

REPLICATION and AMENDMENT AGREEMENT

dated as of 9th December 2021 (the "**Effective Date**")

between

- (1) **Martinská teplárenská a.s.** company organised under the laws of the Slovak Republic, with its registered office at Robotnícka 17, 036 80 Martin with company identification number 36 403 016, company register of District court Žilina, section Sa, number 10329/L, (the "**Counterparty**"); and
- (2) **Mitsui Bussan Commodities (France) SA**, a French corporation (*société anonyme*), incorporated in France, having its registered office at 112, avenue Kléber, 75116 Paris with registration number 852 297 878 (R.C.S. Paris) (the "**New Entity**"),

(the "**Agreement**").

The New Entity and the Counterparty are each referred to in this Agreement as a "**Party**" and collectively as the "**Parties**".

Mitsui Bussan Commodities Ltd (the "**Original Entity**") and the Counterparty have entered into an ISDA Master Agreement dated as of **31 July 2018** (such agreement, together with any master confirmation that forms part of or refers to the aforementioned ISDA Master Agreement and any side letter entered into in connection with, or relating to, the aforementioned ISDA Master Agreement, as amended or supplemented on or prior to the Effective Date of this Agreement including by way of any applicable protocols, the "**Original Agreement**").

The Parties agree that the Original Agreement will be duplicated pursuant to this Agreement with the effect that the Counterparty and the New Entity are deemed to have entered into an identical agreement with effect from the Effective Date (subject to the amendments contained in this Agreement).

This Agreement will become effective on the Effective Date notwithstanding that this Agreement may have been executed before such date.

Accordingly, the Parties agree as follows: ---

1. **Creation of the New Agreement.**

- (a) With respect to the Original Agreement a new contract, instrument or, as applicable, arrangement (the "**New Agreement**") shall be deemed, with effect from and including the Effective Date, to have been entered into between the New Entity (taking the position in the New Agreement as taken by the Original Entity in the Original Agreement) and the Counterparty (taking the same position in the New Agreement as it took in the Original Agreement) having identical terms to the Original Agreement (including the governing law and dispute resolution provisions in respect thereof), subject to the amendments described in Annex 1 to this Agreement. No transactions

entered into between the Original Entity and the Counterparty before the Effective Date will be duplicated.

- (b) Notwithstanding the creation of the New Agreement, the Parties agree that the Original Agreement will not be released, cancelled or discharged by this Agreement (and will not be amended by the amendments set out in Annex 1 in this Agreement).

2. Equivalent Credit Support.

Where relevant, each Party shall put in place, or procure the putting in place of, Equivalent Credit Support on or as soon as reasonably practicable after the Effective Date. If a credit support arrangement is specified in respect of either Party under the Original Agreement, the Equivalent Credit Support relating to such credit support arrangement will be deemed to have been specified in an equivalent way in the New Agreement.

3. Miscellaneous.

- (a) **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission or by e-mail), each of which will be deemed an original.
- (b) **Governing Law and Jurisdiction.** Section 13 (*Governing Law and Jurisdiction*) of the Original Agreement, including any specifications and/or amendments in relation thereto that are set out in the Schedule to the Original Agreement, is incorporated into and forms part of this Agreement as if references to the Original Agreement were instead references to this Agreement.

- 4. Definitions.** Any capitalised term used in this Agreement (including, for the avoidance of doubt, in Annex 1 to this Agreement) and not otherwise defined shall have the meaning given to it in the New Agreement. For the purposes of this Agreement:

"Equivalent Credit Support" means, with respect to any credit support arrangement applicable to the Original Agreement, arrangements of an equivalent nature entered into or, as applicable, issued or granted in respect of the New Agreement.

ANNEX 1

AMENDMENTS TO THE NEW AGREEMENT

- (a) **Date.** The "dated as of" date of the New Agreement shall be the Effective Date.
- (b) **Change of Name Amendment.** All references to the Original Entity (howsoever described) throughout the Original Agreement shall instead be deemed to be references to Mitsui Bussan Commodities (France) SA.
- (c) **Original Agreement.** All references to the Original Agreement in place between the Original Entity and the Counterparty shall be deemed to be references to the New Agreement entered into between the New Entity and the Counterparty.
- (d) **Provisions Relating to the Original Entity.** Any provision which relates specifically to the Original Entity's legal or regulatory status shall be deleted and replaced with an equivalent provision which relates to the New Entity's legal and regulatory status, namely that the New Entity is a *société anonyme* incorporated under the laws of France, licensed as an investment firm (*entreprise d'investissement*) in France and regulated by the *Autorité de Contrôle Prudentiel et de Résolution* and the *Autorité des marchés financiers*.
- (e) **Agreement to Deliver Documents.** To the extent that the Original Entity or the Counterparty delivered documents to the other party under the Original Agreement, such documents shall be deemed delivered to the New Entity or the Counterparty, as applicable, under the New Agreement.
- (f) **Additional Termination Event.** Part 1(g)(*Additional Termination Event*) of the Schedule is hereby amended with respect to the Counterparty by inserting new Additional Termination Event at the end thereof as follows:

“**Minimum Net Asset Value.** On any day during the term of this Agreement Party A determines that Party B has failed to maintain Net Asset Value (as defined below) in an amount equal to at least **TWENTY MILLION EUROS (EUR 20,000,000)**. Party A may use any financial statements, any balance sheet report and any other financial performance information of Party B available to the former in making a determination hereunder.

Where:

A) **Net Asset Value** means, on any particular date, Total Assets minus Total Liabilities as of such date;

B) **Total Assets** means, on any particular date, all assets of Party B, which in accordance with generally accepted accounting principles in the country in which Party B is organised and on a basis consistent with prior periods, would be classified as assets upon the balance sheet of Party B as of such date;

C) **Total Liabilities** means, on any particular date, all liabilities of Party B which in accordance with generally accepted accounting principles in the country in which Party B is organised and on a basis consistent with prior periods, would be classified as liabilities upon the balance sheet of Party B.

- (g) For the purposes of this Additional Termination Event (*Minimum Net Asset Value*) Party B will be the sole Affected Party, and all Transactions will be Affected Transactions.”
- (h) **New Entity Addresses for Notices.** Any notices or communications to the New Entity shall be sent to:-
- Address: Mitsui Bussan Commodities (France) SA
112, avenue Kléber, 75116 Paris
- Attention: Managing Director
- Telephone: +33 1 7585 0900
- Email: mbcllegal@mbcl.com
- (i) **Process Agent.** The New Entity appoints as its Process Agent: Mitsui Bussan Commodities Ltd, 6th Floor, 1 St Martin’s Le Grand, London EC1A 4BB, England.
- (j) Part 5(d) is amended by adding the word “, insurers” after the word “Affiliates”.
- (k) **Article 55.** The terms of the ISDA 2016 Bail-in Article 55 BRRD Protocol (Dutch/French/German/Irish/Italian/Luxembourg/Spanish/UK entity-in-resolution version) (the "Protocol") are incorporated into and form part of the New Agreement. For the purposes of the Protocol, (i) the New Agreement shall be deemed to be a Covered ISDA Master Agreement; (ii) each of the New Entity and the Counterparty shall be deemed to be an Adhering Party; and (iii) the Implementation Date shall be the Effective Date. In the event of any inconsistencies between the New Agreement and the Protocol, the Protocol will prevail.
- (l) **Resolution Stay.** The terms of the French Jurisdictional Module of the ISDA Resolution Stay Jurisdictional Modular Protocol (the "French Module") are incorporated into and form part of the New Agreement. For the purposes of the French Module, (i) the New Agreement shall be deemed to be a Covered Agreement, and (ii) the Implementation Date shall be the Effective Date. In the event of any inconsistencies between the New Agreement and the French Module, the French Module will prevail. The New Entity shall be deemed to have adhered to the French Module as a Regulated Entity, and the Counterparty shall be deemed to have adhered to the French Module as a Module Adhering Party and identified the New Entity as a Regulated Entity Counterparty.
- (m) Parts A and C of the Annex to the Schedule (EU Emissions Allowance Transaction Accounts and Elections) are deleted in their entirety and replaced as follows:

Compliance Period as the applicable "Specified Compliance Period" (each such Transaction, an "EU Emissions Allowance Transaction").

(b) ISDA Definitions

The definitions and provisions contained in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (the "2006 ISDA Definitions"), are incorporated into this Part 8. In the event of any inconsistency between those definitions and provisions and this Part 8, this Part 8 will govern. For the purposes of this Part 8, the 2006 ISDA Definitions shall incorporate Supplement number 59 to the 2006 ISDA Definitions.

(c) Multiple Delivery Dates

If the Confirmation for an EU Emissions Allowance Transaction specifies more than one Delivery Date and, in respect of each such Delivery Date:

- (i) a Payment Date;
- (ii) an Allowance Purchase Price;
- (iii) the Allowance Type (and Specified Compliance Period); and
- (iv) the Number of Allowances,

is specified in, or is otherwise capable of being determined as provided in that Confirmation then, for the purposes of this Part 8 only the relevant EU Emissions Allowance Transaction shall be deemed to consist of a number of EU Emissions Allowance Transactions: each one corresponding with one of the specified Delivery Dates, and having the Payment Date, Allowance Price, Allowance Type (and Specified Compliance Period) and Number of Allowances specified or otherwise determined as provided in that Confirmation in respect of that Delivery Date.

(d) Terms

In respect of each EU Emissions Allowance Transaction:

(i) Physical Settlement

(1) Settlement

- (A) For purposes of an Allowance Forward Transaction, on the Payment Date, Buyer shall pay to Seller an amount equal to the Allowance Purchase Price multiplied by the Number of Allowances and on the Delivery Date Seller shall deliver to Buyer the Allowances to be Delivered and Buyer shall accept the Allowances to be Delivered, subject to and in accordance with the terms and conditions of this Agreement and the related Confirmation.

- (B) For purposes of an Allowance Option Transaction, in respect of each Exercise Date, on the relevant Payment Date Receiving Party shall pay to Delivering Party an amount equal to the Allowance Strike Price multiplied by the number of Allowances to be Delivered and on the relevant Delivery Date Delivering Party shall deliver to Receiving Party the Allowances to be Delivered, and Receiving Party shall accept the Allowances to be Delivered, subject to and in accordance with the terms and conditions of this Agreement and the related Confirmation.

(2) Delivery

- (A) Any obligation of Delivering Party to deliver Allowances pursuant to an EU Emissions Allowance Transaction shall be discharged by the completed transfer of those Allowances from a Holding Account of Delivering Party under and in accordance with the Scheme. A transfer of Allowances shall be considered to be completed for the purpose of a delivery obligation pursuant to an EU Emissions Allowance Transaction when the relevant Allowances are received at the relevant Specified Holding Account of Receiving Party, whereupon risk of loss related to the Allowances or any portion thereof transfers from Delivering Party to Receiving Party.
- (B) Notwithstanding Part 8(d)(i)(2)(A) above, if Delivering Party has one or more Specified Holding Accounts for the relevant EU Emissions Allowance Transaction, Delivering Party's obligation to deliver Allowances under an EU Emissions Allowance Transaction shall be limited to an obligation to deliver from any such Specified Holding Account of Delivering Party to the relevant Specified Holding Account of Receiving Party.
- (C) Where Receiving Party has more than one Specified Holding Account in respect of an EU Emissions Allowance Transaction, such Specified Holding Accounts are set out in order of preference. Delivering Party shall deliver the Allowances to be Delivered to the first listed Specified Holding Account of Receiving Party on the Delivery Date unless, in respect of such Receiving Party's Specified Holding Account, it is prevented from so doing by an event or circumstance that would be a Settlement Disruption Event or a Suspension Event if the first listed Specified Holding Account of Receiving Party were the only Specified Holding Account so listed. In such circumstances, the provisions of this paragraph will apply iteratively to the next listed Receiving Party's Specified Holding Account (if any).
- (D) If a transfer of Allowances is completed after 4:00 p.m., Central European Time, on a Delivery Business Day or at any time on any day other than a Delivery Business Day, then those Allowances will

be deemed to have been delivered at 10:00 a.m., Central European Time, on the next following Delivery Business Day. If a transfer of Allowances is completed before 10:00 a.m., Central European Time, on a Delivery Business Day, then those Allowances will be deemed to have been delivered at 10:00 a.m., Central European Time, on that day.

(3) Netting

If on any date Allowances of the same Allowance Type and Specified Compliance Period would otherwise be deliverable in respect of two or more EU Emissions Allowance Transactions by each party to the other and, if applicable, between the same pair of Holding Accounts of the parties, then, on such date, each party's obligation to make delivery of any such Allowances will be automatically satisfied and discharged and, if the aggregate amount of Allowances that would otherwise have been deliverable by one party exceeds the aggregate amount of Allowances that would otherwise have been deliverable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been deliverable to deliver to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

(4) Settlement Disruption Event

(A) Notification of Settlement Disruption Event

Upon the occurrence of a Settlement Disruption Event, either party may notify the other party in writing of the commencement of the Settlement Disruption Event and the EU Emissions Allowance Transaction(s) affected by that Settlement Disruption Event. Where the notification is from the party affected by the Settlement Disruption Event, to the extent available to such party, it shall also provide details of the Settlement Disruption Event and a non-binding estimate of the extent and the expected duration of its inability to perform its obligations due to the Settlement Disruption Event.

(B) Effect of Settlement Disruption Event

If a Settlement Disruption Event occurs, the obligations of both parties which would otherwise be required to be performed with respect to the EU Emissions Allowance Transaction(s) affected by the Settlement Disruption Event will be suspended for the duration of the Settlement Disruption Event and, subject to Part 8(d)(i)(4)(D) (*Continuing Settlement Disruption Event*) below, will not be required to be performed until the Settlement Disruption Event is overcome or ceases to exist. During the continuation of the Settlement Disruption Event, the party affected by the Settlement Disruption Event shall

continue to use all reasonable endeavours to overcome the Settlement Disruption Event.

(C) Settlement Disruption Event Delayed Performance

Subject to Part 8(d)(i)(4)(D)(*Continuing Settlement Disruption Event*) below, upon the Settlement Disruption Event being overcome or ceasing to subsist, both parties will be required, as soon as reasonably practicable but not later than the second Delivery Business Day following the date upon which the Settlement Disruption Event has been overcome or ceases to exist, to resume full performance of their obligations under this Agreement in respect of the relevant EU Emissions Allowance Transaction(s) (including, for the avoidance of doubt, any suspended obligations).

(D) Continuing Settlement Disruption Event

In respect of an EU Emissions Allowance Transaction affected by a Settlement Disruption Event, where the Settlement Disruption Event continues:

- (I) during the period ending 9 Delivery Business Days after the original date that, but for the Settlement Disruption Event, would have been the Delivery Date for an EU Emissions Allowance Transaction; or
- (II) if such 9 Delivery Business Day period would end after the Reconciliation Deadline on or immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date for an EU Emissions Allowance Transaction, during the period ending on that Reconciliation Deadline; or
- (III) if such 9 Delivery Business Day period would end after the day that is 3 Delivery Business Days preceding the End of Phase Reconciliation Deadline on or immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date for an EU Emissions Allowance Transaction, during the period ending on the day that is 3 Delivery Business Days preceding that End of Phase Reconciliation Deadline,

then on that 9th Delivery Business Day, Reconciliation Deadline or day that is 3 Delivery Business Days preceding the End of Phase Reconciliation Deadline (as the case may be), an Illegality shall be deemed to have occurred in respect of which the relevant EU Emissions Allowance Transaction is the sole Affected Transaction, both parties are Affected Parties, no Waiting Period will apply and, if

an Early Termination Date results from that Termination Event, then, for purposes of determining any amount payable under Section 6(e) in respect of that Early Termination Date: (i) if "Payment on Termination for Settlement Disruption" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, it will be deemed that the requirement to perform the suspended obligations resumed on the Early Termination Date; or (ii) if "Payment on Termination for Settlement Disruption" is specified to be inapplicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, it will be deemed that the parties had no further delivery or payment obligations in respect of the EU Emissions Allowance Transaction after the occurrence of the Settlement Disruption Event (other than in respect of any payment due by one party in connection with delivery obligations already performed by the other party); provided, however, that (i) Delivering Party shall promptly refund to Receiving Party any amount that may have been paid by Receiving Party in respect of the EU Emissions Allowance Transaction that is an Allowance Forward Transaction or a Call and (ii) Receiving Party shall promptly refund to Delivering Party any amount that may have been paid by Delivering Party in respect of an EU Emissions Allowance Transaction that is a Put (in each case, other than in respect of delivered Allowances) together with interest on that amount in the same currency as that amount for the period from (and including) the date that amount was paid to (but excluding) the date of termination of such EU Emissions Allowance Transaction, at the rate certified by the party required to refund the amount to be a rate offered to such party by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by that party for purposes of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in the relevant market.

(5) Suspension Event

(A) Notification of Suspension Event

Upon the occurrence of a Suspension Event, the party affected by the Suspension Event shall, as soon as reasonably practicable, notify the other party in writing of the commencement of the Suspension Event. To the extent available to the party affected by the Suspension Event, it shall also provide details of the Suspension Event including a non-binding estimate of the duration of its inability to perform its obligations due to the Suspension Event.

(B) Effect of Suspension Event

Where a Suspension Event occurs, the obligations of both parties which would otherwise be required to be performed with respect to the EU Emissions Allowance Transaction(s) affected by the Suspension Event will be suspended for the duration of the Suspension Event and, subject to Part 8(d)(i)(5)(D)(*Continuing Suspension Event*) below, will not be required to be performed until the Suspension Event ceases to exist.

(C) Suspension Event Delayed Performance

Subject to Part 8(d)(i)(5)(D)(*Continuing Suspension Event*) below, upon the Suspension Event ceasing to exist, both parties will be required to resume full performance of their obligations under this Agreement in respect of the relevant EU Emissions Allowance Transaction (including, for the avoidance of doubt, any suspended obligations) as soon as possible but no later than the day that is the earlier of: (i) the tenth Delivery Business Day following the date on which the Suspension Event ceases to exist; and (ii) 3 Delivery Business Days prior to the End of Phase Reconciliation Deadline (the "**Delayed Delivery Date**").

In the event that the Allowances to be Delivered are delivered to Receiving Party on or before the Delayed Delivery Date following the occurrence of a Suspension Event as contemplated by Part 8(d)(i)(5)(B)(*Effect of a Suspension Event*) above, Receiving Party agrees to pay Delivering Party on the Delayed Payment Date:

- (I) for the purposes of an Allowance Forward Transaction, an amount equal to the sum of: (X) Allowance Purchase Price multiplied by the Number of Allowances delivered on or before the relevant Delayed Delivery Date; and (Y) the Cost of Carry Amount; or
- (II) for the purposes of an Allowance Option Transaction, an amount equal to the sum of: (X) the Allowance Strike Price multiplied by the Number of Allowances delivered on or before the relevant Delayed Delivery Date; and (Y) the Cost of Carry Amount.

For the avoidance of doubt, the Cost of Carry Amount shall be identified in the relevant VAT Invoice sent to Receiving Party.

(D) Continuing Suspension Event

Where: (I) a Suspension Event continues to exist on the Long-Stop Date, then an Illegality shall be deemed to have occurred in respect of which the relevant EU Emissions Allowance Transaction is the sole Affected Transaction both parties are Affected Parties and no

Waiting Period will apply. The parties agree that the Long-Stop Date will be the Early Termination Date for the purposes of the relevant EU Emissions Allowance Transaction. For purposes of determining any amount payable under Section 6(e) in respect of that Early Termination Date, it will be deemed that the parties had no further delivery or payment obligations in respect of the EU Emissions Allowance Transaction after the occurrence of the Suspension Event (other than in respect of any payment due by one party in connection with delivery obligations already performed by the other party); provided, however, that (i) Delivering Party shall promptly refund to Receiving Party any amount that may have been paid by Receiving Party in respect of the EU Emissions Allowance Transaction that is an Allowance Forward Transaction or a Call and (ii) Receiving Party shall promptly refund to Delivering Party any amount that may have been paid by Delivering Party in respect of an EU Emissions Allowance Transaction that is a Put (in each case, other than in respect of delivered Allowances) together with interest on that amount in the same currency as that amount for the period from (and including) the date that amount was paid to (but excluding) the date of termination of such EU Emissions Allowance Transaction, at the rate certified by the party required to refund the amount to be a rate offered to such party by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by that party for purposes of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in the relevant market.

(ii) Failure to Deliver

If Delivering Party fails to deliver the Allowances to be Delivered on the Delivery Date, such failure shall not constitute an Event of Default (as defined in the Agreement) in respect of Delivering Party, but the following provisions shall apply.

(1) Failure to Deliver by Delivering Party

If the failure to deliver occurs other than as a result of the failure of Receiving Party to comply with the Requirements under the Scheme as specified below, the existence of an Illegality, the existence of a Settlement Disruption Event, the existence of a Suspension Event or an abandonment of the Scheme as described in Part 8(d)(iv)(1), the Payment Date will be postponed and Receiving Party may, by notice to Delivering Party, require Delivering Party to remedy such failure, and the following provisions shall apply.

(A) Failure to Deliver Remedied

If Delivering Party delivers the Allowances to be Delivered on or before the Final Delivery Date:

- (X) in respect of an Allowance Forward Transaction, Receiving Party shall pay to Delivering Party on the Payment Date an amount equal to the Allowance Purchase Price multiplied by the Number of Allowances and, in respect of an Allowance Option Transaction, Receiving Party shall pay to Delivering Party on the Payment Date an amount equal to the Allowance Strike Price multiplied by the number of Allowances to be Delivered (and, in each case, for purposes of determining the Payment Date, the date of actual delivery shall be deemed to be the Delivery Date); and
- (Y) Delivering Party shall pay to Receiving Party on the Payment Date (determined in accordance with Part 8(d)(ii)(1)(A)(X) above) interest on an amount equal to the number of Allowances that were required to be delivered on the Delivery Date (but which were not delivered on such date) multiplied by either the Allowance Purchase Price (in respect of an Allowance Forward Transaction) or the Allowance Strike Price (in respect of an Allowance Option Transaction) for the period from (and including) the original Delivery Date to (but excluding) the date of actual delivery at the Default Rate.

(B) Failure to Deliver Not Remedied

If the failure is not remedied on or before the Final Delivery Date:

- (X) if "Excess Emissions Penalty" is specified not to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, or if "Excess Emissions Penalty" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction and an EEP Risk Period is specified in that Confirmation but the Delivery Date does not fall within that EEP Risk Period, Receiving Party may, by written notice to Delivering Party, terminate the parties' obligations under "Physical Settlement" above and Delivering Party shall pay to Receiving Party an amount determined in accordance with paragraph (1) of Receiving Party's Replacement Cost (if a positive number) on the first succeeding Business Day, adjusted to take into account any amount previously paid (which, for the avoidance of doubt, shall not include any Premium paid by the Buyer in respect of an Allowance Option Transaction) by Receiving Party to Delivering Party in respect of the relevant EU Emissions Allowance Transaction; or

- (Y) if "Excess Emissions Penalty" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction and, if an EEP Risk Period is specified in the Confirmation for the relevant EU Emissions Allowance Transaction, the Delivery Date falls within that EEP Risk Period for the relevant EU Emissions Allowance Transaction, Receiving Party may, by written notice to Delivering Party, terminate the parties' obligations under "Physical Settlement" above and Delivering Party shall pay to Receiving Party an amount determined in accordance with paragraph (2) of Receiving Party's Replacement Cost (if a positive number) on the first Business Day following the day on which Receiving Party is able to effect a Buy-In (which may be a Buy-In, on any such date, of less than the entire number of Undelivered Allowances) if and to the extent that paragraphs (2)(A)(I) or (2)(A)(II)(X) of Receiving Party's Replacement Cost apply, or the first Business Day following the day on which Receiving Party is able to effect a purchase of Allowances in accordance with paragraph (2)(A)(II)(Y) of Receiving Party's Replacement Cost, if and to the extent that paragraph applies, in either case adjusted to take into account any amount previously paid (which, for the avoidance of doubt, shall not include any Premium paid by the Buyer in respect of an Allowance Option Transaction) by Receiving Party to Delivering Party in respect of the EU Emissions Allowance Transaction; or
- (Z) if "Failure to Deliver (Alternative Method)" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction:
- (aa) Delivering Party shall pay to Receiving Party, on the first succeeding Business Day, an amount determined in accordance with paragraph (3) of Receiving Party's Replacement Cost (if a positive number), adjusted to take into account any amount previously paid (which, for the avoidance of doubt, shall not include any Premium paid by the Buyer in respect of an Allowance Option Transaction) by Receiving Party to Delivering Party in respect of the relevant EU Emissions Allowance Transaction, and upon payment of such amount, Delivering Party's obligation to deliver to Receiving Party the Allowances to be Delivered shall be fully discharged and terminated; and

- (bb) if "Excess Emissions Penalty" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, Delivering Party shall pay to Receiving Party the amount, if any, determined in accordance with the provisions of Part 8 (d)(xi)(*Failure to Deliver (Alternative Method) – EEP Applicable*) below on the date determined in accordance with those provisions.

(2) Failure to Comply by Receiving Party

If the failure to deliver occurs as a result of the failure of Receiving Party to comply with the Requirements under the Scheme as specified below, the Payment Date will be postponed and Delivering Party may, by notice to Receiving Party, require Receiving Party so to comply, and the following provisions shall apply.

(A) Failure to Comply Remedied

If Receiving Party complies on or before the Final Compliance Date:

- (X) Delivering Party shall deliver to Receiving Party the Allowances to be Delivered and, in respect of an Allowance Forward Transaction, Receiving Party shall pay to Delivering Party on the Payment Date an amount equal to the Allowance Purchase Price multiplied by the Number of Allowances and, in respect of an Allowance Option Transaction, Receiving Party shall pay to Delivering Party on the Payment Date an amount equal to the Allowance Strike Price multiplied by the number of Allowances to be Delivered (and, in each case, for purposes of determining the Payment Date, the date of actual delivery shall be deemed to be the Delivery Date); and
- (Y) Receiving Party shall pay to Delivering Party on the Payment Date (determined in accordance with Part 8(d)(ii)(2)(A)(X) above) interest on an amount equal to the number of Allowances that were required to be delivered on the Delivery Date (but which were not delivered on that date) multiplied by the Allowance Purchase Price or Allowance Strike Price, as applicable, for the period from (and including) the original Delivery Date to (but excluding) the date of actual delivery at the Default Rate.

(B) Failure to Comply Not Remedied

If Receiving Party fails to comply on or before the Final Compliance Date, Delivering Party may, by written notice to Receiving Party,

terminate the parties' obligations under "Physical Settlement" above and Receiving Party shall pay to Delivering Party an amount equal to Delivering Party's Replacement Cost (if a positive number) on the first succeeding Business Day, adjusted to take into account any amount previously paid (which for the avoidance of doubt, shall not include any Premium paid by the Buyer in respect of an Allowance Option Transaction) by Receiving Party to Delivering Party in respect of the relevant EU Emissions Allowance Transaction.

(3) EEP Amount

Subject to the paragraph below, if "Excess Emissions Penalty" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction and as a result of Delivering Party's failure to deliver the Allowances to be Delivered (in whole or in part) on the Delivery Date Receiving Party becomes liable to pay any EEP Amount, then Receiving Party shall provide to Delivering Party, upon its reasonable request, evidence to the reasonable satisfaction of Delivering Party:

- (A) that Receiving Party has incurred an EEP Amount consequent on Delivering Party's failure to deliver the Allowances to be Delivered (in whole or in part); and
- (B) the extent to which the requirement for Receiving Party to pay any EEP Amount results from Delivering Party's failure to make such delivery; and
- (C) that Receiving Party could not have used Allowances to which it had title in any Holding Account(s) in any Registry in order to avoid or reduce its liability to pay any EEP Amount which it claims from Delivering Party as part of Receiving Party's Replacement Cost.

Delivering Party's obligation to pay any EEP Amount in accordance with "Failure to Deliver" under Part 8 of the Schedule to this Agreement is subject to Receiving Party's overriding obligation to use its reasonable endeavours to avoid becoming liable for such EEP Amount or, when liable, to mitigate the payment obligation in relation to such EEP Amount and to allocate any such EEP Amount pro rata between all counterparties of Receiving Party that have failed to deliver Allowances to Receiving Party provided, however, that where Receiving Party confirms it has been unable to avoid becoming liable for any EEP Amount, it shall be for Delivering Party to show that it has been as a result of Receiving Party failing to use its reasonable endeavours to do so.

(iii) Partial Settlement

If, on the Delivery Date, Delivering Party delivers to Receiving Party fewer Allowances than the Allowances to be Delivered (such shortfall the "**Allowance**

Shortfall"), Receiving Party's obligation to pay pursuant to Physical Settlement above shall be reduced by an amount equal to the Allowance Shortfall multiplied by either the Allowance Purchase Price (in respect of an Allowance Forward Transaction) or the Allowance Strike Price (in respect of an Allowance Option Transaction), and the provisions of "Failure to Deliver" above will apply in respect of the Allowance Shortfall (with references to Number of Allowances (in the case of an Allowance Forward Transaction) and Allowances to be Delivered (in the case of an Allowance Option Transaction) being read as references to the Allowance Shortfall).

(iv) Abandonment of Scheme

- (1) If before the Delivery Date the Scheme is, as a result of official written public pronouncement by the European Community, no longer scheduled to proceed or is to be discontinued, either party may, by written notice to the other party, terminate the relevant EU Emissions Allowance Transaction, in which case neither party shall have any further delivery or payment obligations under or in respect of that EU Emissions Allowance Transaction (other than in respect of any payment due by one party in connection with delivery obligations already performed by the other party) and, for the avoidance of doubt, a payment shall not be due under Section 6(e) of the Agreement or otherwise in respect of such termination.
- (2) In the event of a termination in accordance with sub-clause (1) Delivering Party shall promptly refund to Receiving Party any amount that may have been paid by Receiving Party in respect of the EU Emissions Allowance Transaction that is an Allowance Forward Transaction or a Call and Receiving Party shall promptly refund to Delivering Party any amount that may have been paid by Delivering Party in respect of an EU Emissions Allowance Transaction which is a Put together with interest on that amount in the same currency as that amount for the period from (and including) the date that amount was paid to (but excluding) the date of termination of the EU Emissions Allowance Transaction in accordance with sub-clause (1), at the rate certified by the party required to refund the amount to be a rate offered to such party by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by that party for purposes of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in the relevant market.

(v) Invoicing

On or after the Delivery Date, Delivering Party shall send to Receiving Party a valid VAT invoice (applicable in the jurisdiction of supply) setting forth the number of Allowances delivered, or that would have been delivered but for the provisions of Part 8(d)(i)(3)(*Netting*), above, and the Allowance Purchase Price(s) or Allowance Strike Price(s), as applicable, stating the total amount payable by Receiving Party and stating the amount of VAT, if any, properly chargeable thereon (a "**VAT Invoice**").

(vi) Requirements under the Scheme

Each party agrees with the other that, so long as either party has or may have any obligation under an EU Emissions Allowance Transaction, it shall:

- (1) ensure that on a Delivery Date or Delayed Delivery Date (as the case may be) it has one or more Holding Accounts validly registered in accordance with the Registries Regulation and where it has one or more Specified Holding Accounts, ensure that on a Delivery Date or Delayed Delivery Date (as the case may be) it has all such Specified Holding Accounts validly registered in accordance with the Registries Regulation;
- (2) where it is Delivering Party, ensure that each Specified Holding Account of Receiving Party is nominated as a “trusted account” in its “trusted account list” for each of its Specified Holding Accounts (or other Holding Accounts, as applicable) for the purposes of the Registries Regulation; and
- (3) conduct its affairs so as not to give any Relevant Authority cause to block, suspend, refuse, reject or cancel the transfer (whether in whole or in part) of Allowances requested to be made pursuant to any EU Emissions Allowance Transaction.

(vii) No Encumbrances

In respect of each delivery of Allowances, Delivering Party shall deliver Allowances, free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person (the "**No Encumbrance Obligation**").

Where a party is in breach of the No Encumbrance Obligation, the following shall apply:

- (1) This Agreement and all other Transactions agreed by the parties under this Agreement shall continue unaffected.
- (2) Without prejudice to any defences available to Delivering Party (including, but not limited to, any defences of statutes of limitation or similar), following written notice of that breach from Receiving Party to Delivering Party (irrespective of how long after the relevant Delivery Date such notice is provided) and subject to Part 8(d)(vii)(4) below, Receiving Party shall:
 - (A) determine the Encumbrance Loss Amount arising from that breach either on the date such notice is deemed to be received or as soon as reasonably practicable thereafter; and
 - (B) shall notify Delivering Party of such Encumbrance Loss Amount due, including detailed support for its calculation.

Receiving Party is not required to enter into replacement transactions in order to determine the Encumbrance Loss Amount.

- (3) By no later than the third (3rd) Business Day after the later of (i) receipt of a valid invoice in connection with such Encumbrance Loss Amount and (ii) receipt of the above-mentioned notice including detailed support of Receiving Party's calculation of the Encumbrance Loss Amount, Delivering Party shall pay the Encumbrance Loss Amount to Receiving Party, which amount shall bear interest at the Default Rate. Upon payment of the Encumbrance Loss Amount by Delivering Party, the parties shall have no further obligations in respect of that EU Emissions Allowance Transaction and that breach. Receiving Party acknowledges that its exclusive remedies in respect of such breach are those set out in this Part 8(d)(vii)(*No Encumbrances*).
- (4) Where a breach of the No Encumbrances Obligation is caused by the transfer of an Affected Allowance, Delivering Party shall be liable for the Encumbrance Loss Amount if, at the date it first acquired, received or purchased such Affected Allowance, it was not acting in good faith; otherwise, Delivering Party shall only be liable for the Encumbrance Loss Amount (without prejudice to any other defences available to Delivering Party including, but not limited to, any defences of statutes of limitation or similar), if:
- (A) Receiving Party, whether or not the holder of such Affected Allowance, who is subject to a claim of the Original Affected Party, has, in order to resist or avoid any Encumbrance Loss Amount from arising, used its best endeavours to defend such a claim in respect of that Affected Allowance (including, if available, by relying on Article 36 of the Registries Regulation or any equivalent legal principle under applicable national law) and was unsuccessful (other than for reasons of its own lack of good faith); or
- (B) Receiving Party, whether or not the holder of such Affected Allowance, who acted in good faith in respect of its purchase of such Affected Allowance and who is subject to a claim of a third party (other than the Original Affected Party) in respect of that Affected Allowance, has used all reasonable endeavours to mitigate the Encumbrance Loss Amount.

(viii) Value Added Taxes

- (1) All amounts referred to in this Part 8 or in a Confirmation for an EU Emissions Allowance Transaction are exclusive of any applicable Value Added Taxes ("VAT") which are or may become chargeable in respect of the supply or supplies for which such sums form the whole or part of the consideration for VAT purposes, and any such VAT shall be payable in addition to any such other consideration in accordance with the provisions set out below.

- (2) Receiving Party shall either (A) subject to receipt of an appropriate VAT Invoice in respect of such supply or supplies stating *inter alia* the amount of VAT properly chargeable thereon (the "**VAT Amount**"), pay to Delivering Party a sum equal to the VAT Amount on the Payment Date; or (B) where, under the provisions of the applicable VAT legislation, Receiving Party is required to self-assess and account for any VAT chargeable in respect of such supply, account for such VAT.
- (3) On each date on which an EU Emissions Allowance Transaction is entered into, Receiving Party represents to Delivering Party that:
 - (A) for VAT purposes, Receiving Party receives the services supplied pursuant to the EU Emissions Allowance Transaction in connection with an establishment of Receiving Party in that party's VAT Jurisdiction; and
 - (B) it is a taxable person for the purposes of Article 9 of the European Community Directive 2006/112/EC and receives such supply for the purposes of a business carried on by it.
- (4) Subject to each party's obligations relating to VAT, each party shall cause all royalties, Taxes, duties, and other sums (including any environmental tax or levy) legally payable by that party arising in connection with an EU Emissions Allowance Transaction to be paid, and shall reimburse the other party to the extent that party is required to pay any such royalties, Taxes, duties or other sums for which the first party is primarily liable.

(ix) No Consequential Loss

Except to the extent included in any amount payable under Section 6(e) of the Agreement, any payment in respect of Receiving Party's Replacement Cost or Delivering Party's Replacement Cost, or any payment in respect of Encumbrance Loss Amount, neither party is liable to the other, whether in contract, tort (including negligence and breach of duty) or otherwise, for any business interruption or loss of use, profits, contracts, production or revenue or for any consequential or indirect loss or damage of any kind however arising.

(x) Other Fees and Expenses

All costs, fees and charges assessed or imposed by a Relevant Authority in connection with the transfer of Allowances pursuant to an EU Emissions Allowance Transaction shall be the responsibility of the party upon whom such costs, fees and/or charges are allocated by the Relevant Authority.

(xi) Failure to Deliver (Alternative Method) - EEP Applicable

If "Failure to Deliver (Alternative Method)" and "EEP" are specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions

Allowance Transaction, then, with regard to that EU Emissions Allowance Transaction, in the event that Receiving Party **incurs** an Excess Emissions Penalty directly caused by Delivering Party's failure to deliver the Allowances to be Delivered on a Delivery Date falling within the EEP Risk Period other than as a result of the failure of Receiving Party to comply with the Requirements under the Scheme as specified above, the existence of an Illegality, the existence of a Settlement Disruption Event or the existence of a Suspension Event (the "**EEP Non-delivery**" and the amount of such Excess Emissions Penalty so caused, the "**Indemnifiable EEP**"), then Delivering Party shall pay to Receiving Party, in addition to the Receiving Party's Replacement Cost (if any), an amount equal to the amount of the Indemnifiable EEP paid by Receiving Party (the "**EEP Payment**"), provided that such EEP Payment shall not exceed the product of the RPRC Shortfall for that EU Emissions Allowance Transaction and the maximum per Allowance rate of Excess Emissions Penalty applicable at the relevant time.

Delivering Party's obligation to pay the EEP Payment in respect of the EEP Non-delivery shall be conditional upon Receiving Party demonstrating to the reasonable satisfaction of Delivering Party:

- (a) that Receiving Party has incurred and paid the EEP Payment consequent on a shortfall of Allowances as at the Reconciliation Deadline immediately succeeding the Delivery Date (the "**Deadline Shortfall**");
- (b) the extent to which Receiving Party's liability to make the EEP Payment resulted from Delivering Party's EEP Non-delivery;
- (c) the extent to which Receiving Party's liability to make the EEP Payment would have been incurred notwithstanding Delivering Party's EEP Non-delivery; and
- (d) the extent to which Receiving Party's liability to make the EEP Payment arose due to any third party's failure(s) to deliver any Allowance to be Delivered to Receiving Party in accordance with the terms of any agreements between Receiving Party and such third party.

Receiving Party agrees to provide all other information to Delivering Party in order for Delivering Party to make a commercially reasonable assessment of the extent to which the Deadline Shortfall was directly caused by its EEP Non-delivery.

In the event that the Deadline Shortfall is directly caused by the failure of a number of parties (including Delivering Party and Receiving Party), then Delivering Party's liability shall be to pay the EEP Payment in respect of its proportionate share of the Deadline Shortfall as determined by the parties in a commercially reasonable manner. In no circumstances shall Receiving Party seek to claim an EEP Payment from Delivering Party such that when aggregated with all the other claims made by Receiving Party to other parties in respect of its liability to make the EEP Payment and the liability caused by Receiving Party's own action or inaction, it is more than Receiving Party's liability to make the EEP Payment.

If Delivering Party disputes in good faith the amount of the EEP Payment claimed by Receiving Party, Delivering Party shall so notify Receiving Party stating the reasons for the dispute and the obligation to pay the EEP Payment shall be suspended until such dispute is resolved. The parties shall seek to settle the dispute regarding the EEP Payment as soon as reasonably possible.

Once the amount of the EEP Payment is agreed or any dispute in relation thereto resolved, Delivering Party shall pay such determined EEP Payment to Receiving Party within two (2) Business Days against Receiving Party's VAT Invoice in respect thereof.

(xii) Specified Holding Accounts and Modifications of Party's Specified Holding Accounts

Each party agrees with the other, so long as either party has or may have any obligation under an EU Emissions Allowance Transaction, as follows:

- (1) In respect of Receiving Party:
 - (A) Receiving Party shall ensure that one or more of such Holding Accounts registered in accordance with Part 8(d)(vi)(*Requirements under the Scheme*) above are specified in the Annex to this Part 8 or in the relevant Confirmation; and
 - (B) Receiving Party may from time to time (a) amend the order in which its Specified Holding Accounts are listed, (b) add a new Specified Holding Account as the last on the list of Specified Holding Accounts, and/or (c) remove a Specified Holding Account from those listed, in each case in respect of an EU Emissions Allowance Transaction, provided that it notifies Delivering Party in writing of such amendment, addition and/or removal (including the provision of the relevant account details) no less than thirty (30) calendar days prior to the next Delivery Date under that EU Emissions Allowance Transaction, and provided further that in the case, of (a) and / or (c), Delivering Party notifies Receiving Party in writing that it consents to such changes within five (5) Delivery Business Days of receiving such notice from Receiving Party;
- (2) In respect of Delivering Party:
 - (A) Delivering Party may specify one or more of such Holding Accounts registered in accordance with Part 8(d)(vi)(*Requirements under the Scheme*) above in the Annex to this Part 8 or in the relevant Confirmation; and
 - (B) Delivering Party may from time to time, add a new Holding Account or an additional Holding Account to those listed in the Annex to this Part 8 or in the relevant Confirmation provided that it notifies

Receiving Party in writing of such addition (including the relevant account details) on or before the day that is ten (10) Delivery Business Days before the next Delivery Date under that EU Emissions Allowance Transaction.

(e) Defined Terms and Interpretation

Terms used in this Part 8 and not otherwise defined, will have the meanings specified below:

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| Administrator Event: | Means the suspension of some or all of the processes of a Relevant Registry, the EUTL or, if applicable, the LSTL in accordance with the Registries Regulation by the relevant National Administrator or the Central Administrator (as applicable) (i) where that Relevant Registry is not operated and maintained in accordance with the provisions of the Registries Regulation, or any other applicable law, or (ii) for the purpose of carrying out scheduled or emergency maintenance, or (iii) where there has been or following reasonable suspicion of, a breach of security which threatens the integrity of the registries system (including any back up facilities), or (iv) where the mutual recognition of Allowances under a relevant Linking Agreement has been suspended in accordance with the terms of such Linking Agreement.” |
| AEUA or AEU Allowance: | Means an allowance created pursuant to Article 3c(2) of the Directive, including allowances, created for the same purpose, stemming from emission trading systems that are linked to the EU ETS under Article 25 of the Directive. |
| Affected Allowance: | Means an Allowance which is or is alleged to have been the subject of an Unauthorised Transfer as confirmed by an Appropriate Source. |
| Aircraft Operator: | Means an "aircraft operator" as defined in the Directive. |
| Allowance: | Means, in respect of an EU Emissions Allowance Transaction, an allowance to emit one tonne of carbon dioxide (CO ₂) equivalent during a specified period which is valid for meeting emissions related commitment obligations under the Scheme and which is of the specified Allowance Type and relates to the Specified Compliance Period. |
| Allowance Forward Transaction: | Means an EU Emissions Allowance Transaction identified as an Allowance Forward Transaction in the related Confirmation. |
| Allowance Option Transaction: | Means an EU Emissions Allowance Transaction identified as an Allowance Option Transaction in the related Confirmation. An Allowance Option Transaction shall be an Option Transaction |

for purposes of the 2006 ISDA Definitions.

- Allowances to be Delivered: Means, in respect of an EU Emissions Allowance Transaction that is: (1) an Allowance Forward Transaction, a number of Allowances equal to the Number of Allowances; or (2) an Allowance Option Transaction and in respect of an Exercise Date, a number of Allowances equal to the number of Options exercised or deemed exercised on that Exercise Date multiplied by the Option Entitlement.
- Allowance Purchase Price: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Forward Transaction, the amount specified or otherwise determined as provided in the related Confirmation.
- Allowance Shortfall: Has the meaning given to such term in Part 8(d)(iii)(*Partial Settlement*).
- Allowance Strike Price: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, the price per Allowance specified or otherwise determined as provided in the related Confirmation.
- Allowance Type: Means, in respect of an EU Emissions Allowance Transaction, an AEU Allowance or an EU Allowance as specified in the related Confirmation.
- Appropriate Source: Means any “competent authority” (as defined in the Registries Regulation) and/or the Central Administrator, National Administrator or any other authority having power pursuant to the Directive and/or the Registries Regulation to block, suspend, refuse, reject, cancel or otherwise affect the transfer (whether in whole or in part) of Allowances, any recognised law enforcement or tax authorities of a Member State, the European Anti-fraud Office of the European Commission or Europol.
- Buyer: Means, in respect of an EU Emissions Allowance Transaction, the party specified as such in the related Confirmation.
- Buy-In: Means the purchase of Allowances by Receiving Party in accordance with the procedures described in paragraph (2) of the definition of Receiving Party's Replacement Cost in this Part 8(e)(*Defined Terms and Interpretation*).
- Buy-In Period: Has the meaning given to such term in the definition of Receiving Party's Replacement Cost in this Part 8(e)(*Defined Terms and Interpretation*).

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| Calculation Agent: | Means, in respect of an EU Emissions Allowance Transaction, the party specified as such in the related Confirmation. |
| Call: | Means a type of an Allowance Option Transaction entitling, but not obligating, Buyer to purchase Allowances from Seller at the Allowance Strike Price per Allowance. |
| Central Administrator: | Means the person designated by the EU Commission to operate and maintain the EUTL pursuant to Article 20(1) of the Directive. |
| Central European Time: | Means Central European Time, including Central European Winter Time and Central European Summer Time as applicable. |
| Close-out Cost of Carry Amount: | Means an amount in EUR equal to: (a) the Close-out Cost of Carry Rate; multiplied by: (b)(i) in respect of an Allowance Forward Transaction, the Allowance Purchase Price; or (ii) in respect of an Allowance Option Transaction, the Allowance Strike Price; multiplied by: (c) the Close-out Cost of Carry Delay, divided by (d) 360. |
| Close-out Cost of Carry Delay: | Means the number of days in the period from (and including) the scheduled Payment Date to (but excluding) the date that would be the Payment Date if delivery had been made on the Final Delivery Date or Final Compliance Date (as the case may be). |
| Close-out Cost of Carry Rate: | Means a rate equal to the Floating Rate that would be determined for the period from the scheduled Payment Date to the Early Termination Date, if the Reset Date were the date that would be the Payment Date if delivery had been made on the Final Delivery Date or Final Compliance Date (as the case may be) and the applicable Floating Rate Option were "EUR-EuroSTR-COMPOUND". |
| Cost of Carry Amount: | Means an amount in EUR equal to: (a) the Cost of Carry Rate multiplied by: <ul style="list-style-type: none"> (b)(i) in respect of an Allowance Forward Transaction, the Allowance Purchase Price multiplied by the Number of Allowances delivered on or before the Delayed Delivery Date following the occurrence of a Suspension Event; or (ii) in respect of an Allowance Option Transaction, the Allowance Strike Price multiplied by the Number of Allowances delivered on or before the Delayed Delivery Date following the occurrence of a Suspension Event; multiplied by: (c) the Cost of Carry Delay, divided by 360. |

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| Cost of Carry Delay: | Means the number of days in the period from (and including) the scheduled Payment Date to (but excluding) the Delayed Payment Date. |
| Cost of Carry Rate: | Means a rate equal to the Floating Rate that would be determined for a Calculation Period commencing on (and including) the scheduled Payment Date and ending on (but excluding) the Delayed Payment Date, if the Reset Date were the last day of that Calculation Period and the applicable Floating Rate Option were "EUR-EuroSTR-COMPOUND". |
| Deadline Shortfall: | Has the meaning given to such term in Part 8(d)(xi) (<i>Failure to Deliver (Alternative Method) – EEP Applicable</i>). |
| Delayed Delivery Date: | Has the meaning given to that term in Part 8(d)(i)(5)(B) (<i>Effect of a Suspension Event</i>). |
| Delayed Payment Date: | Has the meaning given to that term in the definition of Payment Date in this Part 8(e) (<i>Defined Terms and Interpretation</i>). |
| Delivering Party: | Means, in respect of an EU Emissions Allowance Transaction that is: (1) an Allowance Forward Transaction, the Seller; (2) an Allowance Option Transaction which is a Call, the Seller; or (3) an Allowance Option Transaction which is a Put, the Buyer. |
| Delivering Party's Delivery Business Day Location: | Means, in respect of an EU Emissions Allowance Transaction, the place specified as such in the Confirmation for the relevant EU Emissions Allowance Transaction or, if a place is not so specified: (i) the place specified in the Annex to this Part 8 as the Delivery Business Day Location for Delivering Party; or (ii) if no such place is specified, the place in which Seller's address for purposes of receiving notices connected with the relevant EU Emissions Allowance Transaction is located; or (iii) if no such address has been given, the place in which Delivering Party has its registered office. |
| Delivering Party's Replacement Cost: | Means in respect of a failure of Receiving Party to accept delivery of a number of Allowances (the " DPRC Shortfall "), an amount equal to: <ul style="list-style-type: none"> (i) (1) the Allowance Purchase Price or Allowance Strike Price, as applicable, as set out in the Confirmation for the relevant EU Emissions Allowance Transaction plus, in those circumstances in which the relevant termination of the parties' obligations under "Physical Settlement" occurs following a Suspension Event, the Close-out Cost of Carry Amount; less |

(2) the price (per Allowance) Delivering Party, acting in a commercially reasonable manner, does or would, in the determination of the Calculation Agent, receive in an arm's length transaction concluded on the Final Compliance Date for an equivalent number of Allowances of the relevant Allowance Type to be delivered on the Final Compliance Date or, if later, the Delivery Business Day on which Allowances would be delivered in accordance with prevailing market practice under a spot transaction concluded on the Final Compliance Date; multiplied by:

- (ii) the DPRC Shortfall; plus
- (iii) interest at the Default Rate for the period from (and including) the Delivery Date to (but excluding) the date of termination in accordance with Part 8(d)(ii)(2)(B)(*Failure to Comply Not Remedied*) on an amount equal to the product of the DPRC Shortfall and an amount equal to the excess, if any, of the Allowance Purchase Price or Allowance Strike Price, as applicable, over the price determined pursuant to paragraph (i)(2) above.

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| Delivery Business Day: | Means, in respect of an EU Emissions Allowance Transaction, any day, which is not a Saturday or Sunday, on which commercial banks are open for general business in both Delivering Party's Delivery Business Day Location and the Receiving Party's Delivery Business Day Location. |
| Delivery Date: | Means, in respect of an EU Emissions Allowance Transaction, the date or dates specified as such in the related Confirmation (subject to any adjustment in accordance with Part 8(d)(i)(5)(<i>Suspension Event</i>)). |
| Directive: | Means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time. |
| DPRC Shortfall: | Has the meaning given to such term in the definition of Delivering Party's Replacement Cost in this Part 8(e)(<i>Defined Terms and Interpretation</i>). |
| EEP Amount: | Means an amount (expressed as an amount per Allowance) that Receiving Party determines, acting in good faith and using |

commercially reasonable procedures, to be its total losses and costs which result from Delivering Party's failure to deliver the Shortfall to the extent that those losses and costs are not reflected elsewhere in the definition of Receiving Party's Replacement Cost and to the extent that those losses and costs relate to:

- (1) any Excess Emission Penalty which Receiving Party must pay to the Relevant Authority in accordance with the terms of the Scheme; and/or
- (2) if "EEP Equivalent" is specified to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, any amount which Receiving Party must pay to a third party in respect of any such penalty payable to any other party (including a Relevant Authority) by that third party as a result of Delivering Party's failure to deliver the Shortfall.

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| EEP Non-delivery: | Has the meaning given to such term in Part 8(d)(xi)(<i>Failure to Deliver (Alternative Method) – EEP Applicable</i>). |
| EEP Payment: | Has the meaning given to such term in Part 8(d)(xi)(<i>Failure to Deliver (Alternative Method) – EEP Applicable</i>). |
| EEP Risk Period: | Means, in respect of an EU Emissions Allowance Transaction and any Delivery Date, a period of time prior to the first succeeding Reconciliation Deadline, as specified in the related Confirmation. |
| Encumbrance Loss Amount: | An amount reasonably determined by Receiving Party in good faith to be its total losses and costs in connection with an EU Emissions Allowance Transaction including, but not limited to, any loss of bargain, cost of funding or, at the election of Receiving Party but without duplication, loss or costs incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position. Such amount includes losses and costs in respect of any payment already made under an EU Emissions Allowance Transaction prior to the delivery of the written notice by Receiving Party and Receiving Party's legal fees and out-of-pocket expenses but does not include Excess Emissions Penalty or any amount which Receiving Party must pay to a third party in respect of any such penalty payable to any other party (or Relevant Authority) by that third party. The parties agree that in circumstances where there was a breach of the No Encumbrances Obligation by Delivering Party caused by the transfer of an Affected |

Allowance, Receiving Party shall be entitled to include in such amount any losses arising out of or in connection with any claim, demand, action or proceeding brought against Receiving Party by a third party consequent upon the transfer by Receiving Party of an Affected Allowance transferred to it by Delivering Party under an EU Emissions Allowance Transaction.

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| End of Phase Reconciliation Deadline: | Means, in respect of an EU Emissions Allowance Transaction, the Reconciliation Deadline scheduled to fall in April 2031. |
| EU: | Means the European Community as it exists from time to time. |
| EU Allowance: | Means an allowance, other than an AEUA or AEU Allowance, created pursuant to the Directive, including allowances stemming from emission trading systems that are linked with the EU ETS pursuant to Article 25 of the Directive. |
| EU ETS: | Has the meaning given to it in the Directive. |
| EUTL or European Transaction Log: | Means the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in Article 5 of the Registries Regulation. |
| Excess Emissions Penalty/EEP: | Has the meaning given to it in the Directive. |
| Expiration Date: | Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, the date specified as such in the related Confirmation (or determined pursuant to a method specified for such purpose) or, if that date is not a Business Day, the next following day that is a Business Day. |
| Final Compliance Date: | Means, the date that is the second Delivery Business Day after notice is given under Part 8(d)(ii)(2)(<i>Failure to Comply by Receiving Party</i>) requiring Receiving Party to comply with Part 8(d)(vi)(<i>Requirements under the Scheme</i>) or, if earlier, the Reconciliation Deadline on or immediately following the relevant Delivery Date. |
| Final Delivery Date: | Means, the date that is the second Delivery Business Day after notice is given under Part 8(d)(ii)(1)(<i>Failure to Deliver by Delivering Party</i>) requiring Delivering Party to remedy a failure to deliver or, if earlier, the Reconciliation Deadline on or immediately following the relevant Delivery Date. |
| Fourth Compliance Period: | Means, in respect of EU Allowances and AEU Allowances, the period starting on 1 January 2021 and ending on 31 December |

2030.”

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| Holding Account: | Means a form of digital record maintained in a Registry (pursuant to and in accordance with the Registries Regulation) that is able to be used to record the allocation (if applicable), holding and transfer of Allowances of the Allowance Type that is to be delivered under the relevant EU Emissions Allowance Transaction pursuant to and in accordance with the Scheme. |
| Indemnifiable EEP: | Has the meaning given to such term in Part 8(d)(xi)(<i>Failure to Deliver (Alternative Method) – EEP Applicable</i>). |
| Linking Agreement: | Means an agreement between the European Union and a non-Member State on the linking of their greenhouse gas emissions trading systems as envisaged under Article 25 of the Directive and which has entered into force in accordance with its terms, as amended from time to time. |
| Long-Stop Date: | Means, in respect of a Suspension Event that occurs with respect to a delivery or acceptance obligation that would otherwise be required to be performed within the period: (1) from (and including) 1 May 2021 to (and including) 31 December 2022, 1 June 2024 ; (2) from (and including) 1 January 2023 to (and including) 31 December 2024, 1 June 2026; (3) from (and including) 1 January 2025 to (and including) 31 December 2026, 1 June 2028 ; (4) from (and including) 1 January 2027 to (and including) 31 December 2028, it shall be 1 June 2030; and (5) from (and including) 1 January 2029 to (and including) the twenty-fifth (25th) calendar day of the month in which the End of Phase Reconciliation Deadline is scheduled to occur, the twenty-fifth (25th) calendar day of the month in which the End of Phase Reconciliation Deadline is scheduled to occur . |
| LSTL: | Means a transaction log of a non-Member State that is linked to the EUTL under the terms of a relevant Linking Agreement.” |
| Member State: | Means any one of the signatories of the European Union from time to time. |
| Multiple Exercise: | Means: (1) If "Multiple Exercise" is specified to be applicable to an |

EU Emissions Allowance Transaction which is an American Allowance Option Transaction or a Bermuda Allowance Option Transaction, Buyer may exercise all or less than all the unexercised Options on one or more Business Days during the Exercise Period but (except as set forth below) on any such Business Day may not exercise less than the Minimum Number of Options or more than the Maximum Number of Options and, if a number is specified as "Integral Multiple" in the related Confirmation, the number of exercised Options must be equal to, or be an integral multiple of, the number so specified. Except as set forth below, any attempt to exercise on any such Business Day:

- (A) more than the Maximum Number of Options will be deemed to be an exercise of the Maximum Number of Options (the number of Options exceeding the Maximum Number of Options being deemed to remain unexercised);
- (B) less than the Minimum Number of Options will be ineffective; and
- (C) an amount of Options not equal to or an integral multiple of the Integral Multiple will be deemed to be an exercise of a number of Options equal to the next lowest integral multiple of the Integral Multiple (the number of Options exceeding that number being deemed to remain unexercised).

(2) Notwithstanding the foregoing, on any such Business Day, Buyer may exercise any number of Options that does not exceed the Maximum Number of Options if it exercises all the Options remaining unexercised. On the Expiration Date, Buyer may exercise any number of Options remaining unexercised.

(3) "Minimum Number of Options" means, in respect of an Allowance Option Transaction to which Multiple Exercise is applicable, the number specified as such in the related Confirmation.

(4) "Maximum Number of Options" means, in respect of an Allowance Option Transaction to which Multiple Exercise is applicable, the number specified as such in the related Confirmation.

National Administrator:

Means (i) the entity responsible for administering, on behalf of a Member State, a set of user accounts under the jurisdiction of a Member State in the Union Registry as designated in accordance with Article 7 of the Registries Regulation, or (ii) the entity

identified as an administrator in respect of an LSTL.”

- No Encumbrance Obligation: Has the meaning given to such term in Part 8(d)(vii)(*No Encumbrances*).
- Notice of Exercise: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, an Option notice given by Buyer to Seller (which may be given orally (including by telephone) unless the parties specify otherwise in the related Confirmation) of its exercise of the right or rights granted pursuant to the Allowance Option Transaction during the hours specified in the relevant Confirmation on a Seller Business Day during the Exercise Period, which shall be irrevocable once effective. If the Notice of Exercise is received on any Seller Business Day after the latest time so specified, the Notice of Exercise will be deemed to have been received on the next following Seller Business Day, if any, in the Exercise Period. Buyer may exercise the right or rights granted pursuant to the Allowance Option Transaction only by giving a Notice of Exercise.
- Number of Allowances: Means, in respect of an EU Emissions Allowance Transaction, the number specified as such in the related Confirmation.
- Number of Options: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, the number specified as such in the related Confirmation, being the number of Options comprised in the relevant Allowance Option Transaction.
- Operator: Means an "operator" as defined in the Directive.
- Option: Means, in respect of an Allowance Option Transaction, each unit into which the Option Transaction is divided for purposes of exercise or settlement.
- Option Entitlement: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, the number of Allowances per Option specified as such in the related Confirmation. In the event that no Option Entitlement is specified in the related Confirmation, the Option Entitlement in respect of any Allowance Option Transaction shall be one Allowance per Option.
- Original Affected Party: Means the person from whose account the Unauthorised Transfer of the Affected Allowance occurred.
- Payment Date: Means, in respect of an EU Emissions Allowance Transaction,

the date specified as such or otherwise determined pursuant to a method specified in the related Confirmation, provided that, in the case of delayed delivery pursuant to Part 8(d)(i)(5)(*Suspension Event*), the Payment Date shall be determined accordingly from the Delayed Delivery Date (such Payment Date being the "**Delayed Payment Date**").

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| Potential Exercise Date: | Means, in respect of an EU Emissions Allowance Transaction which is a Bermuda Allowance Option Transaction, each date specified as such in the related Confirmation or, if that date is not a Business Day, the next following day that is a Business Day. |
| Premium: | Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, the amount specified or otherwise determined as provided in the related Confirmation. If a Premium per Allowance is specified in the related Confirmation, the Premium shall be the product of the Premium per Allowance, the Number of Options and the Option Entitlement. |
| Put: | Means a type of Allowance Option Transaction entitling, but not obligating, the Buyer to sell Allowances to Seller at the Allowance Strike Price per Allowance. |
| Receiving Party: | Means, in respect of an EU Emissions Allowance Transaction that is: (1) an Allowance Forward Transaction, the Buyer; (2) an Allowance Option Transaction which is a Call, the Buyer; or (3) an Allowance Option Transaction which is a Put, the Seller. |
| Receiving Party's Delivery Business Day Location: | Means, in respect of an EU Emissions Allowance Transaction, the place specified as such in the Confirmation for the relevant EU Emissions Allowance Transaction or, if a place is not so specified: (i) the place specified in the Annex to this Part 8 as the Delivery Business Day Location for Receiving Party; or (ii) if no such place is specified, the place in which Receiving Party's address for purposes of receiving notices connected with the relevant EU Emissions Allowance Transaction is located; or (iii) if no such address has been given, the place in which Receiving Party has its registered office. |
| Receiving Party's Replacement Cost | Means: (1) if "Excess Emissions Penalty" is specified not to be applicable in the Annex to this Part 8 or the Confirmation for the relevant EU Emissions Allowance Transaction, or if "Excess Emissions Penalty" is specified to be applicable and if an EEP Risk Period is specified in the Annex to this Part 8 or in the |

Confirmation for the relevant EU Emissions Allowance Transaction but the Delivery Date falls outside the EEP Risk Period then, in respect of a failure to deliver a number of Allowances (the "**RPRC Shortfall**"), an amount equal to:

- (A) (I) the price (per Allowance) that Receiving Party, acting in a commercially reasonable manner, does or would, in the determination of the Calculation Agent, pay in an arm's length transaction concluded on the Final Delivery Date for an equivalent number of Allowances to be delivered on the Final Delivery Date or, if later, the Delivery Business Day on which Allowances would be delivered in accordance with prevailing market practice under a spot transaction concluded on the Final Delivery Date; less
 - (II) the Allowance Purchase Price or Allowance Strike Price, as applicable, as set out in the Confirmation for the relevant EU Emissions Allowance Transaction plus, in those circumstances in which the relevant termination of the parties' obligations under "Physical Settlement" occurs following a Suspension Event, the Close-out Cost of Carry Amount; multiplied by:
- (B) the RPRC Shortfall; plus
- (C) interest at the Default Rate for the period from (and including) the Delivery Date to (but excluding) the date of termination in accordance with Part 8(d)(ii)(1)(B)(*Failure to Deliver Not Remedied*) on an amount equal to the product of the RPRC Shortfall and an amount equal to the excess, if any, of the price determined pursuant to paragraph (1)(A)(I) above over the Allowance Purchase Price or the Allowance Strike Price, as applicable; or

(2) if "Excess Emissions Penalty" is specified to be applicable in the Annex to this Part 8 or the Confirmation for an EU Emissions Allowance Transaction and, if an EEP Risk Period is specified in the Annex to this Part 8 or in the Confirmation for the relevant EU Emissions Allowance Transaction, the Delivery Date falls within the EEP Risk Period for the relevant EU Emissions Allowance Transaction, then, in

respect of a failure to deliver a number of Allowances (the "**Undelivered Allowances**"), an amount equal to the sum of:

(A) either:

(I) if in one or more arm's length transactions Receiving Party is able, using its reasonable endeavours, to purchase a number of Allowances to be delivered during the period from (but excluding) the Final Delivery Date to (and including) the Reconciliation Deadline on or immediately following the Delivery Date (the "**Buy-In Period**"), which in respect of each such individual purchase of Allowances, when aggregated with other such purchases, amounts to a purchase of a number of Allowances equal to the number of Undelivered Allowances:

(X) (1) the price (per Allowance) at which Receiving Party is able so to purchase the relevant number of Allowances; less (2) (A) the Allowance Purchase Price or Allowance Strike Price, as applicable, for the Undelivered Allowances set out in the relevant Confirmation plus, (B) in those circumstances in which the relevant termination of the parties' obligations under "Physical Settlement" occurs following a Suspension Event, the Close-out Cost of Carry Amount; multiplied by:

(Y) the number of Allowances to which such purchase relates; plus

(Z) interest at the Default Rate for the period from (and including) the Delivery Date to (but excluding) the date of termination in accordance with Part 8(d)(ii)(1)(B)(*Failure to Deliver Not Remedied*) on an amount equal to the product of the number of Undelivered Allowances and an amount equal to the excess, if any, of the price determined pursuant to paragraph (2)(A)(I)(X)(1) above over the Allowance Purchase Price or Allowance Strike Price, as applicable; or

(II) if in one or more arm's length transactions Receiving Party, using its reasonable efforts, is

unable to purchase a number of Allowances equivalent to the Undelivered Allowances to be delivered during the Buy-In Period:

(X) in respect of the number of Allowances for which Receiving Party is able to effect a Buy-In during the Buy-In Period, an amount for such Allowances calculated in accordance with paragraph (I) above; and

(Y) in respect of a number of Allowances equal to the number of Undelivered Allowances minus the number of Allowances referred to in (II)(X) above (the "Shortfall"), the sum of:

(a) (I) the price (per Allowance) at which Receiving Party, using its reasonable efforts and in an arm's length transaction, is able to purchase as soon as reasonably possible for delivery after the Reconciliation Deadline a number of Allowances (such Allowances also being of the same Allowance Type equal to the Shortfall; less

(II) the Allowance Purchase Price or Allowance Strike Price, as applicable, for the Undelivered Allowances set out in the relevant Confirmation plus, in those circumstances in which the relevant termination of the parties' obligations under "Physical Settlement" occurs following a Suspension Event, the Close-out Cost of Carry Amount; plus

(III) the EEP Amount; multiplied by:

(b) the Shortfall; plus

(c) interest at the Default Rate for the period from (and including) the Delivery Date to (but excluding) the date Receiving Party is or would be able to purchase Allowances in accordance with paragraph (II)(Y)(a)(1) above on

an amount equal to the product of the number of Undelivered Allowances and an amount equal to the excess, if any, of the price determined pursuant to paragraph (II)(Y)(a)(1) above over the Allowance Purchase Price or the Allowance Strike Price, as applicable; and

(B) such reasonable costs and expenses which Receiving Party incurs as a direct result of Delivering Party's failure to deliver the Shortfall to the extent that those costs and expenses are not reflected in paragraphs (A)(I) or (A)(II) above; or

(3) if "Failure to Deliver (Alternative Method)" is specified to be applicable in the Annex to this Part 8 or the Confirmation for an EU Emissions Allowance Transaction, then, in respect of a failure to deliver a number of Allowances (the number of Allowances not so delivered being the "**RPRC Shortfall**"), an amount equal to:

(A) (I) the price (per Allowance) Receiving Party, acting in a commercially reasonable manner, does or would, in the determination of the Calculation Agent, pay in an arm's length transaction concluded in accordance with prevailing market practice on the Final Delivery Date to purchase a number of Allowances equivalent to the RPRC Shortfall for delivery on the first Delivery Business Day on which transactions concluded on the Delivery Date would be settled in accordance with prevailing market practice; less

(II) the Allowance Purchase Price or Allowance Strike Price, as applicable, as set out in the Confirmation for such EU Emissions Allowance Transaction plus, in those circumstances in which the relevant termination of the parties' obligations under "Physical Settlement" occurs following a Suspension Event, the Close-out Cost of Carry Amount; multiplied by:

(B) the RPRC Shortfall; plus

(C) interest at the Default Rate for the period from (and including) the Delivery Date to (but excluding) the Final Delivery Date on an amount equal to the product

of the Allowance Purchase Price or the Allowance Strike Price, as applicable, and the RPRC Shortfall.

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| Reconciliation Deadline: | Means, in respect of an EU Emissions Allowance Transaction, 30th April in each calendar year in respect of the preceding calendar year or such later date in each year as may be determined in accordance with the Scheme for the surrender of Allowances pursuant to the Scheme. |
| Registries Regulation: | Means the Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council, as regards the functioning of the Union Registry, as amended from time to time. |
| Registry: | Means the registry established by a Member State, a non-Member State or the EU in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of Allowances. For the avoidance of doubt, references to a Registry shall include the Union Registry and the Holding Accounts within the Union Registry that are under the jurisdiction of a single National Administrator designated by a Member State and will together be deemed, for the purpose of this Part 8, to be a Registry for that Member State. |
| Registry Operation: | Means, other than by reason of the occurrence of an Administrator Event: (a) the establishment of and continuing functioning of the Relevant Registry; (b) the establishment of and continuing functioning of the EUTL; (c) the establishment of and continuing functioning of the link between each of the Relevant Registry and the EUTL; and/or (d) the continued functioning of the link between each of the LSTL and the EUTL. |
| Relevant Authority: | Means any authority having power pursuant to the Directive and/or the Registries Regulation to administer the Scheme, including the Central Administrator and each National Administrator as those terms are defined in the Registries Regulation. |
| Relevant Registry: | Means the Registry through which a party is obliged to perform a delivery or acceptance obligation under and in accordance with |

an EU Emissions Allowance Transaction. Where a party has specified more than one Specified Holding Account for delivery or acceptance purposes, the Relevant Registry shall be identified in accordance with Part 8(d)(i)(2)(C).

RPRC Shortfall: Has the meaning given to such term in the definition of Receiving Party's Replacement Cost in this Part 8(e)(*Defined Terms and Interpretation*).

Scheme: Means the scheme for transferring Allowances established pursuant to the Directive and the Registries Regulation, and as implemented by the national laws of Member States.

Seller: Means, in respect of an EU Emissions Allowance Transaction, the party specified as such in the related Confirmation.

Seller Business Day: Means, in respect of an EU Emissions Allowance Transaction which is an Allowance Option Transaction, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city in which Seller is located for purposes of receiving notices.

Settlement Disruption Event: Means an event or circumstance beyond the control of the party affected that cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for that party to perform its obligations either to deliver or to accept Allowances in accordance with the terms of an EU Emissions Allowance Transaction.

For the avoidance of doubt, the inability of a party to deliver Allowances as a result of insufficient Allowances in the relevant Specified Holding Account, whether caused by the low or non-allocation of Allowances by a Member State or any other state, the delay or failure of a Member State or Central Administrator to replace allowances of the Third Compliance Period with Allowances for the Fourth Compliance Period, or the failure of a party to procure sufficient Allowances to meet its delivery obligations, shall not constitute a Settlement Disruption Event. This is not an exhaustive list of events which will not constitute a Settlement Disruption Event and is provided for the avoidance of doubt only.

If an event or circumstance which would otherwise constitute or give rise to a Settlement Disruption Event also constitutes a Suspension Event, it will be treated as a Suspension Event and will not constitute a Settlement Disruption Event.

Shortfall: Has the meaning given to such term in the definition of

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| | Receiving Party's Replacement Cost in this Part 8(e)(<i>Defined Terms and Interpretation</i>). |
| Specified Compliance Period: | Means, in respect of an Allowance and an EU Emissions Allowance Transaction, the period as specified in the Confirmation for the relevant EU Emissions Allowance Transaction. |
| Specified Holding Account: | Means, in respect of a party and an EU Emissions Allowance Transaction, the Holding Accounts (if any) specified as such in respect of such party (i) in the Confirmation for the relevant EU Emissions Allowance Transaction; or (ii) where no such accounts are specified in accordance with (i), in the Annex to this Part 8; in either case in accordance with Part 8(d)(xii)(1)(A) or Part 8(d)(xii)(2)(A) (as applicable) and subject to modification in accordance with Part 8(d)(xii)(1)(B) and Part 8(d)(xii)(2)(B). |
| Suspension Event: | Means any date a party to the Agreement is unable to perform its delivery or acceptance obligations under and in accordance with an EU Emissions Allowance Transaction and the Scheme through a Relevant Registry as a result of the occurrence of any of the following events: <ul style="list-style-type: none"> (i) absence of Registry Operation; or (ii) the occurrence of an Administrator Event. |
| Trade Date: | Means, in respect of an EU Emissions Allowance Transaction, the date specified in the related Confirmation. |
| Third Compliance Period: | Means, in respect of EU Allowances and AEU Allowances, the period starting on 1 January 2013 and ending on 31 December 2020." |
| Unauthorised Transfer: | Means the transfer by debiting of any Allowance from an account holder's Holding Account and the crediting of a Holding Account of another person, where such transfer is not initiated by the relevant authorised representative or additional authorised representative (as referred to in the Registries Regulation) of the first account holder. |
| Undelivered Allowances: | Has the meaning given to such term in the definition of Receiving Party's Replacement Cost in this Part 8(e)(<i>Defined Terms and Interpretation</i>). |
| Union Registry: | Means the Registry referred to as the " Union registry " in Article 19(1) of the Directive. |

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| VAT: | Has the meaning given to such term in Part 8(d)(viii)(<i>Value Added Taxes</i>). |
| VAT Amount: | Has the meaning given to such term in Part 8(d)(viii)(<i>Value Added Taxes</i>). |
| VAT Invoice: | Has the meaning given to such term in Part 8(d)(v)(<i>Invoicing</i>). |
| VAT Jurisdiction: | Means, in respect of a party and an EU Emissions Allowance Transaction, the place specified as such in the related Confirmation or, if a place is not so specified, the place specified in the Annex to this Part 8 as the VAT Jurisdiction for such party. |
| Written Confirmation: | Means, in respect of a party and an EU Emissions Allowance Transaction which is an Allowance Option Transaction, if "Written Confirmation" is specified to be applicable or if demanded by Seller (which demand, notwithstanding any provisions regarding notice applicable to the Allowance Option Transaction, may be given orally (including by telephone)), Buyer shall execute a written confirmation (including by facsimile transmission) confirming the substance of the Notice of Exercise and deliver the same to Seller. Buyer shall cause such executed written confirmation to be received by Seller within one Seller Business Day following the date that the Notice of Exercise or Seller's demand, as the case may be, becomes effective. |

ANNEX

EU Emissions Allowance Transaction Accounts and Elections

Part A

Specified Holding Account Details of Party A

| Account | Account number and Registry |
|---------|-----------------------------|
| (1) | [REDACTED] |

Cash Account:

Bank:

Bank Swift BIC:

IBAN:

Beneficiary:

A/C No:

Currency



Notwithstanding that the above account belongs to Mitsui Bussan Commodities Ltd, the parties agree that all deliveries of Allowances to or from the above account shall be valid deliveries under the relevant EU Emissions Allowance Transaction and will fully discharge the delivery obligations of each party under the relevant EU Emissions Allowance Transaction.

Part B

Specified Holding Account Details of Party B

| Account | Account number and Registry |
|---------|-----------------------------|
| (1) | [REDACTED] |

Cash Account:

To:

For A/C:

Swift Code:

Account No:

IBAN:

Beneficiary:

Currency:



Part C

Delivery Business Day Location and VAT Jurisdiction for Party A

| | |
|---------------------------------|------------------|
| Delivery Business Day Location: | London and Paris |
| VAT Jurisdiction: | France |

Part D

Delivery Business Day Location and VAT Jurisdiction for Party B

| | |
|---------------------------------|-----------------|
| Delivery Business Day Location: | <i>Slovakia</i> |
| VAT Jurisdiction: | <i>Slovakia</i> |

Part E

Elections for Party A and Party B

| | |
|---|---|
| Payment on Termination for Settlement Disruption: | Applicable unless specified otherwise in the relevant Confirmation. |
| Excess Emissions Penalty | Not Applicable unless specified otherwise in the relevant Confirmation. |
| EEP Risk Period | Not Applicable unless specified otherwise in the relevant Confirmation. |
| EEP Equivalent | Not Applicable unless specified otherwise in the relevant Confirmation. |
| Failure to Deliver (Alternative Method) | Not Applicable unless specified otherwise in the relevant Confirmation. |

Part C

Delivery Business Day Location and VAT Jurisdiction for Party A

| | |
|---------------------------------|----------------------|
| Delivery Business Day Location: | London and Amsterdam |
| VAT Jurisdiction: | France |

Part D

Delivery Business Day Location and VAT Jurisdiction for Party B

| | |
|---------------------------------|-----------------|
| Delivery Business Day Location: | <i>Slovakia</i> |
| VAT Jurisdiction: | <i>Slovakia</i> |

Part E

Elections for Party A and Party B

| | |
|---|---|
| Payment on Termination for Settlement Disruption: | Applicable unless specified otherwise in the relevant Confirmation. |
| Excess Emissions Penalty | Not Applicable unless specified otherwise in the relevant Confirmation. |
| EEP Risk Period | Not Applicable unless specified otherwise in the relevant Confirmation. |
| EEP Equivalent | Not Applicable unless specified otherwise in the relevant Confirmation. |
| Failure to Deliver (Alternative Method) | Not Applicable unless specified otherwise in the relevant Confirmation. |

IN WITNESS WHEREOF the parties have executed this Agreement on the respective dates specified below:

.....
Martinská teplárenská a.s. (the "Counterparty")

By:
Name(s): JUDr. Erik Štefák
Title: Chairman of the Board of Directors
Date: 10/01/2022

By:
Name: Ing. Tibor Petráš
Title: Member of the Board of
Date: 10/01/2022

.....
Mitsui Bussan Commodities (France) SA

By:
Name: Masato Ishikawa
Title: Managing Director
Date: 13. Dec. 2021