

General Terms and Conditions

**for the tender for the purpose
of covering the grid losses**

of Amprion GmbH

1. Introduction

The Energy Industry Act (Energiewirtschaftsgesetz) and Electricity Grid Access Ordinance (Netzzugangsverordnung Strom) oblige the grid system operators to procure energy required for the compensation of grid losses in a transparent, market-oriented and non discriminating manner.

The German regulator (Bundesnetzagentur) has fixed the details of the tendering process and the determination method for grid losses on October 21st, 2008 within the published specification BK6-08-006. Therefore binding guidelines exist for the tendering process.

For the procurement of the long-term component a tender procedure as well as a procurement which is independently carried out by the Transmission System Operator (TSO) at a Power Exchange is allowed.

These general terms and conditions apply to the amount of loss energy of Amprion GmbH (Hereinafter Amprion) for the respective delivery years (long term component) which will be procured by a tender procedure.

Subsequently the basic conditions of the tender procedure as well as the tendered products and the prerequisites for participating in the call for tender process are explained.

N.B.: The German documents – especially the electricity supply contract – are the legally binding documents. The English documents and the English website are provided for convenience of reading only.

2. Terms and Conditions

A prerequisite for participating in the call for tender process is the existence of a valid balancing group or subgroup of the participant in the Amprion control area. Insofar the participant is not a balance responsible entity himself the participant has to bring forward a document in which the balance responsible entity obligates himself to the full extent towards the participant to handle the delivery of the loss energy to Amprion via his balancing group. The delivery has to be carried out according to the balancing group contract concluded between the balance responsible entity and Amprion.

To participate in a tender for the first time providers must be registered at least 5 working days before the tender date on the Internet platform. For registration please use the blank provided on our web page www.amprion.net/en/tendering-procedure-of-grid-losses. Short-term registration can be made by Amprion to the best of one's ability. The same applies for the issuing of passwords required for an existing access.

After registration Amprion issues a certificate, which the provider needs to install in their browser prior to participation in the tender. The tender is only possible from computers on which this certificate has been installed.

The place of delivery of the supply shall be the Amprion control area. The delivery must take place into a balancing group named by Amprion.

3. Tender Products and publication website

For those parts of the loss energy of Amprion for the delivery year (long term component) which will be procured by a tender procedure Amprion will provide information about the tender dates on the website www.amprion.net/en/tendering-procedure-of-grid-losses. The acceptance of a tender will take place on a working day which is a trading day of the EEX on the internet-platform www.tso-grid-loss.net.

The type of product, amount of energy and gate closure time will be published 3 weeks before auction closure on the aforementioned website for each tender date. The types of tendered products (lots) are standard base or peak products (e.g. Base-Year, Peak-Quarter) in an hourly pattern (in whole MW). Profiles can be downloaded from the website www.amprion.net/en/tendering-procedure-of-grid-losses as an Excel-file.

4. Submitting Tenders

Offers can be submitted within 6 hours before the deadline by registered providers, using the internet-platform www.tso-grid-loss.net provided by Amprion.

Bids can be submitted for one lot, several lots or all lots. It is not possible to combine lots. For each bid, the respective price which the auction participant is prepared to pay must be declared in EUR/MWh (2 decimals, decimal comma). The offer includes all additional costs of the participant and is submitted excl. VAT.

Any bid placed on the Internet platform is valid and legally binding.

The bid must reach the Internet platform before the published gate closure time on the respective tender date. The offered working price can only be reduced until the end of the tender period. An increase of the working price is not permitted. Tendering follows the rule the last bid is valid and binding. Until the end of the tender period at any time a cancellation / deletion of an individual lot is possible. A renewed bid for the deleted lot is however no longer possible then.

The participant agrees on submission of his offers that he fully accepts the according general terms and conditions "Allgemeine Bedingungen für die Ausschreibung von Verlustenergie"

and the electricity supply contract (Stromliefervertrag, only in German language) published on the website.

There will be no reimbursement of any costs caused by tender preparation.

4.1. Bid on Behalf

Offers in text form can be delivered by email or fax up to one hour before the published gate closure time. Additionally the bidder has to indicate Amprion by telephone to the offer delivered in text form.

Address for offers in text form:

Fax: +49 (0) 2234-85-54490

E-Mail: frontoffice@amprion.net

Phone: +49 (0) 2234-85-54444

Amprion transfers these offers on behalf of the bidder immediately, at the latest one hour after its receipt by Amprion, to the platform. The offer receives the time as time stamp, at which Amprion registered the offer on the platform. The offer must be complete, i.e. all required details must be entered::

- Contact information (including fax number or e-mail address)
- EIC-Code of the valid balancing group in the Amprion control area
- Tender date
- For each bid, the respective price which the auction participant is prepared to pay in EUR/MWh (2 decimals, decimal comma).

The participant is responsible for the accuracy and completeness of his / her details. Incomplete offers or offers not arrived in due time are considered as invalid.

The other regulations under point 4 are valid in a general manner.

5. Awarding

5.1. Criteria for acceptance of offers

Based on all submitted offers for each tender date, Amprion will accept the offer to supply the loss energy, taking into account economic considerations with the aim of achieving the lowest total costs. The awarding is done in a non discriminating manner. Since all lots of each tender date are identical in structure and size, the lots will be awarded starting with the lowest price over all offers. It is not possible to combine lots. For this purpose, the lowest

energy rate offered by the participant per lot is crucial. In the case that several participants have submitted a tender with an identical energy rate for the final lot, Amprion accepts the tender of the offer or modification of an existing offer that was received at first.

The platform calculates a ranking of the bids and publishes the highest price of accepted lots after every bid/ modification during the tender process. This information is available to the participating providers.

According to the specification of the Bundesnetzagentur concerning the details of the tendering process and the determination method for grid losses (BK6-08-006, 21/10/2008) Amprion is entitled to fix a notarially certified upper limit for the price.

5.2. Binding period

The award decision is made automatically by the Internet platform immediately after reaching the tendering deadline. The binding period of the participant for any tenders submitted ends after the award decision by the internet platform.

The binding period for offers in text form according to 4.1 extends to at most one hour after gate closure time.

5.3. Notification of having been awarded

After the awarding procedure the information about the acceptance can be downloaded by the tender-provider from the internet platform.

Immediately when a tender has been accepted by Amprion the rules according to the electricity supply contract (Muster Stromliefervertrag, German version downloadable at www.amprion.net/en/tendering-procedure-of-grid-losses) apply for the consequences in case of violation of the contract.

Tender-providers with offers in textform (Bid on behalf) receives a written acceptance or rejection of its offers at the latest one hour after gate closure time by email or fax.

5.4. Conclusion of contract

The power supply contract for the coverage of energy losses is concluded with the respective participant after the electronic acceptance of a bid in an auction. Contracts are concluded without explanation or handwritten signature by Amprion. Amprion will confirm the contract pertaining to the successful participants not later than December the 15th of the calendar year preceding the delivery year. A sample contract for information is published on the website.

The electricity supply contract exists only in German language.

5.5. Disruption of the Internet platform

In cases of unavailability to the internet platform or other severe system limitations Amprion has the right to suspend the current auction and repeat the respective auction at a later date. Hereafter the obligation to publish the tender at least 3 weeks prior to the bid submission deadline in § 3 shall be waived. All bids prior to the disturbance are void and therefore required to be resubmitted.

6. Billing

Amprion prepares monthly a credit note once supply has taken place. Details on this are fixed in the electricity supply contract.

7. Liability

1) Irrespective of legal grounds, Amprion shall only be liable for those damages arisen to the provider

a) that have been caused by culpable violation of an essential contractual obligation in a way that jeopardizes the achievement of the purpose of the contract or

b) that have been caused by gross negligence, wilful misconduct or intent.

Liability for indirect damages and loss of profits is excluded, except in the case of gross negligence, wilful misconduct or intent.

(2) Liability in the case of Para. (1) lit. a) for the culpable violation of an essential contractual obligation that has not been committed by gross negligence, wilful misconduct or intent, is limited to the extent of damage whose emergence had to be typically expected by the respective contract party when the contract was concluded due to the known circumstances at this moment. The typical foreseeable extend of damage shall never exceed 2,5 Mio. € per case of loss and per year.

(3) The limitation of liability given in Para. (1) and (2) shall also apply in relation to employees or agents of Amprion.

(4) The aforementioned exclusions and limitations of liability do not apply to damages arising from injury to health, body and life. With regard to such damages Amprion is liable under the legal regulations.

8. Securities

Amprion reserves the right to further stipulate its entitlements in the case of non-performance of the supply obligation in the electricity supply contract.

9. Adjustment of the tendering procedure

Amprion reserves the right to adjust the general terms and conditions for tendering procedures at future tender dates especially in case of changed legal requirements, official measurements or regulations of the energy regulator.

10. Contact Details

Amprion GmbH
Transmission System Operation Brauweiler
System Operation Planning
Von-Werth-Str. 274, 50259 Pulheim, Germany

Phone (internet platform for the tendering): +49 (0) 2234-85-54444

Phone (contractual questions): +49 (0) 2234-85-54212