee shall no longer be payable for the Unavailability which exceed the Grace Period.
- (ii) In case of reduction and/or interruption of Shipper’s nominations, Carrier shall inform Shipper by submitting an ‘Alternative Transit Program’, according to the provisions laid down in GC 11.
- (iii) In case of reduction and/or interruption of the Transit Services pursuant to GC 10.1(i) or GC 10.1(ii), the reduction shall take place pro quota in proportion of the respective firm Committed Capacity of all of Carrier’s shippers.

### **10.3 As applicable to Interruptible Transit Services**

- (i) Carrier, acting as a Reasonable and Prudent Operator, shall have the right to reduce or interrupt the Interruptible Transit Services for any reason whatsoever and at any time, including without limitation in case the sum of the nominations submitted by all of Carrier’s shippers on the Pipeline System exceeds the available firm transit capacity, in accordance with GC 10.3(ii).
- (ii) In case of reduction and/or interruption of the Interruptible Transit Services pursuant to GC 10.1(i), GC 10.1(ii) or GC 10.3(i), the use of the Committed Capacity shall be reduced and/or interrupted. The reduction shall take place:
  - (a) pro quota in proportion of the respective interruptible Committed Capacity of a certain interruptible level of all of Carrier’s shippers; and,
  - (b) with the lowest level of interruptible capacity being interrupted last, up to, if necessary, the full interruption of the use of their respective interruptible committed capacity.

- (iii) In case of reduction and/or interruption of Shipper's nominations, Carrier shall inform Shipper by submitting an 'Alternative Transit Program', according to the provisions laid down in GC 11.
- (iv) In case Shipper's nominations are reduced and/or interrupted, the Fee shall be reduced *pro quota and pro rata temporis* for those periods of time during which Shipper's nominations were reduced and/or interrupted.

## 11. Nominated Quantities

Shipper shall nominate its quantities of Natural Gas to be transited through the Pipeline System under this Agreement in accordance with the 'Nomination Operating Procedures' as notified by Carrier to Shipper and described in the manual for Carrier's shippers (the "**Shipper Manual**").

## 12. Creditworthiness requirements

Throughout the term of this Agreement, Shipper shall comply with the creditworthiness requirements set out in Annex C.

## 13. Fees

- 13.1 Starting from the Start Date and for the remaining duration of the relevant TSC, Shipper shall pay to Carrier, on a ship-or-pay basis, a consideration (the "**Fee**"), expressed in Swiss Francs and as specified in the Transit Services Confirmation.
- 13.2 The Fee does not include any indirect taxes, duties or levies of similar nature. Carrier shall be entitled to add to the amount due by Shipper all indirect taxes, duties or levies of similar nature imposed on the Transit Service in accordance with the applicable rules and regulations.
- 13.3 The Fee includes the cost of Fuel Gas consumption for the operation of compressor stations, as well as all measuring differences.

## 14. Invoicing and Payment

- 14.1 The Fee shall be invoiced by Carrier on a monthly basis. The first invoice shall be rendered by Carrier to Shipper by fax on the day of the Start Date, and confirmed by letter on the same date. Any subsequent invoice shall be rendered by Carrier to Shipper by fax on the first working day of the Month to which such invoice refers, and confirmed by letter on the same date.
- 14.2 For each month, Shipper shall pay the amount invoiced in Swiss Francs, free and clear of any bank charges for Carrier, at the latest on the last working day in Switzerland of the Month to which such invoice refers (the "**Due Date**"), to the bank account designated by Carrier in the relevant invoice. If Carrier does not render the invoice within the term provided in GC 14.1, the Due Date for payment shall be postponed by the same number of days as the invoice is delayed.
- 14.3 Interest on delayed payment shall be paid by Shipper for the period starting from the day after the Due Date for payment, as defined above, and ending on but excluding the value date of the payment, on the basis of an annual rate corresponding to the 3 (three) months LIBOR for Swiss Francs, as published by Swiss National Bank at [www.snb.ch](http://www.snb.ch) on the Due Date, plus 400 (four hundred) basis points for payment as defined above.
- 14.4 In case of disputes on the amount of an invoice, except in the event of manifest error, Shipper shall pay to Carrier the full amount of the invoice. If the amount of the relevant invoice turns out afterwards not to be correct, Shipper shall have the right, for such part of the invoice paid by Shipper which was not correctly invoiced, to charge interests for each day since payment was made on the basis of an annual rate corresponding to the 3 (three) months LIBOR for Swiss Francs, as published by Swiss National Bank at [www.snb.ch](http://www.snb.ch) on the date said part of the invoice is recalculated plus 400 (four

hundred) basis points. Any balance on disputed amounts shall be made with the first invoice issued after the dispute is settled. Any invoice not disputed within three (3) months after the Due Date for payment shall be considered as final between the Parties.

**15. Determination of the Quantities**

The Daily and Monthly quantities of Natural Gas expressed in kWh, delivered by Shipper at the Delivery Point, and redelivered to Shipper at the Redelivery Point, during each given Month and in accordance with what is set forth in GC 5, shall be stated in a report (the **“Daily and Monthly Quantity Report”**), to be compiled by Carrier and sent to Shipper, before the fifth working day after the end of the relevant Month. A template of the Daily and Monthly Quantity Report can be found in Annex A.

**16. Applicable Law and Arbitration**

**16.1 Applicable law**

This Agreement, as well as all contracts necessary for its implementation, shall be governed by and construed in accordance with the laws of Switzerland.

**16.2 Arbitration**

- (i) Any dispute, controversy, or claim arising out of, or in relation to, this Agreement, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the 'Notice of Arbitration' is submitted in accordance with these Rules (the **“Swiss Rules”**).
- (ii) The Notice of Arbitration shall state, among other things, the amount involved in the arbitration (the **“Amount Involved”**).
- (iii) The number of arbitrators shall be:
  - (a) 1 (one) if the Amount Involved does not exceed CHF 5,000,000 (five million); and
  - (b) 3 (three) if the Amount Involved exceeds CHF 5,000,000 (five million).

The seat of arbitration shall be Lugano, Switzerland. The arbitral proceedings shall be conducted in the English language.

- (iv) The Parties agree that in case of GC 16.2(iii)(a) the arbitral proceedings shall be conducted in accordance with an 'Expedited Procedure' within the meaning of Art. 42 of the Swiss Rules, subject, however, to the following modifications:
  - (a) the dispute shall be decided on the basis of documentary evidence only; and
  - (b) the body in charge of administering the arbitration under the Swiss Rules shall not have the authority to extend the time within which the award must be made, including in exceptional circumstances.
- (v) Respondent shall deposit an amount equal to ½ (half) of the fees and administrative costs of the arbitration determined in accordance with Schedule 6.2 in Appendix B to the Swiss Rules (the

“**Security Amount**”) into an escrow account (the “**Escrow Account**”) set up by the Parties in accordance with the terms and the procedure set forth in Annex D attached hereto.

- (vi) The Security Amount pursuant to sub-paragraph (v) shall be deposited by Respondent within 10 (ten) calendar days upon the appointment of the arbitrators becoming effective pursuant to Art. 5.1 of the Swiss Rules. Respondent shall provide the arbitral tribunal and Claimant a document evidencing that the Security Amount has been credited to the Escrow Account.
- (vii) Failure by Respondent to:
  - (a) take the steps necessary to set up the Escrow Account in accordance with the terms and the procedure set forth in Annex D attached hereto; or
  - (b) deposit the Security Amount in the Escrow Account within the time limit specified above in sub-paragraph (vi) shall be deemed tantamount to a declaration by Respondent that it unconditionally accepts all of Claimant's claims as set out in the Notice of Arbitration. The Parties agree that such declaration shall be binding on the arbitral tribunal.
- (viii) Upon expiry of the time limit specified above in sub-paragraph (vi) the arbitral tribunal shall set Respondent a non-extendable time limit of 10 (ten) calendar days to submit further evidence for its compliance with the obligations set out above at GC 16.2(v) and GC 16.2(vi).
- (ix) In the event that Respondent fails to comply with its obligations set out above in subparagraph (v) and (vi) and/or to provide the arbitral tribunal and Claimant with evidence for its compliance with such obligations, the arbitral tribunal shall proceed to issue an award granting all of Claimant's prayers in full within 1 (one) month upon expiry of the time limit pursuant to GC 16.2(vi) above.
- (x) The Security Amount deposited by Respondent in the Escrow Account pursuant to GC 16.2(v) and GC 16.2(vi) above shall be released as follows:
  - (a) to the Claimant in an amount equal to the total amount awarded to Claimant pursuant to the dispositive part of the award issued by the arbitral tribunal on Claimant's claims (including interest awarded and cost awards) (the “**Claimant's Award**”); and,
  - (b) to Respondent the balance of the Escrow Account after deduction of Claimant's Award.
- (xi) The Parties agree to take all necessary steps to release the Security Amount as provided for in GC 16.2(x) above within 15 (fifteen) calendar days upon notification of the award.

## **17. Liability**

- 17.1 Without prejudice to liabilities arising out of or in connection with GC 6, GC 7 and GC 8, neither Party, including its employees, servants, representatives and agents, shall be liable to the other Party for any loss, damage or costs resulting from or arising out of or in connection with the activities performed under this Agreement, except in case such loss, damage or costs arises out of or results from gross negligence or wilful misconduct.
- 17.2 Except in case of early termination pursuant to and in accordance with GC 21.1 and unless stated expressly otherwise in this Agreement, in no event a Party shall be liable towards the other Party for indirect or consequential losses including loss of profit.

## **18. Force Majeure**

- 18.1 Force Majeure shall mean any event or circumstance, or a combination of events and/or circumstances which directly affect the Pipeline System, the occurrence of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably be expected to have been taken by a Party acting in accordance with the standards of a Reasonable and Prudent Operator in the same type of business, which causes or results in a failure by such Party to perform or fulfil, or its delay in performing or fulfilling, a contractual obligation owed to the other Party. Inability (however caused) of a Party to pay shall not constitute Force Majeure.

- 18.2 Without prejudice to the generality of GC 18.1 but provided they fulfil the general requirement stated therein, Force Majeure shall include but shall not be limited to any of the following events: acts of God, forces of nature, floods, earthquakes, landslides, fires, explosions and other unavoidable accidents, wars and hostilities (whether declared or undeclared), acts of any civil or military authority, suspension or withdrawal of any consent, the order of any competent court or regulatory authority, shortage or unavailability of property, goods, labour or services, delay in transportation or communication, breakage of or accidental damage to machinery or pipes, strikes, lock-out or other industrial trade dispute, riot, civil commotion, sabotage and war-like operations archaeological and historical investigations and/or discoveries, structural shift or subsidence affecting generally a part or parts of the Pipeline System.
- 18.3 The Party affected by Force Majeure shall promptly, without delay, take all technically and economically reasonable measures to restore the conditions for the performance of its obligations under this Agreement.
- 18.4 The Party affected by Force Majeure as mentioned above shall notify the other Party as soon as reasonably possible thereof and shall, without delay, provide the other Party with details on the foreseeable duration and cause of the disruption, as such information may be subsequently modified and/or updated from time to time.
- 18.5 If one Party is prevented from performing or fulfilling its obligations in accordance with the above then the other Party shall be released from its corresponding obligations to the same extent thereof.

## **19. Assignment**

- 19.1 No Party shall have the right to assign its rights and obligations under this Agreement without prior written consent of the other Party.
- 19.2 As an exception to the foregoing, Carrier shall have the right to assign any monetary claims under this Agreement to any existing or future credit institutions for security purposes.
- 19.3 In the event Shipper assigns its rights and obligations under the Agreement, said assignment is subject to the prior compliance by the assignee with the creditworthiness requirements set forth in GC 12.
- 19.4 Carrier shall have the right to assign its rights and obligations under the Agreement without the prior written consent of Shipper to an Affiliate.

## **20. Operatorship**

Carrier shall be entitled to perform any of its obligations under this Agreement by procuring that such obligations are performed on its behalf by third parties, including Transitgas AG as operator of the Pipeline System, without prejudice to Carrier's liability toward Shipper, within the limits set forth in GC 17 above, for the due performance of such obligations and for any failure or non-performance of the operator.

## **21. Term**

- 21.1 Without prejudice to any other remedy available to Carrier, including, but not limited to, the right to request damages, including in the amount of the positive interest of this Agreement (*„positive Vertragsinteresse“*), whether in combination with an early termination or independently thereof, Carrier shall have the right to early terminate this Agreement with immediate effect, or with an effective date to be specified by it in the event Shipper fails to comply, in whole or in part, with its obligations set forth in this Agreement, including without limitation its obligations under GC 12 and GC 14, within a remedy period of 5 (five) days starting from the receipt of the relevant notification to be sent by Carrier by fax and confirmed by letter.
- 21.2 Each Party acknowledges that the Agreement does not constitute a 'mandate' or a 'transportation contract' within the meaning of article 394 et seq. and article 440 et seq. of the Swiss Code of

Obligations and is therefore not subject to the right of termination set forth in article 404 of the Swiss Code of Obligations.

21.3 Either Party shall have the right to terminate this Agreement by means of a written notification to this effect, if and when:

- (i) the End Date of all Transit Services Confirmations executed under this Agreement has expired; and,
- (ii) Carrier has confirmed in writing that all amounts due and owing by Shipper to Carrier under this Agreement, including without limitation any Fees, shall have been duly paid by Shipper to Carrier.

## 22. Ineffective Provisions

If any of the provisions of this Agreement is or becomes ineffective, inoperative or void, the effectiveness of the other provisions shall not be affected or impaired thereby. The Parties undertake to replace the ineffective, inoperative or void provision by a new and effective operable provision which achieves an economic, legal and technical result as similar as possible to that of the ineffective, inoperative or void provision.

## 23. Communication

Carrier and Shipper shall provide each other with all information necessary for the fulfilment of their respective obligations under this Agreement. Said information shall be exchanged by the Parties in writing to the address reported in Annex B. The language of communication shall be English.

## 24. Miscellaneous

24.1 The existence of this Agreement and all information obtained hereunder or related to it, including all Transit Services Confirmations and operational data, shall be treated as confidential by the Parties (the "**Confidential Information**"). The Confidential Information may be disclosed to advisors, contractors, banks or other financing entities and employees of the Parties only to the extent required for the proper performance of the obligations arising out of this Agreement. No Party shall be entitled to disclose Confidential Information to any third party without the prior written consent of the other Party, except to appropriate governmental authorities or to arbitrators under this Agreement or when required by mandatory law or regulations. For disclosures made to third parties, appropriate safeguards shall be taken to prevent the third party from making any further disclosures of such Confidential Information without the prior written consent of the other Party.

24.2 Any modification or amendment to this Agreement shall be effective only if made in writing and if duly signed by both Parties.

24.3 The Parties shall use reasonable endeavours to cooperate in order to obtain, and thereafter to maintain, renew and/or replace, all such licences, permits, approvals and consents as may be required in order for them to comply with their obligations under this Agreement.



**ANNEX B**  
**COMMUNICATION**

Carrier: FluxSwiss Sagl  
Via delle Scuole, 8  
CH - 6900 PARADISO

phone: +41 91 910 93 00  
fax: +41 91 921 22 58  
email: [info@fluxswiss.com](mailto:info@fluxswiss.com)

GMSL Commercial dispatching:  
24/7 phone: +44 845 644 2724  
fax: +44 845 644 2723  
email: [dispatching@fluxswiss.com](mailto:dispatching@fluxswiss.com)

Back-up or urgent communications relevant to the operational procedures set out in GC 11 must be sent by email and fax to the above address and number.

Shipper:

Shipper's name:	
Attention of:	Commercial communications:
	Billing communications:
Address:	Commercial communications:
	Billing communications:
E-mail:	Commercial communications:
	Billing communications:
Country:	
Phone:	
Fax:	
24/7 Dispatching:	

**ANNEX C**  
**CREDITWORTHINESS REQUIREMENTS**

1. Within 5 (five) Business Days from the TSC Effective Date and throughout the term of the Transit Services Confirmation, Shipper shall provide Carrier, as security for all the payments due under this Transit Services Confirmation, with:

- (i) a bank guarantee (the “**Bank Guarantee**”) on first demand issued by an internationally reputed bank, that has a credit rating of at least "BBB+" Standard & Poor’s or equivalent, with a validity of at least 3 (three) months. A form of the Bank Guarantee is attached hereto as Appendix 1; or
- (ii) a security Deposit (the “**Security Deposit**”), to be held interest-free on a bank account nominated by Carrier;

amounting to the equivalent of the Fee due for a period of 3 (three) Months under the Transit Services Confirmation.

The Bank Guarantee or the Security Deposit shall not be due if the Fee under the Transit Services Confirmation is lower than CHF 5,000 (five thousand).

For the avoidance of doubt, Shipper shall be entitled to either provide a single Bank Guarantee covering all its obligations under all its Transit Services Confirmation or provide several Bank Guarantees covering its obligations under its Transit Services Confirmation, or a combination thereof, provided that no Transit Services Confirmation may be covered by more than 1 (one) Bank Guarantee.

Alternatively, for Transit Services Confirmations whereby the period of time between the Start Date and the End Date is less than 3 (three) Months, Shipper shall be entitled to replace the Bank Guarantee with a pre-payment to Carrier of all the Fees due under the Transit Services Confirmation. The relevant invoice shall be rendered by Carrier to Shipper by fax within 1 (one) Business Day from the TSC Effective Date, and confirmed by letter on the same date. Shipper shall pay such invoice within 2 (two) Business Days from the receipt of the invoice.

In the event that the Transit Services are subsequently interrupted and the Fee is subsequently reduced pursuant to and in accordance with this Agreement, Carrier shall reimburse Shipper for such Fees which are reduced, increased with interest for the period starting from the day of payment by Shipper, and ending on but excluding the value date of reimbursement by Carrier, on the basis of an annual rate corresponding to the 3 (three) months LIBOR for Swiss Francs, as published by Swiss National Bank at [www.snb.ch](http://www.snb.ch) on the date of payment by Shipper.

2. Without prejudice to any other contractual or statutory remedy available to Carrier, Carrier shall be entitled to enforce the Bank Guarantee or the Security Deposit at any time in the event Shipper fails to promptly comply with its obligations to pay under this Contract.

3. Should Carrier enforce (in whole or in part) the Bank Guarantee or the Security Deposit or should the Bank Guarantee become null, void, or otherwise unenforceable, the Shipper shall have the obligation to provide a new Bank Guarantee or Security Deposit or, in case of partial enforcement by Carrier, to reconstitute the guaranteed amount under the Bank Guarantee or Security Deposit to its full extent as per Section 1 above, within 3 (three) Business Days from the occurrence of any of the above events.

4. Section 1 above shall not apply in the event Shipper has a credit rating of at least “A” Standard & Poor’s or equivalent.

5. In addition, at any point in time prior to or subsequent tot the conclusion of a Transit Services Confirmation, Carrier shall have the right to request:

- (i) that the Bank Guarantee provided by Shipper be validated by Carrier’s bankers, failing which Shipper shall be obliged to provide an alternative Bank Guarantee or Security Deposit; and,
- (ii) Shipper to provide certain information, such as but not limited to annual accounts, balance sheets, ratings, etc., in order to allow Carrier to determine the specific credit risk associated with providing the Transit Services to Shipper.

## Appendix 1 to Annex C - Form of the Bank Guarantee

[On Bank's letterhead]

To:

FluxSwiss Sagl  
Via delle Scuole 8  
6900 Paradiso  
Switzerland

This Bank Guarantee is issued on this [Day] of [Month] [Year] by [Bank's details to be inserted] ("Guarantor") in favour of FluxSwiss Sagl a company established under the laws of Switzerland having its registered office at Via delle Scuole 8, 6900 Paradiso – Switzerland (together with its successors and permitted assignee "FluxSwiss").

Whereas:

- [Shipper's details to be inserted] ("Shipper") on [Date] ("Effective Date") entered into an agreement (the "Agreement") with FluxSwiss Sagl concerning the transit of natural gas by FluxSwiss Sagl, as Carrier, through Transigas Pipeline System;
- It is a condition under the Agreement that Shipper shall lodge at the benefit of FluxSwiss Sagl as security for all the payments due under the Agreement a bank guarantee for an amount to CHF [Amount] (Swiss Francs in letters) ("Bank Guarantee").

Now, therefore, all this being stated:

1. We, undersigned [full details of the bank to be inserted] formally, firmly, irrevocably and unconditionally undertake to pay upon your first demand any sum up to CHF [Amount] [Swiss Francs in letters] ("Maximum Amount") within 5 (five) Business Days from the receipt of your written duly signed request stating that Shipper has failed to promptly comply with its obligations to pay under the Agreement, regardless of possible objections of whatever kind that could be put forward by the Shipper or by whoever third party and without necessity of legal actions or court proceedings. All payments by Guarantor to FluxSwiss Sagl shall be made free and clear of all taxes, levies, duties, imposts, fees, deductions or withholdings of any kind.
2. FluxSwiss Sagl shall be entitled to enforce this Bank Guarantee several times until the Maximum Amount is exhausted.
3. This Bank Guarantee is valid from the date hereof and shall remain in full force and effect until the earliest of:
  - (i) the date on which all duties, liabilities and obligations of Shipper under the Agreement have been finally and definitively discharged; or,
  - (ii) the date on which the Guarantor has paid to FluxSwiss Sagl under this Bank Guarantee an aggregate amount equal to the Maximum Amount.

Anyway, this Bank Guarantee shall expire on [●]; after such date this Bank Guarantee will automatically become null and void.

4. This Bank Guarantee constitutes an unlimited non-accessory and irrevocable undertaking („unbeschränkte, nicht akzessorische und unwiderrufliche Verpflichtung“) within the meaning of Article 111 of the Swiss Code of Obligations („CO“) and is not a mere surety („Bürgschaft“) within the meaning of Article 492 et seq of the CO. Notwithstanding any reference to the obligations of the Shipper, the Guarantor's obligations under this Bank Guarantee are absolute and independent obligations of the Guarantor as a primary obligor.

This Bank Guarantee shall remain in force notwithstanding (and our obligations under this Bank Guarantee shall not be impaired, affected or discharged by) any failure, defect, illegality or unenforceability of or in any of such Shipper's obligations in respect of its obligations to you. We

hereby waive any and all rights of objection and defence arising out of or relating to Shipper's obligations in respect of its obligations to you.

5. This Bank Guarantee is transferable with our written consent only.
6. This Bank Guarantee shall be governed by Swiss law. Any dispute, controversy or claim arising out of or related to this Bank Guarantee shall be referred to the exclusive jurisdiction of the Court of Lugano subject to any appeal before the Swiss Federal Supreme Court.

*[Date and Place]*

*[Bank's stamp and signature]*

## ANNEX D

### Form of Escrow Agreement

Escrow Agreement dated as of [●] by and between:

1. FluxSwiss Sagl, Via delle Scuole 8, 6900 Paradiso (hereinafter „Carrier“); and
2. [●], [●], (hereinafter „Shipper“)

(the Carrier and the Shipper collectively the „Appointers“); and

3. [●], [●] (hereinafter the „Escrow Agent“)

(the Carrier, the Shipper and the Escrow Agent collectively the „Parties“, and each individually a „Party“)

#### Whereas:

- A. Carrier and Shipper have executed the Capacity Reservation and Transit Services Agreement, dated [●], (the „CRTSA“);
- B. Carrier and Shipper intend to enter into this escrow agreement, according to which the Respondent, subject to certain conditions as further described in GC 16.2 of the CRTSA, shall be required to deposit the Security Amount into an escrow account with the Escrow Agent; and
- C. The relationship between the Escrow Agent, and Carrier and Shipper, shall be solely governed by this escrow agreement (hereinafter the „Agreement“).

#### Now, therefore, the Parties agree as follows:

##### 1. Definitions

Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to them in the CRTSA.

##### 2. Appointment of the Escrow Agent

###### 2.1 Appointment

Effective as of the date set forth in article 6.1 (the “Effective Date”), each of Carrier and Shipper hereby appoint the Escrow Agent as escrow agent according to the terms and conditions of this Agreement. The Escrow Agent herewith declares that with effect as of the Effective Date, it assumes all rights and duties as escrow agent according to the terms and conditions of this Agreement.

###### 2.2 Fee

The fee for all services rendered by the Escrow Agent as escrow agent hereunder shall be CHF [●] plus VAT, if any, per calendar year (commencing on the Effective Date), plus reasonable out of pocket expenses, as compensation for all of the Escrow Agent's ordinary day-to-day duties under this Agreement. If the Security Amount is deposited with the Escrow Agent for a period of less than an entire calendar year, the fee shall be payable pro rata. Each of Carrier and Shipper bear one half of the fees for the Escrow Agent.

If either Carrier or Shipper fails to pay its share of such fees or costs after receiving a written request to do so, and assuming such fees or costs are not disputed, the Escrow Agent shall be entitled to withdraw the relevant amount from the Escrow Account, except if either Carrier or Shipper agrees to advance the share of such fees or costs payable by the defaulting Party.

###### 2.3 Indemnification for liabilities

During the term of this Agreement and following its termination, the Appointers shall, on the Escrow Agent's first demand, release and hold the Escrow Agent harmless (i) from all liabilities of whatever nature incurred by the Escrow Agent in the course of the due performance of this Agreement or pursuant to provisions of applicable law and (ii) from all claims asserted against the Escrow Agent out of, or in connection with this Agreement, other than those liabilities or claims which are explicitly set forth in this Agreement; provided, however, that the Appointers shall not be bound to release and hold the Escrow Agent harmless in the event of the Escrow Agent's willful misconduct or negligence.

The Appointers shall assist the Escrow Agent in all legal proceedings and shall take over such proceedings to the extent permitted by applicable procedural rules on the Escrow Agent's first demand.

#### **2.4 Assertion of claims**

During the term of this Agreement and following its termination, the Appointers shall neither directly nor indirectly assert any claims (except claims for payments according to article 5.2) against the Escrow Agent, provided, however, that each of the Appointers may assert claims for intentional misconduct or negligence.

### **3. The Escrow**

3.1 The Respondent shall be required, in accordance with the CRTSA, to deposit an amount equal to the Security Amount as escrow amount to the account number [●] of the Escrow Agent with [●] (bank clearing Nr. [●], SWIFT code: [●]) (the "Escrow Account") in accordance with GC 16.2(vi) of the CRTSA, i.e., within ten (10) calendar days after the appointment of the arbitrators becoming effective pursuant to Art. 5.1 of the Swiss Rules.

3.2 Carrier and Shipper hereby undertake to provide the Escrow Agent at the Escrow Agent's first written request with any such information and documentation as the Escrow Agent at its sole discretion may require in order to comply with applicable Swiss law regarding the prevention of money laundering, including, but not limited to, the disclosure of Carrier's and Shipper's beneficial owners.

3.3 Any interest paid by the bank carrying the Escrow Account in respect of the Security Amount and interest generated by investing the Security Amount in fiduciary deposits pursuant to article 5.1 hereinafter, less applicable taxes, fees and charges, shall upon credit to the Escrow Account automatically become part of the Security Amount and shall be distributed as provided for hereinafter.

### **4. Pending Claims**

If the Claimant wishes to pursue a claim against the Respondent arising out of the CRTSA, it shall notify the Escrow Agent in accordance with article 7.1 hereinafter (the "Claim Notice").

The Carrier and the Shipper agree that this Escrow Agreement, including, but not limited to this article 4, shall not limit any claims resulting from the CRTSA. All rights of the Claimant pursuant to the CRTSA shall remain reserved without prejudice.

### **5. Duties of the Escrow Agent**

#### **5.1 Custody Standard**

The Escrow Agent shall invest the Security Amount in Swiss francs-denominated fiduciary deposits, free of any withholding tax, with first class international banks and with a term of not more than three (3) months. Interest and other earnings from such investments shall be credited to the Escrow Account.

The Escrow Agent undertakes to ensure that the Escrow Account and all funds held in it are maintained as a separate bank account, identified as a fiduciary deposit (Treuhandkonto), such that (i) the Security Amount shall be released pursuant to article 5.2 only, and (ii) no third parties (including the account holding bank) shall be entitled to make or claim any rights, liens or encumbrances to or over the Escrow Account or any funds held in it.

#### **5.2 Release of the Security Amount**

The Security Amount shall be released by the Escrow Agent and transferred to Carrier or Shipper within three (3) calendar days (during which the banks in Zurich are open for general commercial business) as follows:

- (i) if Carrier and Shipper jointly instruct (the „Instruction“) the Escrow Agent in writing, substantially in the form of the Appendix attached to this Agreement, such instruction containing the amount to be released and its beneficiary;

- (ii) if Carrier or Shipper present to the Escrow Agent a final and enforceable order or award of a court or arbitral tribunal of competent jurisdiction (the „Order“), ordering the Escrow Agent to release and transfer the amount standing to the credit of the Escrow Account or part of it.

The Escrow Agent may act in reliance on any Instruction and Order, respectively, not only as to such Instruction's and Order's due execution and the validity and effectiveness of the respective provisions, but also as to the completeness, accuracy and validity of any information contained therein, which the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

### **5.3 No Negative Balance**

In no circumstances shall the Escrow Agent be required to make any payment from the Escrow Account where this could create a negative balance on the Escrow Account.

## **6. Term and Termination**

### **6.1 Term**

This Agreement shall become effective upon the date of the Claim Notice, shall have been concluded for an indefinite period of time and end automatically when the entire balance of the Escrow Account is released in accordance with the terms of this Agreement.

### **6.2 Termination by Carrier and Shipper**

This Agreement may be terminated at any time by the joint written consent of Carrier and Shipper upon ten (10) calendar days' notice to the Escrow Agent.

### **6.3 Termination by the Escrow Agent**

The Escrow Agent may terminate his appointment as Escrow Agent under this Agreement at any time by giving the Carrier and the Shipper one hundred and twenty (120) calendar days' prior written notice.

If the Escrow Agent terminates its appointment or becomes unable to perform its obligations hereunder, the Appointers shall agree on a new escrow agent. If the Appointers cannot agree on a new escrow agent within sixty (60) calendar days following receipt of the Escrow Agent's termination notice, each Appointer may request the president of the Zurich Chamber of Commerce to appoint a new escrow agent.

The costs of the appointment proceedings shall be borne by the Carrier and the Shipper equally.

## **7. General Provisions**

### **7.1 Notices**

All notices or other communications to be given under or in connection with the Agreement shall be made in writing and shall be delivered by hand, by mail or by telefax to the following addresses:

If to the Carrier:	[■]
with a copy to	[■]
if to the Shipper:	[■]
with a copy to	[■]
if to the Escrow Agent:	[■]
with a copy to	[■]

### **7.2 Entire agreement**

This Agreement, including the Annexes and any other documents referred to herein, constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written agreements or understandings of the Parties relating hereto. All references to this Agreement shall be deemed to include the Annexes hereto.

### **7.3 Amendments and waivers**

Except as explicitly provided for in this Agreement, this Agreement may only be modified or amended by a document signed by all Parties. Any provision contained in this Agreement may only be waived by a document signed by the Party waiving such provision.

#### **7.4 No Assignment**

Except as explicitly provided for in this Agreement, the Parties shall not assign this Agreement or any rights or obligations hereunder to any third party without the prior written consent of the other Parties.

#### **7.5 Relation between the Parties**

Shipper and Carrier are jointly and severally (solidarisch) liable for the fulfillment of their duties to the Escrow Agent under this Agreement.

#### **7.6 Governing law and Arbitration**

7.6.1 This Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland.

7.6.2 Any dispute, controversy, or claim arising out of, or in relation to, this Agreement, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with these Rules (the „Swiss Rules“).

7.6.3 The number of arbitrators shall be:

- (a) 1 (one) if the Security Amount does not exceed CHF 5,000,000 (five million); and
- (b) 3 (three) if the Security Amount exceeds CHF 5,000,000 (five million).

The seat of arbitration shall be Lugano. The arbitral proceedings shall be conducted in the English language.

7.6.4 The Parties agree that the arbitral proceedings shall be conducted in accordance with an Expedited Procedure within the meaning of Art. 42 of the Swiss Rules, subject, however, to the following modifications: (a) the dispute shall be decided on the basis of documentary evidence only, and (b) the body in charge of administering the arbitration under the Swiss Rules shall not have the authority to extend the time within which the award must be made, including in exceptional circumstances.

7.6.5 The Escrow Agent, Shipper and Carrier each expressly consent to any consolidation or joinder of the arbitral proceedings in relation to this Escrow Agreement with any arbitral proceedings in relation to the CRTSA.

**Appendix to Annex D - Form of Security Amount Release Letter**

FluxSwiss Sagl, Via delle Scuole 8, 6900 Paradiso

and

[Shipper], [address]

[month] [day], [year]

To: [name of Escrow Agent], [address]

Security Amount Release Letter

Capitalized terms used in this Security Amount Release Letter shall have the meanings assigned to them in the escrow agreement dated [●] by and between FluxSwiss Sagl, [●] and [●] (the Agreement).

Based on the Agreement, the Carrier and the Shipper herewith irrevocably instruct the Escrow Agent to release an amount of CHF [●] ([●] Swiss francs) to [●].

Carrier:

By:

\_\_\_\_\_

[name], [function]

\_\_\_\_\_

[name], [function]

Shipper:

By:

\_\_\_\_\_

[name], [function]

\_\_\_\_\_

[name], [function]

Attachments:

Excerpt from the Commercial Register relating to FluxSwiss Sagl

Excerpt from the Commercial Register relating to [●]