

**General  
Terms and Conditions for  
Carbon Storage**

**Version 1.1**

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## **Appendices**

Appendix A	Delivery and quality specification
Appendix B	Letter of Credit

## Preface

Gas Storage Denmark A/S ("**GSD**") is a fully owned subsidiary of Energinet, an independent public enterprise owned by the Danish Ministry of Climate, Energy and Utilities, owning and operating underground gas infrastructure in Denmark. GSD intends to construct, own, and operate a CO<sub>2</sub> geological storage site at GSD's gas storage facilities in Stenlille, including unloading, intermediary storage and injection facilities ("**Stenlille Facility**"), either directly or indirectly by establishing a new subsidiary of Energinet.

The GTCCS has been drafted based on the current regulatory landscape. As relevant regulations, acts and administrative law develop at national and EU level, the GTCCS may be amended from time to time, including to underpin an expansion of the Stenlille Facility.

# 1. Definitions

## 1.1. Definitions

**Appendix A** means appendix A to the GTCCS including the delivery and quality specification, in the version applicable at any time.

**Appendix B** means appendix B to the GTCCS including the Letter of Credit, in the version applicable at any time.

**Business Day** means any day between (and including) Monday to Friday except for bank holidays as specified in the list of "Business Days" published on the Storage Operator's website.

**Clause** means, unless otherwise expressly stated, references to the clauses of the GTCCS.

**Contaminated Customer** has the meaning given in Clause 6.4.

**Contaminating Customer** has the meaning given in Clause 6.4.

**CO<sub>2</sub>** means carbon dioxide.

**Day** means a period commencing at 00.00 hours CET on any day and ending at 00.00 hours the following day.

**Delivery Schedule** means the monthly timetable for deliveries of CO<sub>2</sub> to the Stenlille Facility provided (and updated, if relevant) by the Storage Operator.

**Firm Injection Capacity** means the maximum injection capacity (tonnes of CO<sub>2</sub> per Business Day) available for the Storage Customer according to the Storage Agreement, subject to the Firm Volume Capacity.

**Firm Volume Capacity** means the annual maximum volume capacity (tonnes of CO<sub>2</sub> per calendar year) available for the Storage Customer according to the Storage Agreement.

**Force Majeure** has the meaning given in Clause 7.1.

**GSD** means Gas Storage Denmark A/S, CVR number 29 85 12 47.

**GTCCS** means the general terms and conditions for carbon storage, including its appendices, in the version applicable at any time.

**Hour** means any given 60-minute period commencing at 07:00 (CET) on any Business Day and ending at 08:00 (CET) on the same Business Day or a similar 60-minute period commencing at the start of one of the other hours of the Business Day between 07:00 and 18:00 (CET).

**Injured Party** has the meaning given in Clause 11.5.

**Letter of Credit** means an irrevocable, transferable, standby, on-demand letter of credit or guarantee provided by a parent company or reputable European commercial bank with a long-term credit rating of at least 'BBB-' from S&P, Fitch or Creditreform or at least 'Baa3' from Moody's (or at least an equivalent rating with an industry

recognized alternative rating agency which may be agreed between the Parties) on terms that are reasonably satisfactory to the Storage Operator, cf. Appendix B.

**Liabe Party** has the meaning given in Clause 11.5.

**Party** or **Parties** means individually the Storage Customer or the Storage Operator, and the Storage Customer and the Storage Operator collectively.

**Pass-Through Costs** means all applicable (now or in the future) fees, charges, costs and taxes, excluding income taxes, which are payable to a competent national authority for each tonne of CO<sub>2</sub> permanently stored under the Storage Agreement (or a corresponding cost for the Storage Operator). Any savings, including tax-savings, shall be deducted in Pass-Through Costs.

**Reduced Capacity Notice** has the meaning given in Clause 4.3.

**Stenlille Facility** means the CO<sub>2</sub> storage facility in Stenlille.

**Storage Agreement** means the storage agreement concluded between the Storage Operator and the Storage Customer.

**Storage Customer** shall mean the Storage Operator's counterparty in a Storage Agreement.

**Storage Customer Credit Support** means a Letter of Credit which at the time of issuance is equal to either the amount a) specified in the Storage Agreement if such security is required under Clause 9.1, or b) equal to 25% of the total Firm Volume Capacity during the Storage Period multiplied by the unit price for the Firm Volume Capacity if such security is required under Clause 9.1, with the Storage Operator as the beneficiary.

**Storage Operator** means the legal entity owning and operating the Stenlille Facility and being responsible for the injection and storage of CO<sub>2</sub>.

**Storage Period** means the period according to the Storage Agreement, in which the Storage Customer has a right to deliver CO<sub>2</sub> at the Storage Point for permanent storage.

**Storage Point** is the collective designation of the physical connection points at the Stenlille Facility (located in connection with the unloading facilities), at which the CO<sub>2</sub> passes from the Storage Customer to the Storage Operator, and at which point the risk and title of the CO<sub>2</sub> passes from the Storage Customer to the Storage Operator.

## **1.2. Use of singular and plural and of definite and indefinite forms**

Unless otherwise indicated by the context, the terms used in the GTCCS - except as follows from the form used - shall be as defined in Clause 1, whether used in the singular or the plural or the definite or indefinite forms.

## **2. The Parties' general obligations and fees**

### **2.1. The Parties' general obligations**

The Storage Operator is a CO<sub>2</sub> storage company which will construct, own and operate the Stenlille Facility and is duly authorized pursuant to the applicable law to do so.

The Storage Operator shall design, develop, construct and operate the Stenlille Facility in accordance with good industry practice and applicable law.

The Storage Operator shall provide services in accordance with the Storage Agreement concluded with the Storage Customer and the GTCCS, including the permanent storage of CO<sub>2</sub> based on the contracted Firm Volume Capacity and Firm Injection Capacity.

Subject to the contracted Firm Volume Capacity and Firm Injection Capacity, the Storage Customer has the right to deliver CO<sub>2</sub> for permanent storage at the Storage Point in the Storage Period against payment of the agreed charges and bearing of the costs set out in the Storage Agreement and the GTCCS.

The title and risk associated with the CO<sub>2</sub> passes from the Storage Customer to the Storage Operator at the Storage Point. The foregoing shall not affect the Storage Customer's liability according to Clauses 6.3 and 6.4.

### **2.2. Fees**

Fees are based on the following charges:

- (i) A firm unit price as set out in the Storage Agreement multiplied by the Firm Volume Capacity to be paid irrespective of whether the Storage Customer utilizes the Firm Volume Capacity or not;
- (ii) A payment for the injection of CO<sub>2</sub> into the Stenlille Facility based on a unit price (DKK per tonne). The price for Firm Injection Capacity is based on the projected cost of electricity consumption. The projected cost of electricity consumption will be updated on a periodic basis and will be available on the Storage Operator's website at any time.
- (iii) Any other charges associated with optional services provided by the Storage Operator, not already covered by the Storage Agreement, as announced by the Storage Operator from time to time.

The price for the Firm Volume Capacity shall be adjusted annually for inflation in January. The price for the Firm Volume Capacity will be adjusted with the percentage increase or decrease based on the index twelve months prior (i.e. the yearly change from 1 January to 1 January in the following year). The adjustment for inflation shall be based on the consumer price index (in Danish: "Forbrugerprisindekset") published by the Danish Agency for Public Finance and Management (in Danish: "Økonomistyrelsen"). If the consumer price index ceases to exist, the Storage Operator and the Storage Customer shall agree on a new index based on similar features.



### **3. Delivery of CO<sub>2</sub>**

#### **3.1. Delivery Schedule**

The Storage Customer is entitled to deliver CO<sub>2</sub> at the Storage Point by utilizing the Firm Injection Capacity. The Firm Injection Capacity is available for the Storage Customer pursuant to the Storage Agreement, which sets out the number of unloading station(s) available for the Storage Customer within each time slot (if any).

The number of unloading station(s) and time slot(s) available for the Storage Customer are set out by the Storage Operator prior to the signing of the Storage Agreement. The Storage Customer can provide feedback, and the Storage Operator will try to accommodate the feedback for the Storage Customers as a whole.

The Storage Operator will provide a Delivery Schedule for the following month, no later than 10 (ten) Business Days before the beginning of such month. The Delivery Schedule will include the number of unloading stations and the time slots available in the relevant month taking planned repair and maintenance into consideration.

The Storage Customer must inform the Storage Operator no later than 12:00 (CET) on the Business Day, if the Storage Customer does not intend to utilize the unloading station(s) and time slot(s) included in the Delivery Schedule on the next Business Day.

The Storage Customer is responsible for delivering CO<sub>2</sub> in accordance with the Delivery Schedule. Any delivery of CO<sub>2</sub> not in accordance with the Delivery Schedule can be refused by the Storage Operator, with no liability for the Storage Operator.

### **4. Repair and maintenance**

#### **4.1. Operation**

Each Party must inform the other Party as soon as reasonably possible of any foreseeable condition or occurrence that could affect the quantity of CO<sub>2</sub> and/or the quality of CO<sub>2</sub> planned to be delivered to the Stenlille Facility.

For operational purposes, the Parties shall be reachable during Business Days by phone and any mutually agreed upon communication system.

The Parties are allowed to use external service provider to facilitate the operational handling of message exchange.

#### **4.2. Planned repair and maintenance**

Before 1 December each calendar year, the Storage Operator shall provide information about the periods for planned repair and maintenance in the following period from 1 January of the calendar year to 1 January of the next calendar year. Such planned repair and maintenance plan will be available on the Storage Operator's website. The Storage Operator reserves the right to change the planned repair and maintenance plan up to the release of the upcoming month's Delivery Schedule.

Due to planned repair and maintenance on the Stenlille Facility and the associated Storage Point, the availability of the Stenlille Facility may be reduced partly or completely. During periods of planned repair and maintenance, the Storage Operator

is entitled to reduce the number of unloading stations and time slots available. Such reduction will be done on a prorated basis based on the Firm Volume Capacity of each Storage Customer.

The Storage Operator shall endeavour to carry out planned repair and maintenance activities as quickly as possible and with as little impact as possible on the Storage Customer. This includes, as far as reasonably possible, to conduct planned repair and maintenance outside the contracted time slots.

The Storage Customer's obligation to pay for services under the Storage Agreement shall remain unaffected during such planned repair and maintenance.

#### **4.3. *Unplanned repair and maintenance***

In the event of unforeseen, unplanned and/or urgently necessary repair or necessary safety measures, the Storage Operator is entitled to restrict the use of the Stenlille Facility or to shut down the Stenlille Facility and to perform the necessary unplanned repair or maintenance with immediate effect.

- (i) The Storage Operator must as soon as possible after becoming aware of the need for unplanned repair, maintenance or shut down, inform the Storage Customer about the expected extent, nature, and duration of such unplanned repair and maintenance ("**Reduced Capacity Notice**").
- (ii) In the event of a Reduced Capacity Notice, the Storage Operator is entitled to demand the Storage Customer to reduce or cancel the delivery of CO<sub>2</sub> as long as there is reduced capacity in the Stenlille Facility.

As soon as possible after sending the Reduced Capacity Notice, the Storage Operator must update and publish the Delivery Schedule with such unplanned repair, maintenance and shut down reflected. The updated Delivery Schedule will reflect the need for reservations for unplanned repair, maintenance and shut down in the relevant period and to be further updated if the expectations are changed.

The manner in which the number of unloading stations and time slots will be reduced will be done on a prorated basis based on the Firm Volume Capacity of each Storage Customer.

The Storage Operator shall endeavour to carry out unplanned repair and maintenance activities as quickly as possible and with as little impact as possible on the Storage Customer. This includes, as far as reasonably possible, to conduct unplanned repair, maintenance and shut down outside the contracted time slots.

The Storage Customer's obligation to pay for services under the Storage Agreement shall remain unaffected during such unplanned repair, maintenance and shut down.

## **5. Metering**

### **5.1. *Metering system***

The Storage Operator is responsible for the establishment and maintenance of a metering system, operated and maintained in such a way that the Storage Operator can continuously make the measurement of the delivered quantity of CO<sub>2</sub> and other

relevant parameters, such as pressure and quality, and when necessary, share the metered data with the Storage Customer.

The Storage Operator is allowed to use an external service provider to facilitate the metering.

### **5.2. Allocation**

The quantity of CO<sub>2</sub> allocated to a Storage Customer at the Storage Point is equal to the metered value. The allocation of CO<sub>2</sub> quantities at the Storage Point forms the basis of the Storage Operator's invoicing.

## **6. Quality and delivery specification**

### **6.1. Introduction**

When delivering CO<sub>2</sub> at the Storage Point, the Storage Customer must ensure that the CO<sub>2</sub> comply with the quality and delivery requirements as specified by the Storage Operator, cf. Appendix A, unless otherwise required by law. Prior to delivery of the CO<sub>2</sub> at the Storage Point, the Storage Customer shall provide the Storage Operator with valid documentation for the quantities and quality of the CO<sub>2</sub>.

### **6.2. Quality and delivery specification**

The CO<sub>2</sub> must be delivered at the Storage Point. The Storage Customer(s) are responsible for supplying their own pump capacity required for unloading the CO<sub>2</sub> at the Storage Point.

The Storage Customer is responsible for ensuring that the CO<sub>2</sub> complies with the delivery and quality specification in Appendix A.

### **6.3. Non-compliance at the Storage Point**

If the Storage Customer is or becomes aware of the CO<sub>2</sub> intended for permanent storage at the Storage Point is not expected to comply with the delivery and quality specification in Appendix A, then the Storage Customer shall immediately inform the Storage Operator. Such information shall include the expected extent, nature, and duration of the deviation.

If the CO<sub>2</sub> delivered by the Storage Customer at the Storage Point does not comply with the Appendix A, then the Storage Operator is entitled to refuse the CO<sub>2</sub> without giving further notice and the Storage Customer must remove such from the premises of the Storage Operator.

The Storage Operator must notify Storage Customer(s) promptly following any refusal.

If the Storage Customer has delivered CO<sub>2</sub> at the Storage Point not complying with Appendix A, then the Storage Customer shall pay the Storage Operator for any reasonable and documented cost and expenses associated with handling of such CO<sub>2</sub> and pay damages in accordance with Clause 11.5.

#### **6.4. Cross-customer liability**

If the Storage Customer delivers CO<sub>2</sub> at the Storage Point not complying with Appendix A (the "**Contaminating Customer**"), and such CO<sub>2</sub> contaminates the CO<sub>2</sub> delivered by one or more other storage customers (the "**Contaminated Customer(s)**"), then the Contaminating Customer shall be liable to the Contaminated Customer(s) in accordance with Danish law.

The Contaminating Customer shall indemnify the Storage Operator for any claims by the Contaminated Customer(s) and third parties resulting from the Contaminating Customer's delivery of CO<sub>2</sub> at the Storage Point not complying with Appendix A.

## **7. Force Majeure**

### **7.1. General**

The term "**Force Majeure**" means:

- a) any event outside the control of the Parties;
- b) any material unforeseeable, or not reasonably foreseeable event at the time of signing of the Storage Agreement; and furthermore,
- c) events not reasonably possible to overcome, neither by investments of work, nor money, etc., provided that such Party has exercised due care as is required within the carbon capture and storage industry and that such circumstances could not reasonably be overcome.

Without prejudice to the foregoing, the following events shall always be regarded as Force Majeure:

Extraordinary natural forces (including landslides, lightning, earthquakes, extraordinary storms, tidal waves, floods and flood erosion), measures taken by any government authority or other public authority or representative of such, whether the measures are valid or not, decisions made by a competent court, anti-social acts, wars, blockades, insurrections, disturbances, malicious damage, epidemics, quarantine provisions, fires, civil or military unrest, explosions, collapse of or damage to platforms, machines or pipelines and ancillary installations, freezing or hydrate formation in wells, valves and pipelines, delayed delivery of plant and equipment, impossibility of obtaining necessary manpower, machines, supplies, materials or subcontractors, computer breakdowns and labour disputes (strikes, lockouts and any similar unrest on the labour market). Labour disputes shall be settled at the sole discretion of the Party involved in the dispute.

Lack of funds does not constitute Force Majeure.

### **7.2. General consequences of Force Majeure**

If a Party becomes totally or partially unable to fulfil its obligations under the Storage Agreement due to Force Majeure, the fulfilment of the obligations resting on the Party concerned in accordance with the Storage Agreement in question shall be suspended in so far as and for as long as the impediment to fulfilment persists provided that the Party affected promptly notifies the other Party of such Force Majeure in compliance with Clause 7.3.

The Party claiming Force Majeure shall seek to overcome the impediment to the fulfilment of its obligations and resume the fulfilment of its obligations as soon as reasonably possible, provided that this can be done without disproportionately excessive costs.

In case of the Storage Operator fully or partially claiming Force Majeure, and thereby not being able to store CO<sub>2</sub> permanently, the Storage Customer's payment obligation shall be suspended (if fully) or reduced (if partially) until the Force Majeure event has been overcome.

### **7.3. Information**

In the event of a Force Majeure, a Party shall inform the other Party without undue delay in writing, by sending an email explaining the situation and to what extent the Party is expected to be affected by the Force Majeure event, including the specific circumstances and the expected duration of the Force Majeure event.

The Parties shall keep informing each other about any significant changes for the full duration of Force Majeure event.

### **7.4. Prolonged Force Majeure**

If it is foreseen that Force Majeure or repeating Force Majeure events will wholly or partially prevent the fulfilment of a Party's obligations for a period of more than a total of 60 (sixty) Business Days, the Parties shall endeavour to reach a negotiated solution which is acceptable to both Parties. If the Parties fail to agree on a solution within 30 (thirty) Business Days after the presentation of a request for a negotiated solution, the Party or Parties not having claimed Force Majeure is entitled to terminate the Storage Agreement affected by the Force Majeure event.

## **8. Invoicing and payment**

### **8.1. Invoicing of the Storage Customer**

The Storage Operator shall issue a monthly invoice to the Storage Customer containing the following information:

- (i) Charge for Firm Volume Capacity in accordance with Clause 2.2(i);
- (ii) Charge for injection of CO<sub>2</sub> in accordance with Clause 2.2(ii);
- (iii) Charges and fees for other storage services in accordance with Clause 2.2(iii);
- (iv) Pass-Through Costs;
- (v) Correction of errors in invoices for the previous month(s); and
- (vi) A statement of all prices relating to charges and fees in the monthly invoice and the total sum, expressed in DKK, which the Storage Customer shall pay to the Storage Operator.

The Storage Customer shall be invoiced in accordance with this Clause only if there is an amount to invoice in the month in question.

The Storage Operator shall with each invoice include a report on delivered quantity of CO<sub>2</sub> that covers the quantity stored within the invoicing period.

## **8.2. Payments**

All payments from the Storage Customer to the Storage Operator shall be made by bank transfer to the bank account specified by the Storage Operator.

The Storage Operator may choose another bank giving 30 (thirty) Business Days' notice before a due date.

Any costs related to the transfer of amounts to the Storage Operator's bank shall be borne by the Storage Customer.

All payments in accordance with the GTCCS shall be made in DKK or in EUR, unless otherwise explicitly agreed between the Storage Customer and Storage Operator.

The Storage Operator reserves the right to suspend or repeal the Storage Customer's option for payment in EUR, insofar the Danish Central Bank (Danmarks Nationalbank) suspends or repeals its fixed exchange rate policy against the euro. In such case, the Storage Operator shall immediately inform the affected Storage Customer and in cooperation with the Storage Customer amend the agreed pricing from EUR to DKK by a side letter to the Storage Agreement.

## **8.3. Due date**

The due date for the payment of monthly invoices in accordance with Clause 8.1 is 30 (thirty) Days after the date of the invoice.

If the due date is not a Business Day, payment shall be effectuated on the Business Day falling immediately before the due date.

The due date for the payment of interest invoiced in accordance with Clause 8.4 is 3 (three) Business Days after dispatch of the interest invoice.

## **8.4. Late payment**

In the event of late payment, the Storage Operator is entitled to charge reminder fees and default interest. Such default interest shall be calculated from the due date of the invoice until and including the date on which the payment is received, with an annual interest rate equivalent to the Danish Central Bank's interest rate applicable at any time with an addition of 5 (five) percentage points. Such reminder fees and default interest shall be invoiced separately and as quickly as possible.

## **8.5. Disputes concerning charges and payments**

If the Storage Customer disputes the accuracy of an invoice issued by the Storage Operator, the Storage Customer shall, on or before the due date of the invoice, provide a written explanation of the basis for the dispute and shall pay the full amount invoiced no later than the due date of the invoice.

The Storage Customer and the Storage Operator shall in good faith engage in discussions to resolve the dispute and if possible, reach an agreement regarding such payment. Any difference between the amount stated in the invoice and the amount agreed or decided upon shall be settled in accordance with Clause 8.6.

## **8.6. Errors or inaccuracies**

Each Party is entitled by giving reasonable notice to obtain access to the data used for calculation of an invoice with the purpose of verifying the invoice. If such verification reveals inaccuracies, the invoice shall be corrected.

If an error is found in an invoice, the error shall be corrected by the Storage Operator by debiting/crediting the erroneous amount in the next invoice issued to the Storage Customer, provided that the adjustment concerns a period of no more than one year from the due date determined in Clause 8.3.

All invoice data shall be kept for 5 (five) years. Data subject to dispute or forming the basis for a legal dispute shall, however, be kept for at least 1 (one) year after the settlement of such dispute.

## **9. Credit**

### **9.1. Credit check and credit support**

Prior to conclusion of the Storage Agreement, the Storage Operator shall perform a credit check of the Storage Customer and assess whether the Storage Customer has sufficient credit to perform its obligations under the Storage Agreement. If the Storage Customer does not have sufficient credit, i.e., does not have a long-term credit rating of at least 'BBB-' from S&P, Fitch or Creditreform or at least 'Baa3' from Moody's (or at least an equivalent rating with an industry recognized alternative rating agency which may be agreed between the Parties), such Storage Customer must provide Storage Customer Credit Support.

If, in the Storage Operator's reasonable discretion after conducting a credit check of the Storage Customer, the Storage Customer must provide Storage Customer Credit Support, such requirement will be set out in the Storage Agreement and the Storage Customer must provide the Storage Customer Credit Support to the Storage Operator no later than 5 (five) Business Days after signing of the Storage Agreement.

In addition to the above, the Storage Operator shall be entitled to carry out credit checks of the Storage Customer at any time throughout the term of the Storage Agreement, and the Storage Customer shall provide the Storage Operator with reasonable financial information for this purpose.

The Storage Customer must inform the Storage Operator as soon as possible after becoming aware of any material changes to the Storage Customer's creditworthiness.

If, in the Storage Operator's reasonable opinion, there is a presumption that the Storage Customer will be unable to fulfill its obligations under the Storage Agreement or the creditworthiness of the Storage Customer has deteriorated during the term of the Storage Agreement, the Storage Operator shall be entitled to suspend or terminate the Storage Agreement unless the Storage Customer provides Storage Customer Credit Support to the Storage Operator within 10 (ten) Business Days of receipt of a written demand to that effect.

### **9.2. Requirements to the Storage Customer Credit Support**

The Storage Customer Credit Support must be in the form of a Letter of Credit according to Appendix B.

Any Letter of Credit must be valid for at least a 1-year period and must be renewed for at least another 1-year period no later than 3 months before the expiration of the Letter of Credit. The Storage Customer is obligated to provide documentation for such extension to the Storage Operator no later than 3 months before the expiration of the original Letter of Credit.

**9.3. Release of Storage Customer Credit Support**

Upon expiry of the Storage Agreement, the Storage Operator shall release the Storage Customer Credit Support when all claims against the Storage Customer under the Storage Agreement have been settled.

**9.4. Change in the provider of Storage Customer Credit Support**

During the term of the Storage Agreement, the Storage Customer is entitled to change the provider of the Storage Customer Credit Support (the new provider) and request the release of the original provider. If the new provider has sufficient creditworthiness according to Clause 9.1, the Storage Operator shall release the original provider.

## **10. Venue, applicable law, and language**

**10.1. Venue**

The Parties shall seek to resolve by negotiation all disputes between the parties regarding the interpretation or breach of agreements, including any claims raised as a consequence of disputes.

If the Parties are unable to resolve a dispute by negotiation within 20 Business Days of the date on which a request for negotiation was presented by a Party, the dispute shall be finally settled by arbitration in accordance with the Rules of Procedure for Arbitration of the Danish Institute of Arbitration, unless the dispute falls within the jurisdiction of another court of law or public authority. The arbitration tribunal shall consist of three arbitrators who shall fulfil the requirement to arbitrators in the abovementioned Rules of Procedure. Each Party shall propose an arbitration judge and shall strive to propose an arbitration judge who has knowledge of the CCS industry. The chairman of the arbitral tribunal shall be proposed by the Danish Institute of Arbitration.

The court of arbitration shall be set in Copenhagen, Denmark.

The arbitration proceedings shall be conducted in the Danish language.

**10.2. Applicable law**

The Storage Agreement and the GTCCS shall be governed by and interpreted exclusively under the laws of Denmark.



## **11. Term, delay, shortfall, termination and liability**

### **11.1. Term of obligations**

The rights and obligations of the Parties enter into force and become effective concurrently with the Parties' signing of the Storage Agreement and ends on the final date of the Storage Period, unless terminated or prolonged, as applicable, in accordance with the Storage Agreement and the GTCCS.

### **11.2. Delay**

If the Storage Operator is not ready to receive the CO<sub>2</sub> at the start date of the Storage Period, the Storage Operator shall inform the Storage Customer in due time and provide documentation for the reasons for the delay. The Storage Operator shall make all reasonable endeavours to eliminate or mitigate the delay and the non-performance and the consequences hereof. This includes the provision of additional resources in the form of personnel, machinery, facilities, etc.

### **11.3. Shortfall by the Storage Operator**

The Storage Operator shall be considered in shortfall and pay a refund to the Storage Customer, if the Stenlille Facility, in any given calendar year during the Storage Period, has a technical availability lower than the minimum number of time slots required to deliver the Firm Volume Capacity ("**Minimum Number**").

The Stenlille Facility will be considered technically available, if (i) the Stenlille Facility receives or is ready to receive CO<sub>2</sub> unrestricted within the contracted number of time slots, subject to the Firm Injection Capacity, or (ii) if the Stenlille Facility cannot receive CO<sub>2</sub> due to a Force Majeure event. Such number of time slots that the Storage Operator has made technical available constitutes the ("**Available Number**").

The refund is calculated in accordance with the following formula:

- the charge for the Firm Volume Capacity (the unit price per tonne CO<sub>2</sub>), multiplied by
- the (i) Minimum Number minus (ii) Available Number, multiplied by
- 25 tonnes of CO<sub>2</sub> per time slot (the assumed injection rate is 25 tonnes of CO<sub>2</sub> per hour).

Example of how to calculate the refund, provided that:

- Within a given calendar year, customer A has contracted a Firm Volume Capacity of 120,000 tonnes of CO<sub>2</sub>, and a Firm Injection Capacity consisting of 24 time slots per Business Day (based on assumed injecting rate of 25 tonnes of CO<sub>2</sub> per time slot for a minimum of 200 Business days), equal to a Minimum Number of 4,800 time slots in that that calendar year.
- The charge for the Firm Volume Capacity (the unit price per tonne CO<sub>2</sub>) is DKK 400/tonne CO<sub>2</sub>
- The Available Number at the end of the calendar year is 4,600 meaning that the Storage Customer is not able to deliver and store CO<sub>2</sub> in 200 time slots.
- On this basis, the refund will be DKK 2,000,000 (DKK 400/tonne CO<sub>2</sub> multiplied by 200 time slots multiplied by 25 tonnes of CO<sub>2</sub> /time slot).

The Storage Operator shall deduct any compensation from the first monthly invoice after the end of the year. Should the compensation exceed the monthly invoice amount, then the Storage Operator must pay the remaining compensation to the Storage Customer no later than 5 (five) Business Days after the Storage Customer has provided details of the bank account to which the remaining compensation are

to be transferred, however, at the earliest 5 (five) Business Days after the Storage Operator has send the monthly invoice.

#### **11.4. Termination**

Each Party is entitled to terminate the Storage Agreement if the other Party commits a material breach of its obligations under the Storage Agreement.

The following events are always regarded as a material breach:

- (i) Failure to pay any outstanding amounts under the Storage Agreement;
- (ii) Failure to provide documentation of credit compliance or failure to provide adequate security, including any failure of requirements under Clause 9.2;
- (iii) The Storage Operator's refusal to receive and store CO<sub>2</sub> for a period of 3 consecutive months during the Storage Period; and
- (iv) if the Party becomes insolvent, suspends its payments or is subject to compulsory or voluntary liquidation or similar, provided the Party has not provided the necessary security within a time limit set by the other Party.

In case of a material breach, the Storage Agreement can be terminated, if the terminating Party has demanded in writing that the breach be remedied, and the other Party has not remedied such breach within 15 (fifteen) Business Days of receiving such demand.

For termination in case of prolonged Force Majeure, please refer to Clause 7.4

#### **11.5. Liability**

Unless explicitly stated otherwise in the GTCCS and the Storage Agreement, a Party causing damage or injury (the "**Liable Party**") to the other Party (the "**Injured Party**") shall compensate the Injured Party for all directly documented losses incurred.

The Liable Party shall not be held liable for the Injured Party's operating losses nor any other indirect or consequential losses, including recourse claims from the Party's co-contractors, unless the Liable Party acted wilfully or grossly negligent.

The liability of the Storage Operator shall be limited to the charge for 6 (six) months average Firm Volume Capacity under the Storage Agreement.

The amount of any loss shall be calculated and paid net of any tax savings and otherwise in accordance with law.

The Injured Party shall mitigate any loss for which a claim is notified to the Liable Party in accordance with general principles of law.

The Injured Party is entitled to draw on the Storage Customer Credit Support provided (if any) for full or partial coverage of the claim.

If CO<sub>2</sub> made available at the Storage Point does not comply with the requirements in Appendix A, the Storage Operator will not be held liable for the CO<sub>2</sub> and any non-injection hereof unless pursuant to mandatory legislation.

## **12. General provisions**

### **12.1. Confidentiality**

Each Party shall treat the Storage Agreement and information exchanged as confidential, unless otherwise follows from the mutual agreement, cooperations procedures, the GTCCS or legislation.

However, the Storage Operator is entitled to publish data providing third parties insight in the level of the past usage of capacity, insofar this aggregate information can be published without jeopardising confidentiality and does not harm the commercial position of the Storage Customer.

Notwithstanding the above, the following information shall not be comprised by the Parties confidentiality obligations:

- a) Information that is or becomes generally publicly accessible if this is not due to the receiving Party passing on confidential information in breach of the GTCCS or the Storage Agreement;
- b) Information that must be published or passed on according to current legislation, applicable stock exchange regulations, or decisions made by the courts of law or other public authorities;
- c) Information that must be disclosed in connection with litigation, arbitration or similar legal proceedings relating to the Storage Agreement or the GTCCS; or
- d) Information that is or becomes known to the receiving Party through a third party entitled to disclose such confidential information.

Furthermore, each Party may disclose confidential information to its legal advisors or auditors or other advisors subject to customary non-disclosure obligations.

The confidentiality obligations in accordance with this Clause 12.1 shall apply during the term of the Storage Agreement and for a period of 4 (four) years thereafter.

The Parties shall be entitled to disclose to any third party suppliers any confidential Information required to perform any subcontracted obligation. The third party suppliers shall be bound by the same confidentiality obligation as the Party, and the Party shall be responsible and liable to the Storage Operator for any actions of such third party suppliers as primary obligor.

### **12.2. Amendments to the GTCCS or the Storage Agreement**

The Storage Agreement is governed by the version of GTCCS applicable at any time and which is available on the Storage Operator's website. The Storage Operator is entitled to amend the GTCCS, but prior to making any amendments, the Storage Operator must engage in a consultation process with the Storage Customer and consider the feedback provided on any such amendments.

Furthermore, the Storage Operator is entitled to make amendments to the GTCCS or the Storage Agreement if necessary to ensure that the Storage Agreement comply with applicable law.

**12.3. Headings**

The titles or headings of the sections or subsections herein are intended for reference only and shall not be construed as having any bearing on their interpretation.

**12.4. Passivity**

A Party's failure to enforce any of the provisions of the GTCCS or the Storage Agreement or any rights with respect thereto or failure to exercise any election provided for herein shall in no way be considered a waiver of such provisions, rights, or elections or in any way to affect the validity of this Agreement. A Party's waiver or failure to enforce any of said provisions, rights or elections in any one instance shall not preclude or prejudice such Party from later enforcing or exercising the same or any other provisions, rights or elections which it may have under the Storage Agreement in other instances.

**12.5. Assignment and transfer**

The Storage Operator (initially GSD) may assign all its rights and/or obligations under the Storage Agreement and the GTCCS to a legal entity under the control of Energinet.

Each Party may assign or transfer any or all its rights and/or obligations under the Storage Agreement and the GTCCS subject to the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed.

Any assignment or transfer not made in accordance with this Clause is void in relation to the other Party.

**12.6. Intellectual property**

Neither Storage Customer nor the Storage Operator shall have the right of use other than for the purposes of the Storage Agreement, whether directly or indirectly, of any information disclosed hereunder and pursuant to the provisions of the Storage Agreement.

Both the Storage Customer and the Storage Operator warrant that all intellectual property rights provided by such shall remain with that Party.

## Appendix A: Delivery and quality specification

Delivery specification	
Form	Liquid
Temperature	Negative 26 degree Celsius
Pressure	15 bar
Quality specification	
Component	Concentration, ppm (mol)
Water (H <sub>2</sub> O)	≤ 30
Oxygen (O <sub>2</sub> )	≤ 10
Sulphur oxides (SO <sub>x</sub> )	≤ 10
Nitric oxide/Nitrogen dioxide (NO <sub>x</sub> )	≤ 10
Hydrogen sulphide (H <sub>2</sub> S)	≤ 9
Carbon monoxide (CO)	≤ 100
Amine	≤ 10
Ammonia (NH <sub>3</sub> )	≤ 10
Hydrogen (H <sub>2</sub> )	≤ 50
Formaldehyde	≤ 20
Acetaldehyde	≤ 20
Mercury (Hg)	≤ 0.03
Cadmium (Cd), Thallium, (TI)	Sum ≤ 0.03

## APPENDIX B: Letter of Credit

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**Under this "Letter of Credit", a guarantee payable on demand**

is issued by:

Name:

Address:

Postcode and town:

CVR no.:

(hereinafter referred to as "**the Guarantor**")

for the benefit of:

Name:

Address:

Postcode and town :

CVR no.:

(hereinafter referred to as the "**Storage Operator**")

on the behalf of:

Name:

Address:

Postcode and town :

CVR no.:

(hereinafter referred to as the "**Storage Customer**").

This guarantee relates to the Carbon Storage Agreement signed on [date] by the Storage Customer and Storage Operator (the "Storage Agreement") and the associated General Terms and Conditions for Carbon Storage ("GTCCS").

### 1. Principal/guarantee amount

At the request and expense of the Storage Customer, the Guarantor hereby confirms to provide an irrevocable and unconditional guarantee to the Storage Operator in the amount of [amount (Danish Kroner)].

### 2. Background for the guarantee

The amount serves as full security for the payment of any claims, which the Storage Customer might become liable to pay pursuant to the Storage Agreement and GTCCS, with any subsequent amendments.

### **3. Effective date of the guarantee**

This guarantee applies from today's date.

### **4. Obligations of the Guarantor**

The Guarantor must immediately notify the Storage Operator in writing via registered post or courier, with confirmation of receipt, in the event of changes in the legal status, ownership structure or address of the Guarantor.

### **5. Payment under the guarantee**

The guarantee amount must be paid to the Storage Operator upon the first written demand for payment to the Guarantor stating that the Storage Operator is entitled to the amount demanded pursuant to the Storage Agreement and/or GTCCS.

The guarantee must be paid on demand without examination or other documentation of the legitimacy of the demand. Payment must be by no later than seven calendar days after receipt of the demand for payment from the Storage Operator.

If the demand for payment is not met, irrespective of the reason, the Guarantor is liable to pay default interest from 20 calendar days after the date of submission of the demand for payment. The size of the default interest will be determined in accordance with section 5 of the Interest on Overdue Payments Act.

### **6. Expiry (release) of the guarantee**

The guarantee will be valid until [date] or until the Storage Operator informs the Guarantor in writing that the guarantee has been released.

If the guarantee is partially released, the guarantee will remain valid to cover the amount, which has not been released.

### **7. Credit rating**

By its signature to this guarantee, the Guarantor declares that it has a long-term credit rating of at least 'BBB-' from S&P, Fitch or Creditreform or at least 'Baa3' from Moody's or equivalent rating from another recognised international rating agency.

### **8. Transfer**

The Guarantor accepts the right of the Storage Operator pursuant to section 12.5 of the GTCCS to transfer the Storage Operator's rights and obligations under the Storage Agreement to another legal entity under the control by Energinet.

### **9. Choice of law**

This guarantee, and any conflict following from it, are subject to Danish law irrespective of any rules of private international law.

**10. Jurisdiction**

Any conflict pursuant to, or associated with, this guarantee, including any conflicts about the existence, validity or termination of this guarantee, or the legal relationship established by this guarantee, is subject to the jurisdiction of the ordinary courts in Copenhagen, Denmark.

**11. Enforceability of Danish judicial decisions**

The Guarantor hereby declares that decisions by Danish courts have direct enforceable effect on the Guarantor with regard to all matters relating to this guarantee.

*Documentation for authority to sign for the company must be submitted together with the guarantee and may not be dated more than three days before the date of signature of the guarantee.*

[Place], [date], [year] .....

Signature .....

Name: *[insert name of signatory]*

Title: *[insert title of signatory]*

Name: *[insert name of financial institution]*

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