

# TERMS AND CONDITIONS OF SUPPLY

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## 1. Basis of the Contract

- 1.1 The Supplier agrees to supply Gas under the terms of this Contract and the Customer agrees to take exclusively from the Supplier and to pay for the Gas taken at the Supply Point(s) set out in Schedule 1.
- 1.2 This Contract will come into force and effect on the date it is signed by the Parties and supply of Gas will commence on the Start Date, subject to Clause 7. This Contract will end on the End Date shown in the Offer unless the Offer indicates that the Contract is Evergreen.
- 1.3 If this Contract is Evergreen, it will continue for the Initial Period, and thereafter until terminated. Either Party may terminate this Contract after the Initial Period by giving the other at least 60 days' written notice prior to the end of a Contract Year. Any such termination will take effect on the last Business Day of such Contract Year, except that the Contract cannot be terminated before the end of the Initial Period.
- 1.4 If by the End Date the Customer has not entered into a new contract with the Supplier, moved to another Gas Supplier or disconnected all of the Supply Points a Deemed Contract will come into force between the Parties on the first day after the End Date at the Deemed Rates.
- 1.5 This Contract is conditional on the Customer meeting the Supplier's credit checks. If the Supplier notifies the Customer before the Start Date that the Customer has failed the checks, this Contract shall be deemed not to have come into force or effect and the Supplier shall not be obliged to supply Gas to the Customer.

## 2. Calculation of the Amount of Gas Used

- 2.1 The Supplier will base its calculation of the amount of Gas the Customer has used during a Supply Month on:
  - (a) the Meter Reading that the Supplier receives from the Meter Reading Agency or Customer; or
  - (b) where the Meter Reading is unavailable, or the Customer's reading is inconsistent with the Supplier's data, the Supplier will estimate the amount of Gas used.
- 2.2 If at any time the Supplier identifies an error in, or receives an update to, a Meter Reading or estimate of Gas consumption, it may send an invoice or credit note for the adjusted amount.
- 2.3 The Supplier will work out the amount of Gas supplied to a Supply Point during a Supply Period by multiplying the daily (or deemed daily) metered volume at each Supply Point, corrected for temperature and pressure, by the calorific value as confirmed by the Gas Transporter for the area where the Supply Point is located. If this is not available, the Supplier will use a value in line with the Gas (Calculation of Thermal Energy) Regulations 1996. The result will then be converted into an amount measured in kWh.
- 2.4 Ownership of the Gas will pass from the Supplier to the Customer at the outlet on the control valve at each of the Supply Points.
- 2.5 The Customer will pay for all Gas taken at each Supply Point irrespective of whether it is used by the Customer or anyone else.

## 3. Calculation of the Invoice Price

- 3.1 Gas supplied to each Supply Point shall be charged at:
  - (a) the Cost of Gas (in p/kWh)
  - (b) the Delivery Charge (in p/kWh); and
  - (c) the Daily Charge (in p/Day)
- 3.2 For Fixed Price Contracts, the Cost of Gas and Delivery Charge are aggregated into one Delivered Price (in p/kWh) shown on the Monthly Invoice and in Schedule 1.

## 4. Cost of Gas

- 4.1 The Cost of Gas for each kWh of Gas supplied to each Supply Point during a Supply Month shall be as stated in Schedule 1 (for Fixed Price Contracts) or as calculated in accordance with Schedule 4 (for Flexible Price Contracts).
- 4.2 For Flexible Priced Contracts, Instructions to Fix and Instructions to Refloat shall be made in accordance with the Hedging Procedure, which is incorporated into these Terms and Conditions.
- 4.3 If either Party believes that any pricing indices used to calculate the Cost of Gas are temporarily or permanently unavailable, the Supplier and the Customer Representative shall work in good faith to agree an alternative index.
- 4.4 If the Supplier and the Customer fail to agree upon an alternative index within 30 days of the unavailability of the pricing index then in calculations of the Cost of Gas for Gas supplied while the pricing index is unavailable, the unavailable index will be substituted with the System Marginal Price when buying or selling Gas.

## 5. Delivery and Daily Charges

- 5.1 The Delivery Charge and Daily Charge for each Supply Point include charges applicable to that Supply Point and payable by the Supplier to:
  - (a) the Distribution Network Operator and Gas Transporter for the transportation of Gas;
  - (b) the Meter Asset Manager for the installation, rental and maintenance of all metering and associated equipment;
  - (c) the Meter Reading Agency for the provision of meter reading and other services; and
  - (d) the Gas Transporter for the Unidentified Gas, (together, the "Transport & Metering Charges").
- 5.2 Transport & Metering Charges may be fixed for the Term or pass-through. Whether they are fixed or pass-through is indicated in the Offer under the heading "Transport & Metering Reconciliation". If they are fixed, it will show "Not Applicable". In all other cases, they are pass-through. If they are pass-through, an indication of the charges is shown in Schedule 1. The amount that is charged for them is derived from data published by the Service Providers and reconciled against any updates to the published data. The Transport & Metering Reconciliation heading in the Offer indicates the method of reconciliation.
- 5.3 The Delivery Charge includes a Management Fee. Unless this Contract is Evergreen, the Management Fee will be fixed for the Term of this Contract. If this Contract is Evergreen, the Management Fee will be

fixed for the Initial Period. The Supplier will give the Customer 60 days' prior written notice of any proposed revision of the Management Fee after the Initial Period. Any proposed revised Management Fee will apply from the start of the next Contract Year unless the Customer gives the Supplier not less than 30 days' prior written notice of termination. Such termination shall take effect on the last Business Day of the Contract Year in which the notice was given.

- 5.4 The Delivery Charge may include commission paid to a broker or consultant acting on the Customer's behalf.
- 5.5 The Daily Charge will be made for each Day in the Term and will be charged whether or not any Gas is consumed.
- 5.6 If at any time the Supplier identifies an error in, or receives an update to, the Charges that have been invoiced or identifies an error in the information on which it based its Charges at the date of this Contract, it may send an invoice or credit note for the adjusted amount.

## 6. Payment Terms

- 6.1 Each month, the Supplier will send the Customer an invoice for the Charges that apply to the Gas supplied in the previous Supply Month (a "Monthly Invoice"). The Supplier may invoice other amounts due under this Contract from time to time.
- 6.2 In addition to the Charges, the Customer must pay VAT, the Climate Change Levy and any other tax, duty or charge (together referred to as "Taxes" and each a "Tax") applicable to the Customer's receipt of Gas. This will include any increase in a Tax, or any new Tax, introduced during the Term.
- 6.3 The Customer will pay the full undisputed amount of each Monthly Invoice and any other invoice so that the Customer's payment is received by the Supplier not later than the payment date shown in the Offer.
- 6.4 The Customer must pay each invoice in pounds sterling by the method shown in the Offer to the bank account designated by the Supplier.
- 6.5 The Supplier may charge the Customer interest on any amount the Customer has not paid from the date it is due for payment until the date it is received by the Supplier. Interest will accrue on a daily non-compounding basis at 3% above the Bank of England base rate. The Supplier may charge the Customer its reasonable costs in recovering any unpaid amounts.
- 6.6 The Customer must make all payments under this Contract without set-off, counterclaim or withholding, unless the Customer has to do this by law.
- 6.7 If the Customer does not agree with any amount the Supplier has charged the Customer under this Contract, the Customer must pay the part of the invoice the Customer agrees with, and notify the Supplier of the details of the Customer's dispute within 30 days of the date of the invoice.

## 7. Preconditions for Supply

- 7.1 The Supplier shall ensure that it is registered and begin supplying each Supply Point by the later of:
  - (a) 15 days from the date of this Contract;
  - (b) the Start Date; or

- (c) such date as may be agreed by the Supplier and the Customer.

(the "Relevant Date")

The Customer may within those 15 days request a later date for registration or notify that it does not want registration to take place.

- 7.2 The Supplier is not obliged to be registered by the Relevant Date if:

- (a) the previous Gas Supplier has prevented the registration by objecting to the transfer in line with its Supply Licence;
- (b) a supply exemption holder is currently supplying Gas to the relevant Supply Point and has objected to the proposed registration;
- (c) the Supplier does not have all of the information it needs to complete the registration, despite having taken all reasonable steps to obtain the missing information;
- (d) the Customer is currently taking Gas through an exempt distribution system and the Supplier cannot start supplying Gas to the relevant Supply Point because:
  - (i) a physical connection has not yet been made; or
  - (ii) the distribution exemption holder has specified a specific metering arrangement that is not yet in place; or
- (e) the Supplier cannot complete the registration due to any other circumstance which is outside of its control and which it has taken all reasonable steps to resolve.

- 7.3 If any of the conditions referred to in Clause 7.2 applies, the Supplier will complete the registration within 15 days of the date on which all relevant conditions no longer apply.

- 7.4 The Customer represents and warrants to the Supplier at the Start Date and for the Term that:

- (a) the Gas supplied to each Supply Point under this Contract will only (or mainly) be used for non-domestic purposes;
- (b) it intends to take physical delivery for its consumption of all quantities of Gas which are the subject of any Instruction to Fix;
- (c) each of the Customer and Customer Representative is acting on its own accord and has not been advised by the Supplier, or by any of the Supplier's Affiliates in respect of any Instruction to Fix or Refloat; and
- (d) it is entering into the Contract for the purpose of obtaining a supply of Gas for its own consumption, and not for a speculative purpose.

- 7.5 The representations and warranties set out in Clause 7.4 (b) to (d) shall be deemed to be repeated by the Customer at the date of any Instruction to Fix or Refloat. The Customer will promptly tell the Supplier if any of the representations and warranties in Clause 7.4 ceases to be true, in which case the Supplier may terminate this Contract.

## 8. Requirements relating to Supply Points

- 8.1 The Customer will make sure that all Gas taken passes through a Meter at each Supply Point.
- 8.2 The Customer must inform the Supplier before signing this Contract if it has any Meter Bypasses installed at any of its Supply Points, and get the Supplier's written permission before it installs any new Meter Bypasses.
- 8.3 For each Large Supply Point, the Customer must give the Supplier the names or job titles, e-mail addresses, telephone and fax numbers of employees that the Network Emergency Coordinator, the Gas Transporter, or the Supplier can use to contact them at any time of the day (and on any day of the year) for the purposes described in Clause 14.
- 8.4 For all other Supply Points, the Customer must give the Supplier phone numbers and e-mail addresses that can be used to contact one of the Customer's employees (in working and non-working hours), for the purposes described in Clause 14.
- 8.5 The Customer must keep the contact details requested in Clauses 8.3 and 8.4 up to date, and tell the Supplier as soon as possible if they are going to change.
- 8.6 The Customer must inform the Supplier if they already have gas-boosting, compression or mixing equipment installed at any Supply Point, and give the Supplier at least 30 days' written notice before they install this type of equipment on any Supply Point. If required the Customer must provide reasonable evidence that they have installed and are using equipment that prevents any engine, compressor or equipment that uses compressed air or Gas on their Premises from causing inconvenience to other local Supply Points on the Pipeline System.
- 8.7 The Customer must provide all information the Supplier reasonably requests about a Supply Point within a reasonable timescale.

## 9. Meter Installation and Maintenance

- 9.1 The Customer will co-operate with the Supplier by providing any reasonable information and help the Supplier may need so that they can supply and record Gas consumption at each Supply Point.
- 9.2 The Supplier will appoint and enter into contracts with a Meter Reading Agency and Meter Asset Manager in respect of each Supply Point unless the Customer requests to nominate them.
- 9.3 Any Meter Reading Agency or Meter Asset Manager nominated by the Customer must:
- in the reasonable opinion of the Supplier, be qualified to carry out their duties; and
  - have a contract in effect with the Customer within 10 days of the Start Date.
- 9.4 If the conditions in Clause 9.3 are satisfied, the Supplier shall appoint the Meter Reading Agency or Meter Asset Manager nominated by the Customer. If not, or at any time the conditions cease to be satisfied, the Supplier may appoint and contract with a Meter Reading Agency or Meter Asset Manager. The Customer will be liable for any reasonable cost incurred by the Supplier as a result of the conditions in Clause 9.3 failing or ceasing to be satisfied.

- 9.5 Each Party will ensure that its Meter Asset Manager operates, maintain and renews its Meters in accordance with good industry practice and applicable Legal Requirements and Industry Codes.
- 9.6 The Customer shall be liable for the acts and omissions of its Meter Asset Manager and the Supplier shall not be liable to the Customer in respect of any breach of any of the Supplier's obligations in this Contract, including its obligation to supply Gas to the Supply Points, if and to the extent that such breach was caused by any act or omission of a Meter Asset Manager contracted by the Customer.
- 9.7 The Customer must provide safe and clear access to each Meter at all reasonable times, and always between 8am and 5pm on any Business Day, so that the Gas Transporter, Distribution Network Operator, Meter Asset Manager, Meter Reading Agency, Supplier or any associated contractors can:
- install, maintain, inspect, test, repair, replace, upgrade, disconnect, remove or shut down any part of the Meter;
  - take any Meter Readings; or
  - disconnect any Supply Point, if the Supplier, Distribution Network Operator or Gas Transporter have the right to do so.
- 9.8 The Supplier will comply with, and will make sure that its employees, agents and subcontractors comply with, any of the Customer's reasonable health, safety and security requirements relating to their Supply Points provided the Customer has given the Supplier advanced written notice of such requirements.
- 9.9 If the Customer does not provide access to a Meter in accordance with Clause 9.7, the Customer must compensate the Supplier for any reasonable resulting costs that the Supplier incurs from any third party.
- 9.10 The Customer will provide suitable housing for the Meter to protect it and enable it to function. The Customer must regularly check each Meter for damage. If it has been damaged, mistreated or interfered with (by anyone other than the Supplier or its subcontractor), the Customer must:
- tell the Supplier as soon as possible; and
  - obtain a crime number from the police.
- 9.11 Other than as a result of the Supplier's negligence, if the Meter has been damaged, mistreated or interfered with, the Customer must compensate the Supplier for any reasonable costs that it incurs as a result.
- 9.12 If the Customer asks the Supplier to install, replace or upgrade any elements of a Meter, the Supplier may recover the pre-agreed costs of carrying out this work from the Customer. If the work leads to an increase in the costs the Supplier has to pay to deliver Gas to a Supply Point, the Supplier will be entitled to pass on the extra costs to the Customer by adjusting the Delivery Charge.
- 9.13 The Customer will pay the Supplier any reasonable costs incurred by the Supplier due to the disconnection or re-connection of any Supply Point.

## 10. Meter Accuracy

- 10.1 If either Party believes that a Meter is inaccurate they can request that it be removed, examined and checked for accuracy. If the request was made by the Customer and the equipment proves to be working within the levels of accuracy allowed in the Gas (Meters) Regulations 1983, or if the Meter Operator is contracted to the Customer, the Customer will have to pay the reasonable costs for removing, examining and checking the equipment. The Supplier will pay these costs in all other cases.
- 10.2 If the Meter is found not to be working within the levels of accuracy allowed in the Gas (Meters) Regulations 1983, the Supplier will work out how much Gas was supplied in accordance with the Uniform Network Code and will send an invoice or credit note for the amount that was inaccurately metered. For the purposes of this calculation, unless the testing shows otherwise, the Supplier will assume that the Meter became inaccurate from the date on which the Meter was tested.

## 11. Volume Forecasts

- 11.1 The Forecast Consumption set out in Schedule 2 is the total quantity of Gas forecast at the date of this Contract to be supplied in a Supply Month to all of the Supply Points. It is derived by the Supplier from historic data relating to the Customer's consumption of Gas and information provided by the Customer in advance of this Contract as to its anticipated consumption of Gas. The Customer agrees with the Forecast Consumption.
- 11.2 The Customer may amend the Forecast Consumption by written notice to the Supplier at any point up until the earlier of:
- (a) two Business Days before the relevant Supply Month; and (if applicable)
  - (b) any Forecast Deadline as defined in Schedule 4.
- 11.3 The Customer will use reasonable endeavours to give the Supplier at least 7 days' notice of any planned maintenance or shutdowns at its Premises and as soon as possible if it is unplanned, together with an estimate of how much less Gas will be consumed.

## 12. Supply Offtake Quantity and Supply Point Ratchet Charge

- 12.1 The Customer must not take Gas at a rate greater than the Supply Offtake Quantity or the Supply Hourly Quantity for any DM Supply Point.
- 12.2 The Customer must tell the Supplier with reasonable notice if it anticipates taking, or promptly if it has taken, more than the Supply Offtake Quantity for any of the DM Supply Points.
- 12.3 If the Customer is taking more than the relevant Supply Offtake Quantity or the Supply Hourly Quantity for any DM Supply Point the Supplier may need the Customer to reduce the amount the Customer takes from that Supply Point or to stop taking Gas completely. If the Customer fails to do so then, without affecting the Supplier's rights to take any other action, the Supplier may stop, suspend, reduce or limit the supply of Gas to the Customer by any quantity and for any period the Supplier considers appropriate. The Supplier will have

no liability to the Customer as a result of doing this.

- 12.4 If the Customer ever breaches Clause 12.1 then for each such breach the Supplier may, without affecting any other remedies available to the Supplier under this Contract, at law or otherwise, invoice the Customer for a Supply Point Ratchet Charge.
- 12.5 Any Supply Point Ratchet Charge will be calculated according to the formula or methodology applicable under the Uniform Network Code.
- 12.6 If:
- (a) the Gas Transporter increases the Supply Offtake Quantity in respect of a DM Supply Point during a Contract Year above the level shown in Schedule 1; or
  - (b) the Customer takes more than the relevant Supply Offtake Quantity regardless of when this occurred and of whether a Supply Point Ratchet Charge was raised,

then the Supplier may, by notice to the Customer, increase the Supply Offtake Quantity for the remainder of the Contract by the amount of any increase made by the Gas Transporter or to the amount being taken when the breach occurred.

## 13. Adding and Removing Supply Points

- 13.1. The Customer may add a Supply Point to this Contract by giving not less than 30 days' prior written notice to the Supplier. Such notice shall include:
- (a) details of the new Supply Point necessary to enable the Supplier to register the Supply Point and identify the Charges associated with it; and
  - (b) the proposed date that the supply of Gas to such Supply Point will commence.
- 13.2. The Supplier will not be required to supply Gas to any Supply Point added to this Contract until the Supplier is registered for that Supply Point. The conditions in Clauses 7.2 and 7.4 shall apply to any Supply Point to be added to this Contract, where "Relevant Date" shall be read to mean the date notified under Clause 13.1(b).
- 13.3. The Customer may remove a Supply Point from this Contract only if it transfers to another person ownership or occupation of the premises where that Supply Point is located and must give the Supplier at least 30 days' written notice of such event and the date it expects it to happen. The Customer will be deemed to have given such notice if any of the conditions in Clause 7.4 ceases to apply after the commencement of supply.
- 13.4. The Supplier will notify the Customer of the Charges that will apply to any additional Supply Points. The Supplier may only increase a Charge to the extent necessary to reflect an increase in the costs it anticipates incurring and, on request, shall provide the Customer with supporting data on which it has based its assumptions. The Supplier will apply the same Management Fee to any additional volume unless the consumption profile or increased metering administration materially change the overall consumption profile and metering administration of the portfolio of Supply Points. The Customer may object to the Charges within 5 Business Days, whereupon the Supplier will review the Charges. If the

Parties do not agree within a further 5 Business Days the Charges that will apply, the Supply Points will not be added to this Contract.

- 13.5. The Supplier will amend the Forecast Consumption to take account of the addition or removal of a Supply Point and the Customer will provide the Supplier with the information it requires to enable the Supplier to make such amendment. The Supplier will Refloat any hedged volume of Gas to the extent it exceeds the revised Forecast Consumption.
- 13.6. The Supplier will not be required to remove a Supply Point from this Contract, and may object to its transfer to another Gas Supplier, until:
- (a) the transfer of ownership or occupation of the premises occurs; and
  - (b) the Customer pays any outstanding Charges.

## 14. Supply Planning and Emergencies

- 14.1 Each Party must tell the other as soon as possible if it receives notice from a Gas Transporter of maintenance which may limit the amount of Gas the Customer can take at any Supply Point
- 14.2 The Network Emergency Coordinator, the Gas Transporter or the Supplier will tell the Customer, as soon as possible, when an emergency has begun and when it ends.
- 14.3 In an emergency, the Customer must immediately follow any instructions the Network Emergency Coordinator, Gas Transporter or Supplier gives the Customer to reduce the amount of Gas the Customer takes at any Supply Point or to stop taking Gas completely. The Gas Transporter and the Supplier will be entitled to take any action considered necessary to stop or limit the supply of Gas to any Supply Point. This will take priority over any of the Supplier's other responsibilities under this Contract.
- 14.4 If the Supplier receives a direction which prevents the Supplier from supplying Gas to a specific person, or limits the amount of Gas the Supplier can supply, for as long as the direction is in force:
- (a) the Supplier will be entitled to end or limit the Gas supply at any Supply Point; and
  - (b) if instructed by the Supplier the Customer must immediately stop taking Gas completely, or limit the amount of Gas it takes.
- 14.5 If the Customer is entitled to compensation from the Gas Transporter or another organisation under these emergency conditions, the Supplier will take all reasonable steps to support the Customer in claiming this compensation. The Customer will pay any reasonable costs that the Supplier incurs in doing this.

## 15. Failure to Supply

- 15.1 The Supplier will not be failing its duty to supply Gas to a Supply Point if the Customer has to reduce the amount of Gas it takes at its Supply Points, or to stop taking Gas completely, because of:
- (a) actions taken, or instructions given, by the Gas Transporter or Distribution Network Operator;
  - (b) the Meter Asset Manager, Meter Reading Agency, Supplier or any associated contractors installing, maintaining, inspecting, testing,

- repairing, replacing, or upgrading the Meter, while such works are being undertaken;
- (c) lawful disconnection of any part of the Supply Point;
- (d) any part of the Meter failing or being faulty;
- (e) the Customer exceeding the Supply Offtake Quantity; or
- (f) the Pipeline System being maintained or an emergency existing.

- 15.2 The Supplier may arrange for the disconnection of the supply of gas to any Supply Point by giving the Customer notice in any of the following circumstances:
- (a) if in the Supplier's reasonable opinion, disconnection of the Supply Point is necessary to avoid danger or damage to any person or property;
  - (b) to allow the Distribution Network Operator to inspect, maintain, repair or alter any part of the Pipeline System;
  - (c) if any of the circumstances in Clause 20.1 or 20.2 (Termination) apply (whether or not this Contract is terminated);
  - (d) if this Contract is terminated or the Supply Point is removed from this Contract; or
  - (e) if the Customer requests the Supplier to disconnect the Supply Point.
- 15.3 The Supplier will give the Customer no less than 20 Business Days' prior written notice of the disconnection of any Supply Point.

## 16. Priority and Interruptible Supply Points

- 16.1 If the Supplier is told that any of the Supply Points meets the Priority Criteria, the Supplier will tell the Customer.
- 16.2 If the Customer considers that one of its Supply Points should have priority, the Customer must tell the Supplier in writing as soon as possible and answer any reasonable questions the Supplier may ask to find out whether the Supply Point meets the Priority Criteria.
- 16.3 The Customer warrants that, as at the date of this Contract it has not been given notice that any of the Supply Points are to be designated by the Gas Transporter as Interruptible or, where already designated, are to cease to be so designated.

## 17. Force Majeure

- 17.1 Neither Party will be liable for failing to keep to any term of this Contract (other than a failure to make any payment) if this is caused by any event or set of circumstances which is outside the Party's reasonable control, including an act of God, fire, vandalism, IT breakdown, breakdown or damage to plant, strike, lockout, similar industrial dispute, war, terrorism or force majeure claimed by a party on which the affected Party relies to perform its obligations under this Contract. Lack of financial resources does not constitute circumstances outside of the Party's reasonable control.

- 17.2 The affected Party must notify the other promptly and no later than 30 days from the first day the event happened and take all reasonable steps to mitigate its effect.

## 18. Liability

- 18.1 Nothing in this Contract, including the rest of this Clause 18, will exclude or limit either Party's liability for: (i) death or personal injury resulting from negligence; or (ii) fraud.
- 18.2 Each Party's liability to the other under this contract for any loss, costs, expenses or damage, whether in contract, tort (including negligence and breach of statutory duty), statute or otherwise will not be more than £1 million for one event or series of connected events. This limit does not apply to either Party's responsibility to pay the Charges or the adjusted Cost of Gas under Clause 21.3.
- 18.3 The Supplier will only be liable to the Customer for a breach by the Supplier of this Contract to the extent the breach directly results in physical damage to the Customer's property and that that damage was reasonably foreseeable.
- 18.4 Unless expressly stated otherwise, neither the Customer nor the Supplier will have any liability to the other for loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, loss of or damage to reputation, loss of or damage to any software, data, or computer equipment, an increase to the cost of working, or for any consequential or indirect losses or damages.

## 19. Changes in the Customer's Circumstances

- 19.1 In the following circumstances, the Supplier will notify the Customer of its concerns and give the Customer opportunity to discuss the situation within 7 days of the notice:
- (a) if the Supplier reasonably believes that the Customer may be unable to meet the Customer's obligations under the Contract; or
  - (b) if the financial circumstances of the Customer (or the Customer's parent company, ultimate parent company or guarantor) have deteriorated to a level unacceptable to the Supplier.
- 19.2 If after discussions with the Customer (or if the 7 days expire without response from the Customer), the Supplier still believes that reasonable grounds exist then it may: (i) give the Customer notice to provide suitable financial security for the Customer's payment obligations on the terms the Supplier requires; (ii) apply such financial security to this Contract, to come into force the date the Supplier gives the Customer the notice; (iii) impose restrictions on the Customer's entitlement to issue Instructions to Fix or Instructions to Refloat; and (iv) require resale of any forward purchases of Gas (in which case the methodology in 21.2 and Clause 21.3 will apply).
- 19.3 If the Customer does not provide the financial security the Supplier asks for within 30 days of receiving the Supplier's notice requiring the financial security, the Supplier may give the Customer notice to end this Contract immediately.

## 20. Termination

- 20.1 A Party ("Party A") can end this Contract immediately by giving written notice to the other Party ("Party B") at any time, in the following circumstances:
- (a) if Party B materially breaches Party B's obligations under this Contract and, if it is capable of remedy, it is not remedied to the reasonable satisfaction of Party A within 30 Business Days of the written notice.
  - (b) if Party B cannot pay their debts (as defined in section 123 (1) of the Insolvency Act 1986), if they are asked to consider entering into a voluntary arrangement under section 1 of that act, or if they enter into any scheme of arrangement (other than for the purpose of merging, restructuring or amalgamating their organisation);
  - (c) if a receiver or administrative receiver (as defined in section 251 of the Insolvency Act 1986) is appointed to handle all or part of Party B's assets or business;
  - (d) if an administration order is passed, under section 8 of the Insolvency Act 1986, in relation to Party B's business;
  - (e) if Party B passes any resolution for winding up their business (other than for the purpose of merging, restructuring or amalgamating their organisation);
  - (f) if a court passes an order to wind up Party B's business; or
  - (g) if the equivalent to an event in (b) to (f) occurs under the laws of another jurisdiction.
- 20.2 Without affecting any other rights the Supplier may have under this Contract, at law or otherwise, the Supplier can choose to terminate this Contract immediately if:
- (a) the Supplier notifies the Customer that it has failed to make any payment due to the Supplier in line with this Contract and the Customer fails to pay such amount within 5 Business Days of the notice;
  - (b) the Customer no longer owns, uses or occupies all of the premises where the Supply Points are based;
  - (c) the Supplier is no longer able to supply Gas to the Customer in line with the terms of the Supplier's Supply Licence; or
  - (d) the Customer is in breach of the warranties in Clause 7.4 at any time.
- 20.3 This Contract will terminate immediately if another Gas Supplier is appointed by Ofgem as a supplier of last resort to take over responsibility for the Supply Points.
- 20.4 The following Clauses will continue to have effect after the termination or expiry of this Contract: Clause 1.4 (Basis of the Contract), Clause 2.2 (Calculation of the Amount of Gas Used), Clause 5 (Delivery and Daily Charges), Clause 14 (Supply Planning and Emergencies), Clause 18 (Liability), Clause 21 (Consequences of Termination), Clause 23 (Information, Confidentiality and Data Protection),

Clause 24 (Notices), Clause 25 (Disputes, Governing Law and Jurisdiction), Clause 27 (Miscellaneous), Clause 28 (Interpretation).

20.5 The termination of this Contract will not affect any accrued rights or obligations under this Contract as at the date of such termination.

## 21. Consequences of Termination

21.1 If this is a Flexible Price Contract and it is terminated or expires, then the Customer Representative may request on or before the date of termination or expiry that the Supplier transfer all forward purchases of Gas the Supplier has undertaken on the Customer's behalf relating to periods of supply after the date of termination or expiry ("Hedges") to a new Gas Supplier nominated by the Customer Representative. The Supplier shall use reasonable endeavours to carry out the Customer's request subject always to the new Gas Supplier having a credit position which is acceptable to the Supplier and appropriate contractual arrangements with the Supplier.

21.2 If the Supplier for any reason determines that it will not transfer the Hedges then the Supplier may sell (or for the purposes of calculation of the amounts payable by each Party under this Clause 21.2, be deemed to have sold) the Hedges at the prevailing market price for each forward month, quarter or season of delivery on the date of termination or expiry of this Contract. This market price shall have reference to the availability of quotes on both the Intercontinental Exchange and the OTC (Over the Counter) forward markets.

21.3 The Supplier will adjust the Cost of Gas for Gas already supplied to the Customer based on the change in value of the Hedges ("Price Adjustment"). The Price Adjustment will reflect the overall price of Gas achieved over the Term. The Supplier will subtract the aggregate value of the Hedges when they were purchased from the aggregate value of the Hedges on their sale or deemed sale. If the result is a positive number, the Supplier will apply that number as a discount to the cost of Gas already supplied. If the result is a negative number, the Supplier will apply that number as an additional charge on the Gas already supplied. The final invoice for Gas will reflect the Price Adjustment.

21.4 If the Supplier is selling the Hedges, it shall use good faith to do so promptly and minimise trading fees.

21.5 If this Contract is terminated early for any reason other than default of the Supplier, or any Supply Points are removed from the Contract in breach of Clause 13, then the Customer will compensate the Supplier for loss of the Management Fee the Supplier would have made in respect of the period from date of termination until the End Date that would otherwise have applied.

## 22. Transfer of Rights and Obligations

22.1 The Customer must not transfer or sub-contract the Customer's rights or responsibilities under this Contract without the Supplier's consent in writing. The Supplier will not unreasonably withhold its consent.

22.2 The Supplier can transfer or sub-contract the Supplier's rights and responsibilities under this Contract without the Customer's consent.

## 23. Information, Confidentiality and Data Protection

23.1 Each Party agrees to keep the terms of this Contract, and confidential information it receives from the other Party, confidential and not to share the information with anyone else while this Contract is in force or for three years after it has ended. Either Party may disclose information:

- (a) if required by a Legal Requirement or Industry Code;
- (b) to Affiliates, professional advisers, agents, equity investors or debt funders so long as they are bound by equivalent obligations of confidentiality;
- (c) which is already generally available and in the public domain otherwise than as a breach of this Clause; or
- (d) with previous written consent of the other.

23.2 The Supplier may disclose the Customer's information:

- (a) to a credit-reference agency, debt collection agency, credit insurer or to a third party detecting theft of gas; or
- (b) to any new Gas Supplier of the Customer.

23.3 The Customer must give the Supplier all the help and information the Supplier (or the Supplier's agents) reasonably need to keep to any Legal Requirement or any other Contract, authorisation or Industry Code required in connection with the supply of Gas.

23.4 The Customer is liable for the Supplier's reasonable costs and losses if any information the Customer provides is incorrect, incomplete or not supplied on time.

23.5 The Supplier or its Affiliates may use the Customer's information to send it details of other goods or services the Supplier or its Affiliates offer. If the Customer does not want to receive information about other goods and services, the Customer may tell the Supplier this in writing.

## 24. Notices

24.1 Any notice a Party gives under this Contract must be in writing and delivered by hand, first-class post, registered post, recorded delivery or email. The addresses for delivery, unless the Supplier or the Customer notify a replacement address, are:

Post: the Customer and the Supplier's registered addresses.

Email: notices@dongenergy.co.uk and such email as the Customer may notify to the Supplier.

## 25. Disputes, Governing Law and Jurisdiction

25.1 If the Customer is not satisfied with the service the Customer has received, the Customer may use the complaints process on the Supplier Website.

25.2 This Contract and any non-contractual obligations arising from or connected with it shall be construed and governed in accordance with English Law. The Parties agree that the Courts of England and Wales shall have exclusive jurisdiction.

## 26. Variations

- 26.1 Except as permitted under Clauses 26.2 and the Offer, neither Party may amend this Contract unless the Parties' duly authorised representatives sign a written contract of amendment.
- 26.2 If a change in a Legal Requirement, Industry Code or Supply Licence requires the Supplier to amend this Contract or directly affects the Supplier's cost of complying with this Contract, the Supplier may notify the Customer in writing of the reasonable amendments it requires to the Contract and the date on which they will take effect. If the Customer does not respond to disagree within 30 days, the amendments will take effect on the notified date. If the Customer does not agree with the amendments, it shall notify the Supplier within 30 days of the Supplier's notice and the Parties will meet within 14 days to agree the necessary amendments so as to restore as far as possible the overall balance of benefits, liabilities, risks and rewards between the Parties under the Contract as contemplated by the Parties at the date of signature. If the Parties cannot agree within 30 days of the meeting, either Party may refer the matter for resolution to the Courts of England and Wales.

## 27. Miscellaneous

- 27.1 This Contract is the entire agreement between the Parties and replaces all previous spoken or written contracts, negotiations, representations and understandings between the Parties, relating to its subject matter. The Parties agree that they shall have no remedies in respect of any statement, representation, or promise (whether made innocently or negligently) that is not set out in this Contract.
- 27.2 If any term (or part of any term) of this Contract becomes illegal, can no longer be enforced, or is no longer valid, this will not affect the rest of this Contract, which will continue in full force.
- 27.3 A waiver of any right or remedy under this Contract or by law is only effective if given in writing and will not be deemed a waiver of any subsequent breach or default.
- 27.4 No delay or failure by either Party to exercise any right or remedy, or single or partial exercise by either Party of the right or remedy, will prevent the Party exercising the right or remedy in full in future.
- 27.5 The operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- 27.6 This Contract may be executed in any number of counterparts by the Customer and the Supplier on separate counterparts, each of which is an original but all of which together constitute one and the same instrument. The Contract will be legally binding when signed by both Parties.

## 28. Interpretation

- 28.1 The definitions shown in the document "Gas Definitions" made available on the Supplier Website and on request will apply to this Contract.
- 28.2 References within these Terms and Conditions to a "Clause" are, unless stated otherwise, to a clause of these Terms and Conditions.

- 28.3 Clause headings in this Contract are for ease of reference only and shall not be taken into account when interpreting this Contract.
- 28.4 Reference to a statute or statutory provision is a reference to it as amended or re-enacted from time to time and includes all subordinate legislation.
- 28.5 Reference to an Industry Code, licence or any of the documents constituting the Contract means such document as amended and in force from to time.
- 28.6 The word "including" when used in this Contract will be construed without limitation.
- 28.7 References to "costs" includes costs, charges, expenses, losses, damage and liabilities, including professional and legal costs.
- 28.8 Unless specified otherwise, any reference in this Contract to (i) a "day" shall mean a calendar day (ii) a "month" shall mean a calendar month; and (iii) a time of day shall mean London time.
- 28.9 If there is a conflict between the provisions contained within the Offer, these Terms and Conditions and any of the Schedules, each as may be amended, then the following order of preference shall apply:
- (a) the Offer;
  - (b) these Terms and Conditions; and
  - (c) the Schedules.