**EFET**

**European Federation of Energy Traders**

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**UK ETS ALLOWANCES   
APPENDIX (GAS)**

**to the  
EFET General Agreement  
Concerning the Delivery and Acceptance of Natural Gas  
Version 2.0/January 6 2003, and Version 2.0(a)/May 11, 2007  
(the "Allowances Appendix")**

**NOTICE & WAIVER: THIS ALLOWANCES APPENDIX WAS PREPARED BY** **EFET’S MEMBERS EXERCISING ALL REASONABLE CARE AND DUE DILIGENCE. HOWEVER EFET, THE EFET MEMBERS, REPRESENTATIVES AND COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE AND ANY DAMAGES OR LOSSES RESULTING FROM ITS USE IN ANY PARTICULAR CASE OR JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS ALLOWANCES APPENDIX AND THE EFET AGREEMENT TO ENSURE ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND THAT THEY BEST SERVE TO PROTECT THE** **USER’S LEGAL INTERESTS. USERS OF THIS ALLOWANCES APPENDIX ARE URGED TO CONSULT RELEVANT LEGAL OPINIONS MADE AVAILABLE THROUGH EFET AS WELL AS THEIR OWN COUNSEL.**

**EFET**

**European Federation of Energy Traders**

**Allowances Appendix**to the   
EFET General Agreement  
Concerning the Delivery and Acceptance of Natural Gas  
Version 2.0/January 6 2003, and Version 2.0(a)/May 11, 2007

**UK ETS ALLOWANCES   
APPENDIX (GAS)**

dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(the **"Allowances Appendix Effective Date"**)

Between

[ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ]

(**"Party A"**)

and

[ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ]

(**"Party B"**)

|  |
| --- |
| **Check the applicable box and fill in date ONLY if you are using this Allowances Appendix to modify and supplement a previously executed General Agreement and Allowances Appendix, or any long-form Confirmations for Individual Contracts that are Allowance Transactions between the Parties:**  [   ] By executing this Allowances Appendix in the signature block at the end hereof, the Parties hereby modify, supplement and amend the terms of that certain previously executed General Agreement entered into and dated as of \_\_\_\_\_\_, to provide that the terms of this Allowances Appendix (Version 1.0/December 13) shall be incorporated therein.  [   ] All long-form Confirmations relating to Allowance Transactions and which were concluded before execution of this Allowances Appendix shall be governed by this Allowances Appendix (Version 1.0/December 13). |

**Part II:**

**ELECTIONS FOR CUSTOMIZATION OF PROVISIONS IN THE   
ALLOWANCES APPENDIX:**

|  |  |  |
| --- | --- | --- |
| **§ 4**  **Primary Obligations For Delivery and Acceptance of Allowances** | | |
| **§ 4.3 Physical Settlement Netting:** | [  ] | § 4.3 shall not apply, or |
|  | [  ] | § 4.3 shall apply, |
|  |  | and the Physical Settlement Netting Accounts for Party A and for Party B shall be as follows: |
|  |  | Party A: Account Number: [            ], and |
|  |  | Party B: Account Number: [            ], or |
|  | [  ] | § 4.3 shall apply not apply as stated in Part I of this Agreement, but shall apply as follows:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **§ 7**  **Non-Performance Due to Force Majeure and Suspension Event** | | |
| **§ 7.4(b) Force Majeure Termination Payment:** | [  ] | § 7.4(b)(i) ***(No Termination Payment)*** shall apply, or |
|  | [  ] | § 7.4(b)(ii) ***(Two-Way Market Quotation Termination Payment)*** shall apply, or |
|  | [  ] | § 7.4(b)(iii) ***(Two-Way Loss Termination Payment)*** shall apply |
| **§ 8**  **Remedies for Failure to Transfer or Accept** | | |
| **§ 8.3 Excess Emissions Penalty ("EEP") and EEP Equivalent:** | [  ] | EEP shall apply, whereby: |
|  |  | where the Buyer is an Operator, the EEP shall apply in accordance with (i) Article 52(2) of the ETS Order or (ii) Article 52(4) of the ETS Order, as may be decreased or waived by the Relevant Authority in accordance with those provisions, or |
|  |  | where the Buyer is an Aircraft Operator, the EEP shall apply in accordance with (i) Article 52(2) of the ETS Order or (ii) Article 52(7) of the ETS Order, as may be decreased or waived by the Relevant Authority in accordance with those provisions, ***otherwise*** EEP shall not apply |
|  | [  ] | EEP Equivalent shall apply, ***otherwise*** EEP Equivalent shall not apply |

|  |  |  |
| --- | --- | --- |
| **§ 13**  **Invoicing and Payment** | | |
| **§ 13.2 Payment:** | [  ] | Payment Cycle A shall apply, or |
|  | [  ] | Payment Cycle B shall apply |
| **§ 13.3.1 Cross Product Payment Netting:** | [  ] | Payments due in relation to Individual Contracts in respect of Natural Gas shall be netted against payments due in relation to Allowance Transactions. |
| **§ 14**  **VAT and Taxes** | | |
| **§ 14 VAT and Taxes:** | [  ] | The specified amendments to § 14 shall not apply |
|  | [  ] | The specified amendments to § 14 shall apply, or |
|  | [  ] | The specified amendments to § 14 shall not apply, but the following provisions and/or amendments shall apply: [ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ] |
| **§ 14.4 Termination for New Tax:** | [  ] | unless otherwise specified in the terms of an Individual Contract the provisions of § 14.4 shall apply to such Individual Contract only in the circumstances specified in the first paragraph of § 14.4, or |
|  | [  ] | subject to the terms of an Individual Contract, the provisions of § 14.4 shall only apply in the following circumstances: [ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ] |
| **§ 14.5 Withholding Tax:** | [  ] | § 14.5 shall apply, or |
|  | [  ] | § 14.5 shall not apply |
| **§ 21 Representation and Warranties** | | |
| In addition Party A represents and warrants that it | [  ] | is an Operator, |
|  | [  ] | is an Aircraft Operator, or |
|  | [  ] | is none of the above. |
| In addition Party B represents and warrants that it | [  ] | is an Operator, |
|  | [  ] | is an Aircraft Operator, or |
|  | [  ] | is none of the above. |
| **§ 22**  **Governing Law and Arbitration** | | |
| **§ 22.3 Expert Determination:** | [  ] | § 22.3 shall apply, and: |
|  |  | [  ] § 22.3(d) shall apply, or  [  ] § 22.3(d) shall not apply, or |
|  | [  ] | § 22.3 shall not apply |
| **Annex 1**  **to the**  **Allowances Appendix** | | |
|  |  | **Defined Terms** |
| **"Delivery Business Day"** |  | The relevant jurisdiction for the purposes of the definition of Delivery Business Day that each Party specifies as applying to it shall be as follows:  Party A: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and Party B: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**ADDITIONAL PROVISIONS APPLICABLE ONLY TO ALLOWANCE TRANSACTIONS:**

**This page need ONLY be executed by Parties that checked and completed one of the two boxes on the first page hereof. Those appending this Allowances Appendix to a General Agreement at the time of its execution need only append it to the General Agreement.**

IN WITNESS whereof this Allowances Appendix has been duly executed by the authorized representatives of each Party on the respective dates set out below with effect from the Allowances Appendix Effective Date.

|  |  |  |
| --- | --- | --- |
| **"Party A"** |  | **"Party B"** |
|  |  |  |
| [Name of Party] |  | [Name of Party] |
|  |  |  |
| [Name of Signatory/ies] |  | [Name of Signatory/ies] |
|  |  |  |
| [Title of Signatory/ies] |  | [Title of Signatory/ies] |

**EFET**

**European Federation of Energy Traders**

**ANNEX 2**

**to the**

**UK ETS ALLOWANCES   
APPENDIX (GAS)**

**CONFIRMATION OF ALLOWANCE TRANSACTIONS**

between

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as **Seller**

and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as **Buyer**

as Parties to the

EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas entered into and dated as on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_

Allowance Transaction concluded on: \_\_\_\_\_\_\_\_\_\_\_\_\_ (**Trade Date**) Name of Broker (if applicable): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Delivery Schedule**

(Delivery Date to each Delivery Point for each Contract Quantity and Trading Period.)

| **Delivery Point:** | **Delivery Date** | **Price per Allowance** | **Contract Price** |
| --- | --- | --- | --- |
| Account number | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | €\_\_\_\_\_\_\_\_ |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total Contract Quantity:** | | **Total Contract Price:** | |

|  |
| --- |
| Special Conditions & Terms  [*INSERT ANY AMENDMENTS OR ADDITIONS TO THIS ALLOWANCES CONFIRMATION HERE*]  For this specific Allowances Transaction:  [  ] EEP shall apply; or  [  ] EEP shall not apply.1  [  ] EEP Equivalent shall apply; or [  ] EEP Equivalent shall not apply.[[1]](#footnote-1)  Other:  Physical Settlement Netting  Party A: Account Number: [  ]  Party B: Account Number: [  ] |

This Confirmation confirms the Allowance Transaction entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas between the Parties (General Agreement) as modified, supplemented and amended by the Allowances Appendix between the Parties (Allowances Appendix) and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Allowance Transaction, please contact us immediately.

|  |  |  |  |
| --- | --- | --- | --- |
| Date: |  | Signature: |  |
|  |  |  |  |
|  |  | Name: |  |
|  |  |  |  |
|  |  | Title: |  |
|  |  |  |  |
|  |  | Company: |  |
|  |  |  |  |

1. Parties need only check the box to disapply EEP / EEP Equivalent if they have specifically applied the EEP or the EEP Equivalent in § 8.3 ***(Emissions Excess Penalty ("EEP") and EEP Equivalent)*** of the EFET Allowances Appendix agreed between them. [↑](#footnote-ref-1)