

**Terms and Conditions for the 2019 Subscription Window**

**for Slots and Additional Storage at the Zeebrugge LNG Terminal (“**TCSW**”)**

1. Introduction

As provided for in the LNG Access Code, LNG Services can be offered to the market. Fluxys LNG NV/SA (“**Terminal Operator**”) has decided to launch this subscription window (“**Subscription Window**”) for Slots and Additional Storage in response to the demonstrated market interest for LNG Services.

A Slot is the entitlement pursuant to a LNG Agreement to berth an LNG Ship at the LNG Terminal in Zeebrugge in relation to a High Tide as allowed under the nautical rules applicable at the Port and to unload, store and regasify its cargo of LNG in accordance with the LNG Access Code.

This TCSW defines the LNG Services on offer, the rules and procedure for any interested party to participate to the Subscription Window (the “**Participant**”) and the evaluation and allocation rules of any LNG Services on the basis of the binding requests received by Terminal Operator.

In parallel, the Terminal Operator has on 30 April 2019 launched a market consultation for the Regulated Tariff as well as proposed LNG Services Agreement (as defined hereafter) applicable to the LNG Services (the “**Market Consultation**”)

1. Interpretation

In this TCSW:

* + - 1. all references to a clause/section, unless specified otherwise, are references to a clause/section in this TCSW; references to a paragraph are references to a paragraph in this TCSW;
			2. all capitalized words and expressions used in this TCSW are to be interpreted according to the list of definitions of section 5 of the LNG Access Code, unless specifically defined in this TCSW;
			3. the layout, heading and (sub)sections are only for the benefit of the reader and are inconsequential as regards the interpretation of content of this TCSW;
			4. the description of rules, conditions and provisions only relates to the LNG Services offered via this TCSW;
			5. all dates and time are referred to as in Belgium local time.
1. Terms of the subscription window
	1. Opening and Closing Date

This Subscription Window is limited to the Offered LNG Services and will be open from the 30th of April 2019 at 06:00 AM (the “**Opening Date**”) until the 24th of May 2019 at 06:00 PM (the “**Closing Date**”).

* 1. Description of the Offered LNG Services
		1. Subject to the condition set forth in section 3.2.2, the object of the Subscription Window (the “**Offered LNG Services**”) consists of the following LNG Services:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of Slots[[1]](#footnote-1) per full complete Contract Year (to be reduced pro rata for any partial Contract Year) | Additional Storage | Start Period | End Period |
| **Period 1** | 22 Slots | 14.300 m³ LNG | 1 October 2023  | 31 March 2027 |
| **Period 2** | 110 Slots | 33.500 m³ LNG | 1 April 2027 | 30 September 2028 |
| **Period 3** | 110 Slots | 33.500 m³ LNG | 1 October 2028 | 31 December 2039 |
| **Period 4** | 110 Slots | 33.500 m³ LNG | 1 January 2040 | 31 December 2044 |

* + 1. 22 Slots and 12.800 m³ LNG of Additional Storage in Period 1 and Period 2 are offered subject to Terminal Operator notifying the Participant by 31 December 2021 that such Slots and Additional Storage have become available. The Participant acknowledges that when such Slots or Additional Storage have not become available, Terminal Operator may, notwithstanding any Minimum Request in respect of any such Period(s), reduce the LNG Services allocated to each Participant for up to:
			1. 100% for Slots in Period 1,
			2. 20% for Slots in Period 2,
			3. 89,51% for Additional Storage in Period 1,
			4. 38,21% for Additional Storage in Period 2, and

In such event, Terminal Operator shall in a timely manner issue a new Services Confirmation to all concerned Participants.

* + 1. The Offered LNG Services can be subscribed for a minimum period of one Year and always:
			1. starting at the start date of a Period (1 to 4); and
			2. ending at the end date of a Period (1 to 4) or at the end of a Calendar Year.
	1. Tariff
		1. The applicable Regulated Tariff for LNG Services contracted under this Subscription Window will be the Regulated Tariff as approved by the CREG.
		2. Any Binding Request with regards to Slots and Additional Storage on offer per section 3.2.1 Period 1 to Period 3 shall remain conditional upon the Regulated Tariff for Slots and for Additional Storage approved by the CREG being not higher than the Regulated Tariff proposed for the Market Consultation (the “**First Tariff Condition**”).
		3. Any Binding Request with regards to Slots and Additional Storage on offer per section 3.2.1 Period 4 shall remain conditional upon the Regulated Tariff for Slots and for Additional Storage approved by the CREG being not higher than the Regulated Tariff proposed for the Market Consultation (adjusted for indexation as set forth therein)(the “**Second Tariff Condition**”).
	2. Regulated Documents
		1. Any Slots and Additional Storage subscribed shall be governed by:
			1. the LNG Services Agreement (“**LSA**”) as to be approved by the CREG following the Market Consultation; and
			2. the LNG Access Code for the Zeebrugge LNG Terminal (“**LNG Access Code**”) and LNG Terminalling Program as approved by the CREG on 17th May 2018.
		2. Any binding commitment shall remain subject to the LSA approved by the CREG not materially departing from, or being less beneficial to the Participant compared to the draft LSA submitted to the consultation of the market, in each case in the reasonable opinion of the Participant (the “**LSA Condition**”).
1. Registration, Submitting and withdrawing a Binding Request
	1. Registration

Participants must register their participation to the Subscription Window by completing and submitting the relevant form attached hereto to the Terminal Operator prior to submitting a Binding Request.

* 1. Submitting the SRFC of the Binding Request
		1. The Participant willing to subscribe shall submit a duly completed and signed Service Request for Contracting Form (SRFC), as included in section 8 of this TCSW. The submission of a SRFC shall be binding upon the Participant in accordance with the terms of these TCSW (the “**Binding Request**”).
		2. The Participant shall specify in its SRFC the “Maximum Request” and “Minimum Request” for the concerned LNG Services:
			1. the “**Maximum Request**” is the maximum number of LNG Services per Period which the Participant is requesting to subscribe and which may not exceed the concerned Offered LNG Services;
			2. the “**Minimum Request**” is the minimum number of LNG Services under which Participant is not interested in subscribing the LNG Services;
		3. Any Minimum Request for LNG Services and any Maximum Request LNG Services exceeding the Offered LNG Services in quantity or duration, shall be deemed to be equal to the Offered LNG Services.
		4. The completed and signed SRFC shall be sent to the Terminal Operator (i) by registered mail with acknowledgement of receipt or (ii) by express courier service that provides proof of delivery, to the attention of:

*Mr. Hany Aouad
Fluxys LNG SA
Rue Guimard 4
1040 Brussels
Belgium*

* + 1. The SRFC must be received by Terminal Operator no later than on the Closing Date. Any SRFC received after the Closing Date may be discarded by the Terminal Operator and excluded from the allocation process.
	1. Evaluation of the Binding Request
		1. Terminal Operator shall evaluate if the SRFC of the Participant is duly completed and as the case may be, require from the Participant to issue a new SRFC in replacement of the previous SRFC in case of missing information.
		2. If the Participant has issued a valid SRFC, it shall constitute an “**Eligible Binding Request**”.
	2. Validity and Withdrawal of a Binding Request
		1. A Binding Request shall be valid for 180 days as from the Closing Date.
		2. The Terminal Operator shall notify the LSA and the Regulated Tariff to the Participant within 10 Business Days following the date on which both the LSA and the Regulated Tariff have been approved by the CREG (the “**Notification of Regulatory Approval**”). When the LSA Condition or the First Tariff Condition is not satisfied, the Participant shall be entitled to withdraw its Binding Request within 10 Business Days following the Notification of Regulatory Approval by written notice to the Terminal Operator.
1. Allocation of the LNG Services
	1. Allocation rules
		1. The Offered LNG Services shall be allocated as follows:
			1. If the total number of Slots or total quantity of Additional Storage under all Eligible Binding Requests is less than or equal to, respectively, the number of Slots or the quantity of Additional Storage of the Offered LNG Services at any point of time, all Eligible Binding Requests shall be allocated the number of Slots and Additional Storage stated as the Maximum Request;
			2. If the total number of Slots or total quantity of Additional Storage requested under all Eligible Binding Requests at any point in time is more than, respectively, the number of Slots or the quantity of Additional Storage of the Offered LNG Services, the Offered LNG Services will be allocated as follows:
2. priority will be given to the Eligible Binding Request(s) by which Slots are requested for a longer uninterrupted duration (over all Periods);
3. the remaining Offered LNG Services shall be allocated to the Eligible Binding Requests by which Slots are requested for an equally long duration (over all Periods), as follows :

the Offered LNG Services will be allocated pro rata the Maximum Requests for each Period;

if the application of the proportional allocation rule results in a number of Slots or Additional Storage being allocated to an Eligible Binding Request which is less than the Minimum Request indicated therein, no Slots and no Additional Storage will be allocated to this Participant; and

the Slots and Additional Storage that have not been allocatedto certain Eligible Binding Requestsfollowing application of the point ii here above will be reallocated *pro rata* the Maximum Requests of the other Eligible Binding Requests.

1. Additional Storage shall only be allocated to the Participants to which one or more Slots have been allocated for the same period.
	* 1. If LNG Services (as the case may be) are still available after the corresponding Subscription Window, these LNG Services will be offered under the principle “First Committed, First Served” until the next subsequent Subscription Window is organized by the Terminal Operator (if any).
	1. Allocation Results

At the latest within 180 days after the Closing Date, the Terminal Operator will confirm the results of the allocation procedure set out in section 5.1 to the Participants.

* 1. Available LNG Services

If the aggregated requested number of LNG Services exceeds the available LNG Services offered in the Subscription Window, Terminal Operator may assess (i) reconducting a subscription window on the basis of amended terms and conditions in order to achieve a maximum utilization of the existing facilities, and (ii) possible investments in order to allocate more LNG Services than offered.

* 1. Cancellation by Terminal Operator

Terminal Operator may at any time prior, during or after the Subscription Window cancel the Subscription Window without any notice or indemnity, in particular but without limitation, in the event that the LSA Condition or Tariff Condition is not fulfilled or if the Offered LNG Services cannot be fully allocated.

1. Entering into the LSA and Services Confirmation

The submission of a Binding Request by means of a SRFC constitutes a legally binding commitment on the part of the Participant to enter into the LSA. Participant shall receive a Services Confirmation by Terminal Operator for the LNG Services allocated to the Participant which shall be governed by the LSA. The Services Confirmation for LNG Services allocated in respect of Period 4, shall enable the Participant to terminate the relevant LNG Services if the Second Tariff Condition is not fulfilled. For the avoidance of doubt, the non-fulfillment of the Second Tariff Condition shall not affect the allocation and subscription of the LNG Services in respect of the Periods 1 to 3 which shall remain in full force and effect notwithstanding any Minimum Request expressed in respect of Period 4.

1. Other provisions
	1. Notices

Without prejudice to section 4.2 of this TCSW (concerning submission of the SRFC), all other notices in writing pursuant to this TCSW shall be given by registered mail or express courier service or electronic mail (confirmed by registered letter or by express courier service), to the following addresses of the Terminal Operator:

*Mr. Hany Aouad*

*Fluxys LNG SA*

*Rue Guimard 4*

*1040 Brussels*

*Belgium*

*E-mail:* *info.LNG@fluxys.com*

Any notice pursuant to this article, shall be deemed effective as of the following points in time:

* + - 1. if sent by registered mail, on the date on which such letter is delivered or a first delivery attempt is made;
			2. if sent by express courier, on the date on which it is delivered;
			3. if sent by electronic mail, on the date that such mail is delivered;

It being understood that any notice must be delivered timely for the Terminal Operator to answer to such notice (as the case may be) taking into account the Closing Date of this Subscription Window.

* 1. Languages

All communications pertaining to the Subscription Window shall be in the English language only.

The convention used for writing numbers in this TCSW is that the space is used to indicate multiples of a thousand and the comma as the decimal point.

* 1. Governing Law and disputes

For the avoidance of doubt, Article 6 of the LSA as submitted to the market consultation is applicable to these Terms & Conditions and is deemed incorporated herein.

1. Forms
	1. Registration Form

**Registration Form for the Subscription Window**

**for Slots and Additional Storage at the Zeebrugge LNG Terminal**

Company Name:

Type of legal entity:

Country of incorporation:

Registered office:

Company identification number:

Hereinafter referred to as **“Participant**”

Legal representatives:

1. Name:

Function:

Signature:

2. Name:

Function:

Signature:

By signing this Registration Form, the Participant acknowledges to have received and agrees to the Terms and Conditions for the 2019 Subscription Window for Slots and Additional Storage at the Zeebrugge LNG Terminal.

* 1. Service Request Form for Contracting (SRFC)



1. For the description of a Slot, please refer to the [Access Code for LNG Terminalling](https://www.fluxys.com/-/media/project/fluxys/public/corporate/fluxyscom/documents/fluxys-lng/en/lng-access-code-en.pdf) [↑](#footnote-ref-1)