

Mälarenergi AB's electricity supply terms – Corporate

Terms and conditions valid as from 25/09/2019

Commencement of agreement, validity and scope

The present agreement ("the Agreement") is valid until further notice as from the day on which Mälarenergi AB, company reg. no. 556448-9150, ("Mälarenergi") approves the Customer's order. A credit check may be performed and result in non-approval of the order. The Agreement covers the Customer's total energy requirements at the delivery points agreed in accordance with the attached list of sites. The delivery of electricity is commenced pursuant to the agreement on condition that the Customer has supplied complete and accurate information. The Customer is responsible for terminating agreements with any other electricity suppliers. The Customer is responsible for any costs pertaining to agreements with other electricity suppliers. The balance manager for the electricity delivery is Mälarenergi AB. Grid fees from power transmission and distribution network companies are not covered by this agreement.

General contractual terms and conditions

The General contractual terms and conditions for electricity sales – currently EL 2012 N (ver. 2015) – apply over and above the Agreement. The terms and conditions (in Swedish) are available for download from www.malarenergi.se or can be supplied on request via the Customer Centre. In the event of any disputes, the terms and conditions of the Agreement shall take precedence.

Arbitration

Disputes are to be decided finally by arbitration pursuant to the regulations of the Arbitration Institute of the Stockholm Chamber of Commerce. If the sum in dispute does not exceed SEK 1 million, the dispute in question is to be settled according to the regulations for simplified arbitration from the Arbitration Institute. If the parties cannot agree on a different venue, the arbitration proceedings shall be held in Stockholm, Sweden. The Agreement shall be subject to Swedish law.

Confidentiality

The parties undertake, during the period covered by the Agreement, not to reveal the contents of or any information about the Agreement to any third parties.

Payment and payment terms

In the absence of any agreement to the contrary, Mälarenergi is to have received payment for the delivery no later than thirty (30) days from the date of invoice. Any penalty interest will be calculated at the Riksbanken's applicable reference rate plus eight (8) percentage points for each individual time during the period subject to penalty interest.

Statutory taxes and duties

Costs for applicable statutory taxes and other duties will be charged separately. If, during the period covered by the agreement, the authorities decide to change electricity certificate legislation, quota obligations, supplements and tax rates, the price will be adjusted in accordance with such new decisions, even during an ongoing binding period. Notification of any such changes will appear subsequently on the Customer's invoice.

Information and consultancy

Information and consultancy on the part of Mälarenergi concerning the electricity market and choice of type of agreement does not entail the Customer handing responsibility for the decision concerning the choice of electricity supply agreement to Mälarenergi. Mälarenergi shall accept no liability for the Customer's decision.

Conveyance

Mälarenergi is entitled to convey the Agreement to another company on unchanged conditions. The Customer is not entitled to convey the Agreement to any other party.

Expiry

Should the Agreement expire without the Customer having entered into a new electricity supply agreement, Mälarenergi's temporary tariff shall apply to the continued supply of electricity.

Expiry of Electricity pool agreements

Unless the Agreement is terminated at least six months prior to the stated expiry date, the Agreement will be extended for a period of twelve months from the original end date on unaltered terms and conditions.

Temporary tariff

The temporary tariff is based on prevailing conditions on the electricity market. The tariff is set monthly in arrears. A fixed monthly fee will also be charged. The Customer may switch to another of Mälarenergi's products at any time during the current month. Should the Customer fail to sign a new electricity supply agreement, the temporary tariff shall remain in effect until further notice. Information about the prevailing tariff – in Swedish – is published online under "Mina Sidor" (My Pages) on the Mälarenergi website (www.malarenergi.se) and also appears on the Customer's invoice.

Transfer

The Customer's Agreement shall remain in effect on transfer to a new site unless investigation by Mälarenergi reveals that the Agreement cannot apply to the new site. Notification of transfer to a new site is to be submitted to the Customer Centre no later than one (1) month prior to the date of occupancy. The Customer must also notify his power transmission and distribution network company of this.

Deviations from agreed volumes

Deviations between actual consumption and agreed volume are measured annually. In the event of deviations from the agreed annual volume greater than +/- 5% that result

in additional costs for Mälarenergi, the Customer will be debited in arrears. Debiting will take the following form: difference between sales price and average spot price on Nord Pool during the period in question for the deviating consumption volume.

Changes in quota obligations

Companies that handle their quota obligations themselves must inform Mälarenergi of any changes to said obligations.

Choice of renewable source of energy

A stated choice that the electricity supplied should be generated from a specific source of energy constitutes a supplement to the Customer's electricity supply agreement. Mälarenergi undertakes to purchase sufficient electricity from the Customer's chosen source to cover the volume of electricity the Customer consumes. For contracts with an electricity price valid for a given period, the supplementary choice and agreed price apply for the same period as the fixed rate electricity contract. For other forms of agreement, the price for the chosen source of energy is a variable rate that can be adjusted every month. The current price for the selected source of energy is specified on the Customer's "Mina Sidor" (My Pages) section of the website for all forms of agreement with the exception of fixed rate electricity contracts, where the cost of the chosen source of energy is included in the total electricity price.

Terms and conditions for Fixed electricity price agreements

The fixed electricity price comprises the electricity supply price, the renewable energy certificate duty and VAT. The element that is agreed and fixed is the actual electricity supply price. The electricity supply price and the agreed fixed fee remain unchanged during the agreed binding period. The contract ceases to apply on the agreed expiry date without having to be specifically terminated; the Customer will then revert to Mälarenergi's Temporary tariff. Mälarenergi will issue notification that the Agreement is approaching expiry 60–90 days prior to the agreed expiry date.

Early termination of Fixed electricity price agreements and Mix 50/50 electricity price agreements

Mälarenergi shall be entitled to compensation pursuant to the General Agreement Terms for the damages incurred by Mälarenergi on account of early termination of the Agreement by the Customer. Unless Mälarenergi can demonstrate a higher sum of damages, the sum payable will be calculated as 25 per cent of the electricity price for the Customer's calculated consumption during the residual part of the binding period, with a surcharge for fixed electricity duties. Taxes are not included in the compensation. The lowest compensation payable shall be SEK 1,500 per site. Compensation shall also be payable even if the supply of electricity under the Agreement has not commenced when the Customer issues notification of early termination. The residual part of the binding period is calculated in whole months, where the monthly consumption is calculated as one twelfth of the annual consumption stated by the grid owner. In the event of disputes, Mälarenergi shall be entitled to collect information about consumption from the Customer's electricity grid company. No compensation shall be payable for terminations attributable to change of the Customer's address.

Terms applicable to Variable electricity price agreements

The variable electricity price is based on Nord Pool Spot hourly rates for the electricity area in question, which are volume weighted. The variable electricity price comprises Mälarenergi's purchase price (spot price, renewable energy certificate duty, related costs in connection with the purchase of electricity – and costs for source labelling, where appropriate) and a surcharge. A fixed monthly fee is charged in addition to the variable electricity rate. The variable electricity rate is invoiced monthly in arrears. On informing the Customer of changes at least two months in advance, Mälarenergi is entitled to change the surcharge, fixed monthly fee and Contractual Terms and Conditions. During the current contractual period, it is permitted to bind the price to the prevailing fixed contractual rate.

Early termination of Variable price electricity agreements with an end date

Both parties are entitled to terminate variable electricity price agreements with an end date on one (1) month's notice. The Customer is to submit written notification of termination to our Customer Centre unless a customer with a variable price agreement takes out a fixed-period agreement with Mälarenergi. In such cases, the Agreement shall expire on the first day of electricity deliveries under the fixed-period agreement. If the Customer terminates the Agreement early, Mälarenergi shall be entitled to compensation pursuant to the General Agreement Terms for electricity sales. Unless Mälarenergi can prove a higher sum of damages, compensation will be calculated at SEK 1,500 per site. Compensation shall also be payable if the supply of electricity under the Agreement has not commenced when the Customer issues notification of early termination. No compensation shall be payable for terminations attributable to change of the Customer's address.

Terms applicable to Mix 50/50 electricity price agreements

During the agreed binding period, 50% of electricity consumption is charged at a fixed price and the remaining 50% at a variable price. See the respective terms and conditions for information about what fixed and variable prices comprise. The electricity supply price for Mix 50/50 is adjusted monthly and invoiced in arrears. A fixed monthly fee is charged in addition to the variable electricity supply price. The contract ceases to apply on the agreed expiry date without having to be specifically terminated; the Customer will then revert to Mälarenergi's Temporary tariff. Mälarenergi will issue notification that the Agreement is approaching expiry 60–90 days prior to the agreed expiry date. On early termination of Mix 50/50 electricity contracts, the same terms and conditions apply as for termination of fixed rate electricity contracts.

Right of renewal for fixed electricity price agreements

Customers with Agreements for energy requirements up to 70,000 kWh per year have the option of exercising a right of renewal during the contractual period of 3-year fixed electricity price agreements. There is no right of renewal in any other type of contract. The right of renewal allows the Customer to renew the agreement, on condition that the Customer take out a new fixed rate electricity contract with Mälarenergi. On exercising the right of renewal, the period of the new agreement must, as a minimum, be the same as the period agreed under the original Agreement, i.e. three (3) years. The new Agreement is to be taken out in accordance with Mälarenergi's applicable prices at the time of renewal, and with deliveries commencing no earlier than at the turn of the next month. The cost to the Customer of exercising this right of renewal is only to be paid as and when this right is exercised. The price for exercising the right of renewal depends on the Customer's annual electricity consumption measured in kWh. Prices are based on the contractual period signed for in this Agreement:

kWh/year:	0–5999	6000–14999	15000–29999	30000–49999	50000–70000
Price, 3 years:	SEK 400	SEK 1,000	SEK 2,000	SEK 3,500	SEK 6,000

Terms and conditions, Electricity pool agreements

Pool agreements are based on hedging the price of all or parts of the Pool's total agreed consumption in futures contracts on Nord Pool. The price for each period will be an average of the hedging operations performed for the same period. Hedging is performed without the Customer having to approve each hedging operation (discretionary administration) according to the specified hedging plan. Over and above the electricity supply price, the Customer will be charged the electricity certificate fee per kWh as well as an annual fee. The electricity supply price is adjusted per period in accordance with the hedging plan and invoiced in arrears. The electricity certificate fee will be adjusted on changes in the market price and in the event of alterations to quota obligations. Unless such agreements are terminated at least six months prior to the stated expiry date, these agreements will be extended for a period of twelve months from the original end date on unaltered terms and conditions.

Early termination of Electricity pool agreements

Mälarenergi shall be entitled to compensation pursuant to the General Agreement Terms for the damages incurred by Mälarenergi on account of early termination of the Agreement by the Customer. Unless Mälarenergi can demonstrate a higher sum of damages, the sum payable will be calculated as 25 per cent of the electricity price for the Customer's estimated consumption during the residual part of the binding period, with a surcharge for fixed electricity duties. Taxes are not included in the compensation. Compensation shall also be payable even if the supply of electricity under the Agreement has not commenced when the Customer issues notification of early termination. The residual part of the binding period is calculated in whole months, where the monthly consumption is calculated as one twelfth of the annual consumption stated by the grid owner. In the event of disputes, Mälarenergi shall be entitled to collect information about consumption from the Customer's electricity grid company. If hedging in electricity futures generates positive market value, said value shall accrue to Mälarenergi. In the event that the value of the electricity futures is negative, the Customer will be invoiced the sum that covers this negative value. Trading fees and administration fees in the amount of SEK 1,200 per site will be added.

Terms for Call-off agreements

Call-off agreements are based on call-offs of the whole or parts of the consumption on Nord Pool-listed futures as explained below. The price of the called-off future will be the current sales price converted to the electricity area in question and Swedish currency + Mälarenergi's supplement. The model for this is: ((Nord Pool sales price for the futures contract in question + Nord Pool sales price for CfD contract in question) x the currency rate (future) set by Mälarenergi for the intended period) + Mälarenergi's supplement. Call-offs can be performed until the final day of trading for the future in question. Hedging decisions are to be taken by the Customer. Volumes not called off are priced at the variable electricity supply price.

Early termination of Call-off agreements

Mälarenergi shall be entitled to compensation pursuant to the General Agreement Terms for the damages incurred by Mälarenergi on account of early termination of the Agreement by the Customer. Compensation shall be calculated on the basis of the agreed surcharge and multiplied by the agreed monthly consumption for the residual part of the contractual period. If hedging in electricity futures generates positive market value, said value shall accrue to Mälarenergi. In the event that the value of the electricity futures is negative, the Customer will be invoiced the sum that covers this negative value. The residual part of the contractual period is calculated in whole months, where the monthly consumption is calculated as one twelfth of the agreed annual consumption. Compensation shall also be payable even if the supply of electricity under the Agreement has not commenced when the Customer issues notification of early termination. In the event of disputes, Mälarenergi shall be entitled to collect information about consumption from the Customer's electricity grid company. Trading fees and administration fees in the amount of SEK 1,200 per site will be added.

Terms and conditions, Portfolio Management

Fundamentally, Portfolio Management is a variable agreement where the Customer can buy and sell set volumes (in MW) in monthly, quarterly or yearly futures listed on the Nasdaq Commodities futures market. Settlement is then performed in the delivery between the price of the financial position and the variable spot price on Nord Pool Spot. The financial outcome of this settlement is compiled every month as a result on the invoice. Decisions to buy or sell financial positions are made by the Customer; alternatively it can be agreed that trades are to be performed by Mälarenergi without the Customer having to approve each individual transaction (discretionary administration). If outstanding financial positions exist on expiry of the Agreement, these positions will be evaluated. The financial positions will be assessed against the market price on the Nasdaq Commodities futures market at the time of expiry of the Agreement. If the date of expiry of the Agreement is not a trading day on the Nasdaq Commodities futures market, the assessment will be performed on the nearest trading day before the expiry of the Agreement. The market value of the financial positions will then be regulated on the next invoice. Regulation may also be performed via a tripartite agreement, where the Customer, Mälarenergi and the new electricity supply company reach agreement on the transfer of existing financial positions to the new electricity supply company.

Early termination of Portfolio Management agreements

Mälarenergi shall be entitled to compensation pursuant to the General Agreement Terms for the damages incurred by Mälarenergi on account of early termination of the Agreement by the Customer. Compensation shall be calculated on the basis of the agreed surcharge and multiplied by the agreed monthly consumption for the residual part of the contractual period. If hedging in electricity futures generates positive market value, said value shall accrue to Mälarenergi. In the event that the value of the electricity futures is negative, the Customer will be invoiced the sum that covers this negative value. The residual part of the contractual period is calculated in whole months, where the monthly consumption is calculated as one twelfth of the agreed annual consumption. Compensation shall also be payable even if the supply of electricity under the Agreement has not commenced when the Customer issues notification of early termination. In the event of disputes, Mälarenergi shall be entitled to collect information about consumption from the Customer's electricity grid company. Trading fees and administration fees in the amount of SEK 1,200 per site will be added.