

(Multicurrency — Cross Border)



International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of April 30, 2008

GOLDMAN SACHS INTERNATIONAL and SOCIETE NATIONALE D'ELECTRICITE
ET DE THERMIQUE ("ENDESA FRANCE")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

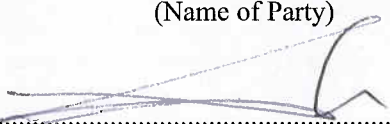
- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

 **GOLDMAN SACHS INTERNATIONAL**

.....
(Name of Party)

By: 

Name: **Authorised Signatory**

Title: **Agnes Bizet**

Date: **30/04/08**

**SOCIETE NATIONALE D'ELECTRICITE
ET DE THERMIQUE ("ENDESA FRANCE")**

.....
(Name of Party)

By: 

Antonio HAYA
Chief Executive Officer

Name:

Title:

Date:

27/05/08

SCHEDULE
to the
ISDA MASTER AGREEMENT
dated as of
30th April, 2008

between

GOLDMAN SACHS INTERNATIONAL,
a company organized under the law of England and Wales
("GSI"),

and

SOCIETE NATIONALE D'ELECTRICITE ET DE THERMIQUE ("ENDESA FRANCE"),
a societe anonyme organized under the laws of France
("Counterparty").

Part 1. Termination Provisions

(a) "Specified Entity"

- (i) means, in relation to GSI, Goldman, Sachs & Co., Goldman Sachs Capital Markets, L.P., J. Aron & Company, Goldman Sachs Japan Co., Ltd., Goldman Sachs International Bank, Goldman Sachs (Asia) Finance, Goldman Sachs Financial Markets, L.P., Goldman Sachs Paris Inc. et Cie, Goldman Sachs Mitsui Marine Derivative Products, L.P., Goldman, Sachs & Co. oHG and J. Aron & Company (Singapore) Pte. for the purpose of Section 5(a)(v), and shall not apply for purposes of Sections 5(a)(vi), 5(a)(vii) and 5(b)(iv); and
- (ii) means, in relation to Counterparty, all Affiliates of Counterparty for the purpose of Sections 5(a)(v), 5(a)(vi), 5(a)(vii) and 5(b)(iv).

(b) "Specified Transaction". The term "Specified Transaction" in Section 14 of the Agreement is amended in its entirety as follows:

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, commodity spot transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, weather swap, weather derivative, weather option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) that is currently, or in the future becomes, recurrently entered into the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or

more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value, (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this agreement or the relevant confirmation.” For purposes of this clause, the word “commodity” means any tangible or intangible commodity of any type or description (including, without limitation, any allowance, credit or unit of account representing a right to emit greenhouse gas emissions, electric power, electric power capacity, petroleum, natural gas, natural gas liquid, coal, and by-products thereof).

- (c) The **“Cross Default”** provisions of Section 5(a)(vi) will apply to GSI and will apply to Counterparty, provided that (i) the phrase “or becoming capable at such time of being declared” shall be deleted from clause (1) of such Section 5(a)(vi); and (ii) the following language shall be added to the end thereof: “Notwithstanding the foregoing, a default under subsection (2) hereof shall not constitute an Event of Default if (i) the default was caused solely by error or omission of an administrative or operational nature; (ii) funds were available to enable the party to make the payment when due; and (iii) the payment is made within two Local Business Days of such party’s receipt of written notice of its failure to pay.”

“Specified Indebtedness” will have the meaning specified in Section 14 of the Agreement.

“Threshold Amount” means in relation to GSI, US\$50,000,000 (or its equivalent in another currency) and in relation to Counterparty, US\$15,000,000 (or its equivalent in another currency).

- (d) The **“Credit Event Upon Merger”** provisions of Section 5(b)(iv) will apply to GSI and will apply to Counterparty.
- (e) The **“Automatic Early Termination”** provision of Section 6(a) will not apply to GSI and will not apply to Counterparty.
- (f) **Payments on Early Termination.** For the purpose of Section 6(e):
- (i) Loss will apply.
 - (ii) The Second Method will apply.
- (g) **“Termination Currency”** means United States Dollars.
- (h) The parties agree to amend the following subsections of Section 5(a) as follows:
- (i) clause (ii): in the fifth line of this clause, delete the word “thirtieth” and insert the word “fifth;” and
 - (ii) in both clauses (vii)(4) and (vii)(7) the numeral “30” shall be deleted wherever it appears and replaced with the numeral “3”.
 - (iii) The parties also agree to add a new clause (ix) as follows:
 - (ix) **Adequate Assurance.** A party (“X”) fails to provide adequate assurance of its ability to perform all of its outstanding obligations hereunder to the other party (“Y”) on or before 48 hours after a request for such assurance is made by Y when Y has reasonable grounds for insecurity.
- (i) **Additional Termination Event** will apply. It will constitute an Additional Termination Event hereunder upon the occurrence of any of the following event:

Change of Control. If Endesa S.A. ceases directly or indirectly to hold, or irrevocably commits itself to any agreement the result of which will be that Endesa S.A. will not directly or indirectly own, at least 51% of the outstanding capital stock of Société Nationale D'Electricité et de Thermique ("**Endesa France**") or at least 51% of the voting rights of Endesa France (each a "**Controlling Interest**") with exception to the transfer of such Controlling Interest to an entity having a minimum rating of Baa3 by Moody's or BBB- by S&P. For the purpose of this Change of Control Additional Termination Event, the following definitions shall apply:

"Moody's" means Moody's Investor Service, Inc., including any official successor to Moody's.

"S&P" means Standard and Poor's Rating Group, a division of McGraw-Hill, Inc., including any official successor to S&P.

- (j) **Early Termination.** Notwithstanding anything to the contrary in Section 6(a) or Section 6(b), the parties agree that, except with respect to Transactions (if any) that are subject to Automatic Early Termination under Section 6(a), the Non-defaulting Party or the party that is not the Affected Party (in a case where a Termination Event under Section 5(b)(iv), or an Additional Termination Event for which there is a single Affected Party, has occurred) is not required to terminate the Transactions on a single day, but rather may terminate the Transactions over a commercially reasonable period of time (not to exceed ten days) (the "Early Termination Period"). The last day of the Early Termination Period shall be the Early Termination Date for purposes of Section 6; provided, however, that interest shall accrue on the Transactions terminated during the Early Termination Period prior to the Early Termination Date at the Non-default Rate.

Part 2. Tax Representations

- (a) **Payer Tax Representations.** For the purposes of Section 3(e), GSI and Counterparty make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii), or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement, and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement, and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) **Payee Tax Representations.** For the purpose of Section 3(f), GSI and Counterparty make the following representation: Not Applicable.

Part 3. Agreement to Deliver Documents

- (a) For the purpose of Section 4(a), Tax forms, documents, or certificates to be delivered are:



Not Applicable.

- (b) Other documents to be delivered are:

Party required to deliver	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
GSI and Counterparty	Evidence of authority of signatories	Upon or promptly following execution of this Agreement	Yes
GSI and Counterparty	Any Credit Support Document specified in Part 4(f) herein	Upon execution of this Agreement	No
GSI and Counterparty	Most recent annual audited and quarterly financial statements of the party or, with respect to GSI, its Credit Support Provider	Promptly following reasonable demand by the other party	Yes
Counterparty	Certified resolutions of its board of directors or other governing body	Upon execution of this Agreement	Yes

Part 4. Miscellaneous

- (a) **Addresses for Notices.** For the purpose of Section 12(a):

- (i) Address for notices or communications to GSI:

Address: Peterborough Court
133 Fleet Street
London EC4A 2BB

Fixed Income / Credit Derivatives:

Facsimile No. 44-20-7774 5115

Equity Derivatives:

Facsimile No. 44-20-7774 1500

Foreign Exchange

Facsimile No. 44-20-7774 1201

Legal Department:

Facsimile No. 44-20-7774 1313

Telephone No. 44-20-7774-1000

- (ii) Address for notices or communications to Counterparty:

Société Nationale d'Electricité et de Thermique, S.A. ("ENDESA France")

2 Rue Jacques Daguerre

92565 Rueil Malmaison

France

Facsimile: No.: +33 147 523950

Telephone No.: +33 147 523933

- (b) **Process Agent.** For the purpose of Section 13(c):

GSI appoints as its Process Agent, not applicable.

Counterparty appoints as its Process Agent: Endesa Power Trading Limited, 22 Bedford Row,



London WC1 R4JS, Attention: Legal Department (Commodities)

(c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

(d) **Multibranch Party.** For the purpose of Section 10(c):

GSI is not a Multibranch Party.

Counterparty is not a Multibranch Party.

(e) **Calculation Agent.** The Calculation Agent is GSI unless GSI is subject to an Event of Default, in which case the Calculation agent shall be Counterparty.

(f) **Credit Support Document.** Any guaranty or other form of credit support provided on behalf of Counterparty at any time shall constitute a Credit Support Document with respect to the obligations of Counterparty. Details of any other Credit Support Document, each of which is incorporated by reference in, and made part of, this Agreement and each Confirmation (unless provided otherwise in a Confirmation) as if set forth in full in this Agreement or such Confirmation:

Guaranty by The Goldman Sachs Group, Inc. ("**Goldman Group**") in favor of Counterparty as beneficiary thereof shall constitute a Credit Support Document with respect to the obligations of GSI.

(g) **Credit Support Provider.**

Credit Support Provider means in relation to GSI, Goldman Group.

Credit Support Provider means in relation to Counterparty, any party that at any time provides a guaranty or other form of credit support on behalf of Counterparty.

(h) **Governing Law and Jurisdiction.** Section 13 is hereby replaced with the following:

"(a) **Governing Law.** This Agreement and each Transaction entered into hereunder will be governed by, and construed and enforced in accordance with, the law of England and Wales.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Agreement ("**Proceedings**"), each party irrevocably: (i) submits to the exclusive jurisdiction of the courts of England and Wales located in London; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. Nothing in the agreement precludes either party from bringing proceedings in any other jurisdiction in order to enforce any judgment obtained in any proceedings referred to in the preceding sentence, nor will the bringing of such enforcement proceedings in any one or more jurisdictions preclude the bringing of enforcement proceedings in any other jurisdiction."

(i) **Payments.** The Parties agree to amend Section 2(a)(ii) by deleting the first sentence in its entirety and replacing it with the following:

"Payments under this Agreement will be made on the twentieth (20th) day of each calendar month, or if such day is not a Local Business Day the next Local Business Day following such day, in the place of the account specified in the relevant Confirmation or otherwise



pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency.”

- (j) **Netting of Payments.** Subparagraph (ii) of Section 2(c) will not apply to Transactions. Notwithstanding anything to the contrary in Section 2(c), unless otherwise expressly agreed by the parties, the netting provided for in Section 2(c) will not apply separately to any pairings of branches or Offices through which the parties make and receive payments or deliveries.

Part 5. Other Provisions

- (a) **Accuracy of Specified Information.** Section 3(d) is hereby amended by adding in the third line thereof after the word “respect” and before the period, the phrase “or, in the case of audited or unaudited financial statements, a fair presentation of the financial condition of the relevant person.”
- (b) **Scope of Agreement.** Any transaction outstanding between the parties at the date this Agreement comes into force or entered into by the parties at or after the date this Agreement comes into force that is an FX Transaction or a Currency Option Transaction as defined in the 1998 FX and Currency Option Definitions (the “**FX Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), the Emerging Markets Traders Association, and the Foreign Exchange Committee, unless otherwise specified in the relevant confirmation, will constitute a “Transaction” for the purposes of this Agreement and will be deemed to incorporate the FX Definitions.
- (c) **Additional Representations.** The parties agree to amend Section 3 by adding new Sections 3(g), (h), and (i) as follows:
 - “(g) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.
 - (h) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
 - (i) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.”
- (d) **Transfer.** The following amendments are hereby made to Section 7:
 - (i) In the third line, insert the words “which consent will not be arbitrarily withheld or delayed,” immediately before the word “except”; and
 - (ii) in clause (a), insert the words “or reorganization, incorporation, reincorporation, or reconstitution into or as,” immediately before the word “another.”



(e) **Consent to Recording.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties, with or without the use of a warning tone, and their Affiliates in connection with this Agreement or any potential Transaction; (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

(f) **Definitions.** The following amendments are hereby made to Section 14:

(i) The definition of **"Termination Currency Equivalent"** in Section 14 is hereby amended by deleting in its entirety the text after the first three lines thereof and replacing it with the following:

"by the party making the relevant determination in any commercially reasonable manner as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant amount determined in accordance with Section 6(e) is determined as of a later date, that later date, for value on the date the payment or settlement payment is due."

(g) **Set-off.** The parties agree to amend Section 6 by adding a new Section 6(f) as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event under Section 5(b)(iv) or Additional Termination Event under Section 5(b)(v) with one Affected Party, with respect to a party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under this Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under this Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(h) **Confirmations.** Counterparty shall be deemed to have agreed to the terms contained in any Confirmation (as amended and revised) sent by GSI to Counterparty unless Counterparty objects to such terms within three (3) Business Days of receipt.

(i) **ISDA Definitions.** This Agreement is subject to the FX Definitions, as published by ISDA, the Emerging Markets Traders Association, and the Foreign Exchange Committee and the 2005 ISDA Commodity Definitions, as published by ISDA, as amended and supplemented from time to time (the **"Commodity Definitions"**), and will be governed in all respects by the

FX Definitions and the Commodity Definitions. The FX Definitions and the Commodity Definitions are incorporated by reference in, and made part of, this Agreement and each Confirmation for an FX Transaction, a Currency Option Transaction and a Transaction in respect of one of more Commodities (each a "**Commodity Transaction**"), as applicable, as if set forth in full in this Agreement and such Confirmations.

In the event of any inconsistency between the provisions of this Agreement on the one hand and the FX Definitions or the Commodity Definitions on the other hand, this Agreement will prevail. In the event of any inconsistency between the FX Definitions and the Commodity Definitions, the FX Definitions will prevail with respect to an FX Transaction or a Currency Option Transaction and the Commodity Definitions will prevail with respect to a Commodity Transaction. Subject to Section 1(b), in the event of any inconsistency between the provisions of any Confirmation, this Agreement, and the FX Definitions and/or the Commodity Definitions, such Confirmation will prevail for the purpose of the relevant Transaction.

- (j) **Third Party Rights.** A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy that exists or is available apart from that Act.

Part 6. Additional provisions with respect to Commodity Transactions

(a) The following "**Disruption Fallbacks**" specified in Section 7.5(c) of the Commodity Definitions shall apply, in the following order, except as otherwise specified in the relevant Confirmation:

- (i) "Fallback Reference Price";
- (ii) "Postponement", with two (2) Commodity Business Days as the Maximum Days of Disruption;
- (iii) "Negotiated Fallback"; provided, however, that Section 7.5(c)(iii) is amended by replacing the word "fifth" with the word "third";
- (iv) "Fallback Reference Dealers"; and
- (v) "Calculation Agent Determination".

(b) Section 7.5(e) of the Commodity Definitions is hereby deleted in its entirety.

(c) Section 6.2(b) of the Commodity Definitions is hereby amended by deleting the words ", as determined on the Trade Date of the Transaction as of the time of execution of the Transaction".

(d) The parties agree that notwithstanding Section 1(b) of this Agreement, in the event that a Confirmation references the 1993 ISDA Commodity Derivatives Definitions (the "1993 Definitions"), the 2000 Supplement to the 1993 Definitions or the Commodity Definitions and such Confirmation does not otherwise specify Disruption Fallbacks, the Disruption Fallbacks specified in Part 6(a) hereof shall apply to the Transaction for which such Confirmation relates.

Part 7. EU Emissions Allowance Transactions and EU Emissions Allowance Options

(a) The provisions of this Part 7 apply solely in respect of Transactions outstanding between the parties at the date this Part 7 comes into force or entered into by the parties at or after the date this Part 7 comes into force that are identified in the related Confirmation as Allowance



Transactions or as Allowance Options, or as otherwise being subject to the terms of this Part 7.

- (b) The definitions and provisions contained in the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Part 7. In the event of any inconsistency between those definitions and provisions and this Part 7, this Part 7 will govern.
- (c) Each Allowance Transaction and Allowance Option will be deemed to be a "Transaction" and the related Allowance Confirmation Allowance Option Confirmation or other confirming evidence will be deemed to constitute a "Confirmation" for the purposes of this Agreement
- (d) In respect of each Allowance Transaction:

1. Definitions

Allowance:	An allowance of the specified Allowance Type and of the Specified Compliance Period.
Allowance Confirmation:	A Confirmation in the form set out in Appendix 1 to this Part 7 or a Confirmation that is substantially similar.
Allowance Option:	Shall mean: (i) an oral or written agreement to enter into an option on an Allowance Transaction; and (ii) each Transaction identified in the related Confirmation to be an Allowance Option.
Allowance Option Confirmation:	A Confirmation in the form set out in Appendix 2 to this Part 7 or a Confirmation that is substantially similar.
Allowance Transaction:	A Transaction contemplating the delivery and acceptance of an Allowance or Allowances.
Allowances to be Delivered:	A number of Allowances equal to the Number of Allowances.
Accepted:	The performance of the obligation of the Buyer to accept Allowances pursuant to an Allowance Transaction by accepting the completed transfer of the relevant Allowance(s) from a Trading Account of the Seller to a Trading Account of the Buyer under and in accordance with the Scheme ("Accept" and "Acceptance" shall be construed accordingly).
Allowance Purchase Price:	Shall mean, in respect of an Allowance Transaction, the price specified as such in the Allowance Confirmation for the relevant Allowance Transaction.
Allowance Type:	Any of an EU Allowance, an EU Credit or an Alternative Allowance as specified in the Allowance Confirmation for the relevant Allowance Transaction.
Alternative Allowance:	A unit of account, representing a right to emit one tonne of carbon dioxide equivalent, either (i) issued by a Member State in return for a similar unit from an emissions trading scheme in a non-Member State or (ii) an allowance from an emissions trading scheme in a non-Member State recognised by the EU Commission in either case resulting from a mutual

recognition agreement entered into pursuant to Article 25 of the Directive, that may be used for determining compliance with emissions limitation commitments pursuant to the Scheme.

Buyer's Replacement
Cost:

With regard to an Allowance Transaction, in respect of a failure by the Seller to deliver the stated number of Allowances on the Delivery Date (the number of Allowances not so Delivered being the "**BRC Shortfall**"), shall be a positive amount (if any) equal to:

- (a) the price (per Allowance) the Buyer, acting in a commercially reasonable manner, does or would, in the determination of the Calculation Agent, pay under an arm's length transaction concluded in accordance with prevailing market practice on the Delivery Date to purchase the BRC 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
- (b) the Allowance Purchase Price as set in the Allowance Confirmation for such Allowance Transaction; multiplied by
- (c) the BRC Shortfall.

CET:

Shall mean Central European Time and shall include Central European Winter Time and Central European Summer Time, as applicable.

Delivered:

The performance of the obligation of the Seller to deliver Allowances pursuant to an Allowance Transaction by the completed transfer of those Allowances from a Trading Account of the Seller to a Trading Account of the Buyer under and in accordance with the Scheme ("Deliver", "Delivery" and "Deliverable" shall be construed accordingly).

Delivery Business Day:

The period between 09:00 and 17:00 CET on any day other than a Saturday or a Sunday or a day on which an Illegality exists or on which there occurs or subsists a Disruption Event, on which (i) both the Registry in which the Buyer's Trading Account is held and, if different, the Registry in which the Seller's Trading Account is held are (or, but for the occurrence of a Disruption Event or existence of an Illegality would have been) open for the acceptance and execution of transfers of Allowances; and (ii) commercial banks in the location(s) specified by the Buyer and the Seller in the Allowance Confirmation for the delivery and acceptance of Allowances pursuant to an Allowance Transaction are open for business. If the Buyer and/or Seller fails to specify such location(s), the default location for the purposes of what constitutes a Delivery Business Day shall be the jurisdiction in which the registered office of the relevant party is located.

Delivery Date:

Shall mean, in respect of an Allowance Transaction, the date specified as such in the Allowance Confirmation for such Allowance Transaction.

Directive:

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.



Force Majeure Event:	A Force Majeure Event , in the context of an Allowance Transaction shall mean the occurrence of any event or circumstance beyond the control of the party affected (the “ Claiming Party ”) which cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for the Claiming Party to perform its obligations to Deliver and/or accept Allowances pursuant to the Master Agreement and/or the relevant Allowance Transaction(s) (each such obligation being a “ Suspended Obligation ”). For the avoidance of doubt, but without limitation, a Force Majeure Event shall not include an event or circumstance in which there are insufficient Allowances in the relevant Trading Account(s) to effect the required Delivery whether or not that insufficiency is caused by the low or non-allocation of Allowances from a Member State or a Non-Member State or the failure of that Party to procure sufficient allowances to meet its Delivery obligations. This is not an exhaustive list of events which will not constitute a Force Majeure Event and is provided for the avoidance of doubt only.
End of Phase Reconciliation Deadline:	The final Reconciliation Deadline in respect of any period referred to in Article 11(1) or (2) of the Directive.
EU Allowance:	An “allowance” as defined in the Directive that has been issued by a competent authority pursuant to Article 11(4) of the Directive.
EU Credit:	A Certified Emissions Reduction or an Emissions Reduction Unit as defined in the Directive that may be used for determining compliance with emissions limitation commitments pursuant to and in accordance with the Scheme.
Excess Emissions Penalty:	A payment required to be made pursuant to and in accordance with Article 16(3) or Article 16(4) of the Directive.
Invoice Date:	With regard to an Allowance Transaction, the date on which the Invoice is delivered to the Buyer.
Member States:	The Member States of the European Union from time to time.
Number of Allowances:	In respect of an Allowance Transaction or Allowance Option, the number of Allowances or its equivalent in metric tonnes of carbon dioxide (CO ₂) specified as such in the related Allowance Confirmation or Allowance Option Confirmation for that Allowance Transaction or Allowance Option, as the case may be.
Reconciliation Deadline:	30th April in each year from and including 30th April, 2006 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.
Registry:	Shall have the same meaning as in the Registry Regulation.
Registry Regulation:	The EU Commission Regulation adopted, or to be adopted, in order to establish a standardised and secured system of registries pursuant to Article 19(3) of Directive 2003/87/EC and Article 6(1) of Decision 280/2004/EC, as amended from time to time.

Relevant Authority:	Shall mean the competent authority, the registry administrator and/or the Central Administrator as those terms are defined in the Registry Regulation or any other authority having power pursuant to the Directive and/or the Registry Regulation to block, suspend, refuse, reject, cancel or otherwise affect the transfer (whether in whole or in part) of Allowances.
Scheme:	The scheme for transferring Allowances established pursuant to the Directive and the Registry Regulation, and as implemented by the national laws of Member States.
Seller's Replacement Cost:	With regard to an Allowance Transaction, in respect of a failure by the Buyer to accept delivery of the stated number of Allowances (the Number of Allowances not so Accepted being the "SRC Shortfall"), shall be a positive amount (if any) equal to: (a) the Allowance Purchase Price as set out in the Allowance Confirmation for such Allowance Transaction; less (b) the price (per Allowance) the Seller, acting in a commercially reasonable manner, does or would, in the determination of the Calculation Agent, receive under an arm's length transaction concluded in accordance with prevailing market practice on the Delivery Date to sell the SRC 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; multiplied by (c) the SRC Shortfall.
Specified Compliance Period:	In respect of an Allowance, the three-year period referred to in Article 11(1) of the Directive or, as the case may be, the relevant subsequent five-year period referred to in Article 11(2) of the Directive for which that Allowance is issued, as specified in the Allowance Confirmation for an Allowance Transaction.
Trading Account:	In respect of an Allowance Transaction, the accounts specified as such in Schedule 1 to the Allowance Confirmation. A Trading Account shall be a digital record in any relevant Member State Registry that is able to be used to record the holding and transfer of Allowances pursuant to and in accordance with the Registry Regulation.
VAT Jurisdiction:	In respect of each party, the jurisdiction specified as such in the Allowance Confirmation

2. Physical Settlement

2.1 Delivery

With regard to an Allowance Transaction, on the Delivery Date the Seller shall Deliver to the Buyer the Allowances to be Delivered and on the Payment Date, the Buyer shall pay to the Seller the Total Purchase Price (as specified in the relevant Allowance Confirmation).

2.2 Physical 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 Allowance Transactions by each party to the other and, if applicable, between the same pair of Trading 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.

3. Force Majeure Event

3.1 Notice Requirements

As soon as reasonably practicable after becoming aware of the occurrence of a Force Majeure Event, the Claiming Party shall:

- (a) notify to the other party that the Disruption Event has occurred (the “**Force Majeure Notice**”); and
- (b) to the extent then available, provide the other party with a non-binding estimate of the extent and expected duration of the Force Majeure Event and its impact on performance of all Allowance Transaction(s) affected by the event of Force Majeure Event.

3.2 Relief and Mitigation

Provided that the Claiming Party makes all reasonable efforts to deliver the Force Majeure Notice, the Suspended Obligations of both parties shall be suspended for the duration of the Force Majeure Event as from (and including) the occurrence of the Force Majeure Event. For the avoidance of doubt and subject to the above reasonableness requirement, a delay by the Claiming Party to give a Force Majeure Notice to the other party shall not prevent the Claiming Party from claiming a Force Majeure Event from the time such Force Majeure Event first occurred, nor shall it constitute a waiver by the Claiming Party of its right to claim that a Force Majeure Event has occurred.

During the continuation of the Force Majeure Event (the “**Force Majeure Period**”), the Claiming Party shall use all reasonable endeavours to overcome the event or circumstance constituting the Disruption Event and to keep the other party fully informed with regard to such Disruption Event.

Upon the Force Majeure Event ending, the Claiming Party shall give prompt notice of the end of the Force Majeure Period and the date of such notice shall be deemed the end of the Force Majeure Period (the “**Resumption Date**”). In the event that the party that is not the Claiming Party reasonably believes that the Force Majeure has ended, it may notify the Claiming Party to require it to confirm within one (1) Local Business Day whether the Force Majeure has ended or is continuing.

From (and including) the first (1st) Local Business Day following the Resumption Date, both parties will resume full performance of their respective delivery and/or acceptance obligations pursuant to the relevant Allowance Transactions and the Master Agreement. In addition, the parties shall fully perform their respective Suspended Obligations pursuant to the Allowance

Transaction(s) affected by the Force Majeure Event that, but for the Force Majeure Event, would have been required to be performed during the Force Majeure Period, within one (1) Local Business Day of the Resumption Date.

Where a Force Majeure Event continues for nine (9) Local Business Days from the date of the Force Majeure Notice or up until (and including) the third (3rd) Local Business Day before the End of Phase Reconciliation Deadline, either party may, by written notice to the other party, terminate all (but not some only) Allowance Transactions affected by the Force Majeure Event pursuant to Section 6(e)(ii)(2) of the Master Agreement.

In the event and to the extent that an Allowance Transaction is terminated in accordance with this paragraph 3.2, the Parties' corresponding Transfer and acceptance of Transfer obligations under the terminated Allowance Transaction(s) shall be released and discharged and each Party shall be permanently released and discharged of any further such obligations with respect to the Allowance Transaction(s) terminated by reason of Force Majeure.

3.3 Notices

Notwithstanding any other provision of the Master Agreement or of the relevant Allowance Transactions affected by the Force Majeure Event, all notices relating to the occurrence of a Force Majeure Event or the ending of a Force Majeure Period may be initially made by telephone and promptly confirmed thereafter by facsimile, provided that no such notice may be given by recorded message to electronic recording systems.

4. Failure to Deliver and Accept

4.1 Failure to Deliver

With regard to an Allowance Transaction, except to the extent that the occurrence of an Illegality (as defined in the Master Agreement) which affects, or a Force Majeure Event which prevents, Allowances being Delivered on a Delivery Date, in which instances the damages referred to below shall not apply, if the Seller fails to Deliver the Allowances to be Delivered on the Delivery Date, such failure shall not constitute an Event of Default under Section 5(a)(i) or (ii) of the Master Agreement in respect of the Seller, but the Buyer may, by notice to the Seller, require the Seller to remedy such failure and:

- (a) if the Seller Delivers the Allowances to be Delivered on or before the first (1st) Delivery Business Day after such notice is given or, if earlier, the Reconciliation Deadline on or immediately following the Delivery Date, the Buyer shall pay to the Seller the Total Purchase Price (as specified in the relevant Confirmation) on the Payment Date, and the Seller shall pay to the Buyer on the Payment Date an amount of interest calculated at the Default Rate (as defined in the Master Agreement) on an amount equal to the product of the Allowance Purchase Price and the BRC Shortfall multiplied by the actual number of days elapsed from (but excluding) the Delivery Date to (and including) the date on which the Allowances are finally Delivered, divided by 365; or
- (b) if the failure to Deliver is not remedied on or before the first (1st) Delivery Business Day after the notice referred to above is given or, if earlier, the Reconciliation Deadline on or immediately following the Delivery Date (in either case the "**Final Delivery Date**"), the Seller shall pay to the Buyer, on the first (1st) succeeding Local Business Day following such Final Delivery Date, an amount equal to the sum of the Buyer's Replacement Cost and an amount of interest calculated at the Default Rate (as defined in the Master agreement) on an amount equal to the product of the Allowance Purchase Price and the BRC Shortfall multiplied by the actual number of days elapsed from (but excluding) the Delivery Date to (and including) the Final Delivery Date divided by 365, adjusted to take

into account any amount previously paid by the Buyer to the Seller in respect of the Allowance Transaction. Upon payment of such amount, the Seller's obligation to deliver to the Buyer the SRC Shortfall shall be fully discharged and terminated.

For the avoidance of doubt, a failure by the Seller to pay, when due, the amounts referred to above shall constitute an Event of Default under Section 5(a)(i) or (ii) of the Master Agreement.

4.2 Failure to Accept

With regard to an Allowance Transaction, except to the extent that the occurrence of an Illegality (as defined in the Master Agreement) which affects, or a Force Majeure Event which prevents, Allowances being Accepted on a Delivery Date, in which instances the damages referred to below shall not apply, if the Buyer fails to Accept the Allowances to be Accepted on the Delivery Date, such failure shall not constitute an Event of Default under Section 5(a)(i) or (ii) of the Master Agreement in respect of the Buyer, but the Seller may, by notice to the Buyer, require the Buyer to remedy such failure and:

- (a) if the Buyer complies on or before the first (1st) Delivery Business Day after such notice is given or, if earlier, the Reconciliation Deadline on or immediately following the Delivery Date, the Seller shall deliver to the Buyer the Allowances to be Delivered and the Buyer shall pay to the Seller on the Payment Date, in addition to the Total Purchase Price, an amount of interest calculated at the Default Rate (as defined in the Master Agreement) on an amount equal to the product of the Allowance Purchase Price and the SRC Shortfall multiplied by the actual number of days elapsed from (but excluding) the Delivery Date to (and including) the date on which the Allowances are finally Accepted, divided by 365; or
- (b) if the failure to Accept is not remedied on or before the first (1st) Delivery Business Day after the notice referred to above is given or, if earlier, the Reconciliation Deadline on or immediately following the Delivery Date (in either case the "**Final Acceptance Date**"), the Buyer shall pay to the Seller, on the first (1st) succeeding Local Business Day following such Final Acceptance Date, an amount equal to the sum of the Seller's Replacement Cost and an amount of interest calculated at the Default Rate (as defined in the Master Agreement) on an amount equal to the product of the Allowance Purchase Price and the SRC Shortfall multiplied by the actual number of days elapsed from (but excluding) the Delivery Date to (and including) the Final Acceptance Date divided by 365, adjusted to take into account any amount previously paid by the Buyer to the Seller in respect of the Allowance Transaction. Upon payment of such amount, the Buyer's obligation to accept from the Seller delivery of the SRC Shortfall shall be fully discharged and terminated.

For the avoidance of doubt, a failure by the Buyer to pay, when due, the amounts referred to above shall constitute an Event of Default under Section 5(a)(i) or (ii) of the Master Agreement.

4.3 Notices

Notwithstanding any other provision of the Master Agreement, all notices relating to a failure to Deliver or Accept Allowances pursuant to this paragraph 4 may be made:

- (a) by telephone, provided that such notice (i) is not given by recorded message to electronic recording systems; and (ii) is confirmed in writing, (including facsimile) within one (1) Local Business Day of the telephone notice; and
- (b) on any Local Business Day (including, for the avoidance of doubt, outside a Delivery



Business Day).

5. Excess Emissions Penalty

Excess Emission Penalty shall not apply.

6. Sufficient Allowances

Subject to the occurrence of an Illegality which affects, or a Force Majeure Event which prevents, Allowances being Delivered on a Delivery Date, the Seller shall, in relation to each Allowance to be Delivered, ensure that there are sufficient transferable Allowances in its Trading Account from which that Delivery is to be effected to ensure that that Delivery will be validated by the Relevant Authority on the Delivery Date.

7. Delivery Shortfall

If, on the Delivery Date with respect to an Allowance Transaction, the Seller delivers to the Buyer fewer Allowances than the Allowances to be Delivered (such shortfall the "**Allowance Shortfall**"), the Buyer's obligation to pay pursuant to Physical Settlement in paragraph 2 above shall be reduced by an amount equal to the Allowance Shortfall multiplied by the Allowance Purchase Price, and the provisions of "Failure to Deliver" above will apply in respect of the Allowance Shortfall with, for the purposes of calculating the Buyer's Replacement Cost, the BRC Shortfall being the Allowance Shortfall.

8. Requirements under the Scheme

Each of the Buyer, the Seller, the Option Buyer and the Option Seller, as the case may be, agrees with the other that, so long as either has or may have any obligation under an Allowance Transaction or an Allowance Option, it will:

- (a) ensure that it has one or more Trading Accounts validly registered in the Registry of a Member State; and
- (b) conduct its affairs so as not to give any Relevant Authority cause to (i) refuse, reject or cancel the transfer (whether in whole or in part) of Allowances requested to be made pursuant to an Allowance Transaction; or (ii) suspend or restrict either party's right to request or effect any transfer of Allowances (including without limitation, suspension or cancellation of any relevant Trading Account).

9. Multiple Trading Accounts

Where the Buyer and the Seller have agreed a number of the Buyer's and Seller's Trading Accounts in the relevant Allowance Confirmation for an Allowance Transaction, in respect of which the delivery of the Allowances to be Delivered is to be made, such Trading Accounts are set out in order of preference and the Seller shall deliver the Allowances to be Delivered from the first listed Seller's Trading Account to the first listed Buyer's Trading Account on the Delivery Date unless, in respect of either or both such Trading Accounts, it is prevented from so doing by a Force Majeure Event or an Illegality but could deliver such Allowances on the Delivery Date from and/or into (as the case may be) the next listed Trading Account not affected by the Force Majeure Event or Illegality, in which case it shall do so in the order of preference agreed between the Buyer and the Seller, as set out in the relevant Allowance Confirmation.



10. Invoicing and VAT

10.1 Invoicing

On or after the Delivery Date, the Seller shall send to the Buyer an invoice (the "**Invoice**") setting forth the number of Allowances Delivered and the Allowance Purchase Price(s), and stating (i) the total amount payable by the Buyer; and (ii) the amount of VAT properly chargeable thereon.

10.2 VAT

All amounts referred to with regard to an Allowance Transaction or an Allowance Option, as the case may be, 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.

With regard to each Allowance Transaction the Buyer will, subject to receipt of an Invoice stating *inter alia* the amount of VAT properly chargeable thereon (the "VAT Amount"), pay to the Seller a sum equal to the VAT Amount on the Payment Date.

Subject to the Buyer's and Seller's respective obligations relating to VAT, each of the Buyer and the Seller shall cause all royalties, Taxes, duties, and other sums (including any environmental tax or levy) legally payable by that party arising in connection with the Allowance Transaction or an Allowance Option, as the case may be, to be paid, and shall reimburse the other 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.

On each date on which an Allowance Transaction or an Allowance Option is entered into, the Buyer represents to the Seller that:

- (a) For VAT purposes, the place where the Buyer belongs in respect of receiving the services supplied pursuant to the Allowance Transaction or an Allowance Option, as the case may be, is in the Buyer's VAT Jurisdiction; and
- (b) if the Buyer is established in the European Union but in a different territory to the Seller, it is a taxable person for the purposes of Article 4 of the European Community Directive 77/388 EC (the Sixth Directive) and receives the services supplied for the purposes of a business carried on by it.

These representations shall each constitute a "representation" for the purpose of Section 3 of the Master Agreement.

11. No Encumbrances

In respect of each Allowance Transaction and for each Delivery of Allowances, the Seller agrees that it will convey, and, on the date that it delivers such Allowances, represents that it has conveyed the Allowances, free and clear of all liens, security interests, claims and encumbrances. This representation shall constitute a "representation" for the purpose of Section 3 of the Master Agreement, except that neither party shall be liable in respect of any breach of the above representation for any greater sum than it would be liable for under Section 6(e) of the Master Agreement if an Early Termination Date were to occur on the date of that breach in respect of the Allowance Transaction as the result of a Termination Event where the Allowance Transaction was the sole Affected Transaction and the Seller was the sole Affected Party.



12. No Consequential Loss

Except to the extent included in any amount payable with respect to one or more Allowance Transactions or an Allowance Options under Section 6(e) of the Master Agreement or any payment in respect of Buyer's Replacement Cost or Seller's Replacement Cost, neither the Buyer nor the Seller shall be 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.

13. 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 Allowance Transaction or the exercise of an Allowance Option shall be the responsibility of the party upon whom such costs, fees and/or charges are allocated by the Relevant Authority.

14. Additional Provisions for Allowance Options

The following definitions, terms and conditions shall apply to each Allowance Option, in addition to any applicable definition incorporated herein pursuant to this Part 7, Section 1 (**Definitions**):

14.1 Definitions

"Call" means an Allowance Option entitling, but not obligating, the Option Buyer upon exercise to enter into an Allowance Transaction as the Buyer.

"Exercise Period" means in respect of an Allowance Option, the exercise period agreed between the parties at the time of entering into an Allowance Option.

"Expiration Date" means the date on which an Allowance Option expires, as agreed between the parties at the time the Allowance Option is entered into.

"Expiration Time" means in respect of an Allowance Option, the time agreed by the parties at the time of entering into an Allowance Option.

"Option Buyer" means the person identified as such by the Parties at the time of entering into an Allowance Option.

"Option Seller" means the person identified as such by the Parties at the time of entering into an Allowance Option.

"Option Premium" means the price to be paid by the Option Buyer for an Allowance Option but exclusive of VAT and other applicable taxes and expressed in EUR per metric tonne of carbon dioxide (CO₂), as agreed between the parties at the time of entering into an Allowance Option.

"Premium Payment Date" means in respect of an Allowance Option, the day which falls 2 Local Business Days after the Trade Date or such other day as the parties may expressly agree at the time of entering into the Allowance Option.

"Put" means an Allowance Option entitling, but not obligating, the Option Buyer upon exercise to enter into an Allowance Transaction as the Seller.

"Strike Price" means the price agreed between the Parties as the strike price at the time of entering into the Allowance Option (being also the Total Purchase Price at which the Option Buyer may exercise its option under that Allowance Option to buy or sell pursuant to an Allowance Transaction).



14.2 Confirmation:

Each Confirmation of an Allowance Option shall be in substantially the form of an Allowance Option Confirmation as set forth in Appendix 2 to this Part 7. The terms and conditions provided for in the Allowance Option Confirmation shall apply to that Allowance Option.

14.3 Exercise Provisions:

Unless provided otherwise in the Allowance Option Confirmation, an Allowance Option shall be exercised in its Exercise Period by the Option Buyer by so advising the Seller of its intention to do so. If the Buyer fails to exercise an Allowance Option by the Expiration Time on the Expiration Date, the Allowance Option shall expire and no payment or delivery shall be due thereunder (except that any outstanding Option Premium shall remain payable by the Option Buyer to the Option Seller).

14.4 Option Premium and VAT:

The Premium payer shall pay the Option Premium specified in the Allowance Option Confirmation to the Premium payee on the Premium Payment Date. The Option Premium payable shall be exclusive of VAT and the Premium payer shall pay any VAT due in relation to the Option Premium on the Premium Payment Date against appropriate tax invoice(s) from the Premium payee.

14.5 Settlement Provisions:

In respect of each Delivery Date in relation to which an Allowance Option is exercised, upon the Buyer exercising that Allowance Option it shall cease to be outstanding (but without prejudice to any claim that the Option Seller may have in respect of any unpaid Option Premium or other amount relating to such Allowance Option) in respect of that Delivery Date and a binding Allowance Transaction shall automatically and immediately arise between the Seller and the Buyer (without any further action by the parties) in accordance with the terms of the Allowance Confirmation attached to the Allowance Option Confirmation for that Allowance Option. The terms of such Allowance Confirmation shall be consistent with the terms set out in the Allowance Option Confirmation and shall be subject to the Master Agreement.

14.6 Late Payment:

If the Option Premium payable in respect of an Allowance Option is not received on or before the Premium Payment Date for that Allowance Option, the Seller may elect: (i) to accept a late payment of such Option Premium; (ii) to give written notice of such non-payment and, if such payment shall not be received within one (1) Local Business Days of such notice the Buyer shall be in default under that Allowance Option and the Seller may treat that Allowance Option as void; or (iii) to give written notice of such failure to pay pursuant to Section 5(a)(i) of the Master Agreement. If the Seller elects to act under either (i) or (ii) of the preceding sentence, the Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid or late Option Premium or void Allowance Option, including, without limitation, interest on such Option Premium from and including the relevant Premium Payment Date to but excluding the late payment date at the Default Rate together with, in either case, any other losses, costs or expenses incurred by the Seller in covering its obligations in connection with such Allowance Option for the loss of its bargain, its actual cost of funding, or the loss incurred as a result of terminating, liquidating, obtaining or re-establishing a hedge or related trading position with respect to such Allowance Option.



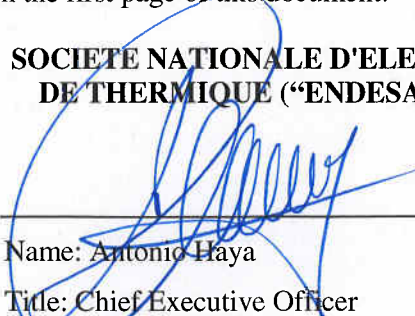
IN WITNESS WHEREOF, the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

GOLDMAN SACHS INTERNATIONAL



Name: **Authorised Signatory**
Title: **Agnes Bizet**
Date: **30/04/08**

**SOCIETE NATIONALE D'ELECTRICITE ET
DE THERMIQUE ("ENDESA FRANCE")**



Name: **Antonio Haya**
Title: **Chief Executive Officer**
Date: **24/05/08**

APPENDIX 1

FORM OF ALLOWANCE CONFIRMATION

**Confirmation of OTC
Physically Settled
EU Emissions Allowance Transaction**

APAPAP*****_*****ATATAT

To: COUNTERPARTY
Attention:
Cc: SALES DEPARTMENT
Attention:

From: Goldman Sachs International ("GSI")
We are pleased to confirm the following Allowance Transaction with you.

The purpose of this communication is to set forth the terms and conditions of the EU Emissions Allowance Transaction entered into between us on the Trade Date specified below (the "**Allowance Transaction**"). This confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 30th April, 2008, as amended and supplemented from time to time (the "**Agreement**") between GSI and **[COUNTERPARTY]** ("[●]"). This Allowance Confirmation evidences a complete and binding agreement between you and us as to the terms of the Allowance Transaction to which this Allowance Confirmation relates. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

GSI is acting as principal in this Allowance Transaction.

Contract Reference Number: ** ***** **

Trade Date: DD MMM YYYY

Transaction Time: This is available on request

Allowance Type: EU Allowance

Seller: [GSI] [[●]]

Buyer: [GSI] [[●]]

Specified Compliance Period: []

Number of Allowances : []

Allowance Purchase Price: [[EUR]¹] per Allowance

Total Purchase Price: [[EUR]²]

¹ Parties may provide for settlement in any other currency by specifying here.

² Parties may provide for settlement in any other currency by specifying here.

Payment Date:	As per Part 4(i) (" Payments ") of the Schedule to the Agreement
Delivery Date:	[] (or, if such date is not a Delivery Business Day , the next following day that is a Delivery Business Day)
Account Details of Buyer:	See Part A of the Schedule to this Confirmation
Account Details of Seller:	See Part B of the Schedule to this Confirmation
Calculation Agent:	GSI save that for the purposes of determining the Seller's Replacement Cost, the Calculation Agent shall be the Seller and for the purposes of determining the Buyer's Replacement Cost, the Calculation Agent shall be the Buyer
GSI's VAT Jurisdiction	UK
GSI's VAT I.D.	[]
[Counterparty]'s VAT Jurisdiction	[]
[Counterparty]'s VAT I.D.	[]
Excess Emissions Penalty	Shall not apply

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Allowance Transaction (Contract Reference Number: XX***** * *) by signing this Allowance Confirmation in the space provided below and immediately returning a copy of the executed Allowance Confirmation via facsimile to the attention of Commodity Operations at:

London: 44-207-774-2135 (Goldman Sachs International)

Regards,
 Goldman Sachs International
 Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom
 Regulated by the Financial Services Authority

Signed on behalf of [*Counterparty*]

By: _____

Name:

Title:



APAPAP*****_*****ATATAT



SCHEDULE 1

Trading Accounts

Part A

Account Details of Buyer

If Buyer is GSI, Trading Accounts in the following order:

1. GB-121-771-0

2. DK-121-434-0

If Buyer is Societe Nationale d'Electricite et de Thermique ("Endesa France"), the following Trading Account:

FR-120-607

Part B

Account Details of Seller

If Seller is GSI, Trading Accounts in the following order:

1. GB-121-771-0

2. DK-121-434-0

If Seller is Societe Nationale d'Electricite et de Thermique ("Endesa France"), the following Trading Account:

FR-120-607



APPENDIX 2

PART 1 - FORM OF ALLOWANCE OPTION CONFIRMATION

**Confirmation of OTC
Physically Settled
EU Emissions Allowance Option Transaction**

APAPAP*****_*****ATATAT

To: COUNTERPARTY
Attention:
Cc: SALES DEPARTMENT
Attention:

From: Goldman Sachs International ("GSI")
We are pleased to confirm the following Allowance Option Transaction with you.

The purpose of this communication is to set forth the terms and conditions of the EU Emissions Allowance Option Transaction entered into between us on the Trade Date specified below (the "**Allowance Option**"). This confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 30th April, 2008, as amended and supplemented from time to time (the "**Agreement**") between GSI and [COUNTERPARTY] ("[●]"). This Allowance Option Confirmation evidences a complete and binding agreement between you and us as to the terms of the Allowance Option to which this Allowance Option Confirmation relates. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

GSI is acting as principal in this Allowance Option.

Contract Reference Number:	** ***** **
Trade Date:	DD MMM YYYY
Transaction Time:	This is available on request
Option type:	[Call][Put]
Option style:	[European][American]
Option Seller:	[GSI] [[●]]
Option Buyer:	[GSI] [[●]]
Product:	EU Allowance
Specified Compliance Period:	[]
Settlement:	Physical (see Settlement Provisions as set out in the Agreement)



Exercise: As per the Exercise Provisions as set out in the Agreement

Expiration Date: []

Expiration Time: In respect of each Delivery Date, 1500 CET on the Expiration Date

Exercise Period: (i) For European style Allowance Options, in respect of each Delivery Date, at any time between 0900 CET and the Expiration Time solely on the Expiration Date.

(ii) For American style Allowance Options, in respect of each Delivery Date, at any time between 0900 – 1700 CET on any Local Business Day prior to the Expiration Time on the Expiration Date(s).

Number of Allowances: [] metric tonnes of carbon dioxide (CO2)

Strike Price: [EUR][] per metric tonne of carbon dioxide (CO2)

Premium: [EUR][] per metric tonne of carbon dioxide (CO2)

Total Premium: [EUR][]

Due to: []

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Allowance Transaction (Contract Reference Number: XX***** * *) by signing this Allowance Confirmation in the space provided below and immediately returning a copy of the executed Allowance Confirmation via facsimile to the attention of Commodity Operations at:

London: 44-207-774-2135 (Goldman Sachs International)

Regards,
Goldman Sachs International
Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom
Regulated by the Financial Services Authority

Signed on behalf of [*Counterparty*]

By: _____

Name:



Title:

APAPAP*****_*****ATATAT

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PART 2 - FORM OF ALLOWANCE CONFIRMATION
to be attached to Allowance Option Confirmation and
to be issued upon exercise of such Allowance Option

Confirmation of OTC
Physically Settled
EU Emissions Allowance Transaction

APAPAP*****_*****ATATAT

To: COUNTERPARTY
Attention:
Cc: SALES DEPARTMENT
Attention:

From: Goldman Sachs International ("GSI")
We are pleased to confirm the following Allowance Transaction with you.

The purpose of this communication is to set forth the terms and conditions of the EU Emissions Allowance Transaction entered into between us on the Trade Date specified below (the "**Allowance Transaction**"). This confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 30th April, 2008, as amended and supplemented from time to time (the "**Agreement**") between GSI and [COUNTERPARTY] ("[●]"). This Allowance Confirmation evidences a complete and binding agreement between you and us as to the terms of the Allowance Transaction to which this Allowance Confirmation relates. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

GSI is acting as principal in this Allowance Transaction.

Contract Reference Number: ** ***** * *

Trade Date: DD MMM YYYY

Transaction Time: This is available on request

Allowance Type: EU Allowance

Seller: [GSI] [[●]]

Buyer: [GSI] [[●]]

Specified Compliance Period: []

Number of Allowances : []



Allowance Purchase Price:	[[EUR] ³] per Allowance
Total Purchase Price:	[[EUR] ⁴]
Payment Date:	As per Part 4(i) (" Payments ") of the Schedule to the Agreement
Delivery Date:	[] (or, if such date is not a Delivery Business Day , the next following day that is a Delivery Business Day)
Account Details of Buyer:	See Part A of the Schedule to this Confirmation
Account Details of Seller:	See Part B of the Schedule to this Confirmation
Calculation Agent:	GSI save that for the purposes of determining the Seller's Replacement Cost, the Calculation Agent shall be the Seller and for the purposes of determining the Buyer's Replacement Cost, the Calculation Agent shall be the Buyer
GSI's VAT Jurisdiction	UK
GSI's VAT I.D.	[]
[Counterparty]'s VAT Jurisdiction	[]
[Counterparty]'s VAT I.D.	[]
Excess Emissions Penalty	Shall not apply

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Allowance Transaction (Contract Reference Number: XX***** ***) by signing this Allowance Confirmation in the space provided below and immediately returning a copy of the executed Allowance Confirmation via facsimile to the attention of Commodity Operations at:

London: 44-207-774-2135 (Goldman Sachs International)

Regards,
 Goldman Sachs International
 Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom
 Regulated by the Financial Services Authority

Signed on behalf of [**Counterparty**]

By: _____

³ Parties may provide for settlement in any other currency by specifying here.

⁴ Parties may provide for settlement in any other currency by specifying here.



Name:

Title:

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SCHEDULE 1

Trading Accounts

Part A

Account Details of Buyer

If Buyer is GSI, Trading Accounts in the following order:

1. GB-121-771-0

2. DK-121-434-0

If Buyer is Societe Nationale d'Electricite et de Thermique ("Endesa France"), the following Trading Account:

FR-120-607

Part B

Account Details of Seller

If Seller is GSI, Trading Accounts in the following order:

1. GB-121-771-0

2. DK-121-434-0

If Seller is Societe Nationale d'Electricite et de Thermique ("Endesa France"), the following Trading Account:

FR-120-607

