

## Credit control protocol

### GENERAL

Terms defined in the *Conditions* shall have the same meaning when used herein. This protocol shall form part of the *Conditions* as amended from time to time and where it modifies provisions in or conflicts with the *Conditions*, the *Conditions* shall govern and take precedent.

### INFORMATION

A party which is in the process of becoming a *BBL-Shipper* will provide information about the group structure and the ultimate parent company. This party will send the most recent audited annual accounts of the last three years (including balance sheets, profit and loss accounts, cash flow statements and notes to the accounts). If this information is not provided or is not available, *BBL-Shipper* will be classified in risk category high.

### RISK CATEGORY

The creditworthiness of each party will be analysed. Parties will never be analysed on a stand-alone basis; links to parent companies or affiliates are important considerations.

The classification in risk categories is based on the published long term credit rating of this party and the parent companies or affiliates. In case no public credit rating is available, an implied credit rating will be determined based on an analysis of the certified financial accounts. Important aspects of this analysis are amongst others tangible net worth, leverage, coverage ratios, net income, cash flow from operations and current ratio.

Reference is made to table 1 for credit ratings and risk categories. The lowest of the credit ratings provided by Moody's or Standard & Poors is applicable.

Table 1: Credit ratings and risk category

<u>Credit rating Moody's (or equivalent implied rating)</u>	<u>Credit rating Standard &amp; Poors (or equivalent implied rating)</u>	<u>Risk category</u>
Aaa, Aa, A	AAA, AA, A	Low
Baa1, Baa2	BBB+, BBB	Medium
Baa3 or worse	BBB- or worse	High

In special circumstances, such as a negative outlook from Moody's or Standard & Poors, large off balance commitments or liabilities, special developments within the company or industry, or if one of the financial ratios has an extreme outcome, *BBL Company* is entitled to apply another risk category.

### CREDIT LIMITS AND EXPOSURE

After classification in a risk category, the financial information provided by party is used to determine an appropriate credit limit. Risk category "medium" results in a lower credit limit than risk category "low".

## Exhibit B to the General Terms and Conditions Reverse Flow 2018

Table 2: Credit limits and risk category

Risk category	Credit limit
Low	→ The credit limit equals 6% of adjusted equity.* If the exposure exceeds the credit limit other securities will be required.
Medium	→ The credit limit equals 3% of adjusted equity.* If the exposure exceeds the credit limit other securities will be required.
High	→ No credit limit. Adequate securities are required.

\* Actual credit limit might vary depending on company cash flow and net results. Adjusted equity equals equity as stated on the balance sheet, adjusted for intangible fixed assets and unrealised gains and losses.

*BBL Company* only accepts parties to become a *BBL-Shipper* without additional securities if risk category medium or low applies and if the credit limit is enough to cover the exposure of all contracts of *BBL-Shipper*, in the *Forward Flow Direction* as well as in the *Reverse Flow Direction*. If the credit limit is not enough to cover the exposure *BBL-Shipper* has to provide additional security for the difference between the exposure and the applicable credit limit. If *BBL-Shipper* is classified in risk category high, additional security is always required covering the entire exposure.

In all cases the assumed exposure will be three (3) times the expected *Monthly* invoice (VAT included) for the fixed fee or the remaining contract value, whichever is the lowest.

## SECURITIES

Any security shall be valid from the *Start Date* and until all services charges due under the *Agreement* have been paid in full. The security provided can either be in the form of:

1. The surety agreement enclosed to this protocol. This is a parent guarantee of a parent company with a *BBL Company* classification in risk category medium or low with a sufficient credit limit to cover the exposure as presented in this Exhibit B.
2. Lodgement of an irrevocable letter of credit, bank guarantee ('bankgarantie') or escrow account issued by a financial institution with a long term credit rating of not less than A3 (Moody's) or A- (Standard & Poors). The lowest credit rating is applicable. The terms and conditions must be acceptable for *BBL Company*.
3. Lodgement of a security deposit on the account of *BBL Company*. This security deposit will be accompanied by a security deposit agreement between *BBL-Shipper* and *BBL Company*. *BBL Company* will refund the accrued interest on the deposit to *BBL-Shipper* during the term of the deposit.

## VALIDITY OF A CREDITWORTHINESS ANALYSIS

If a *BBL-Shipper* is classified in risk category low, a new credit analysis will be performed after 3 years. If a *BBL-Shipper* is classified in risk category medium, a new credit analysis will be performed after 2 years. If a *BBL-Shipper* is classified in risk category high, a new credit analysis will be performed after 1 year. Furthermore every change in the *Agreement* can lead to a new credit analysis. If however, significant developments within the company occur which may give rise to a change in risk category then a new credit analysis may be conducted as well.

A new credit analysis can result in another risk category and/or another credit limit.

## SURETY AGREEMENT BBL

1. In this Surety Agreement "Debtor" is <company name> incorporated in <place>, <country>, "Guarantor" is <parent name>, incorporated in <place>, <country>, and "Creditor" is BBL Company V.O.F., incorporated in Groningen, The Netherlands. With "Surety" the Dutch word "borgtocht" as described in article 7:850 of the Dutch Civil Code (Burgerlijk Wetboek) is meant.
2. Guarantor takes on the Surety for all obligations of Debtor towards Creditor, arising from or related to any existing or future transmission contract between Creditor and Debtor. The Surety is limited to an amount of € ..... Debtor undertakes and warrants that Debtor will not expand the aforementioned transmission contracts beyond the point that the amount of the aforementioned surety will no longer cover for at least three (3) times the monthly fee under said transmission contracts without raising this amount. If at any time it is required by law to make any deduction or withholding in respect of any taxes, duties or other charges the sum shall be increased by the same amount.
3. Guarantor can only be obliged to the payment of money.
4. Guarantor is obliged to fulfill Debtor's obligations towards Creditor within three days after Creditor gives written notice to Guarantor that Debtor has not performed its contractual obligations towards Creditor.
5. Guarantor may end this Surety Agreement by giving written notice to Creditor, but only in the case there is no longer any valid transmission contract between Creditor and Debtor and if all dues have been paid. Creditor shall confirm in writing to Guarantor the date of receipt of such termination notice within five working days after receipt.
6. In case of termination by Guarantor according to article 5, this Surety Agreement will apply to any claim from Creditor towards Debtor that has arisen before or on the day of receipt of the termination notice by Creditor, as well as to any claim that has arisen after the day of receipt of the termination notice by Creditor, provided that such claim is related to any transmission contract between Creditor and Debtor that was entered into before or on the day of receipt of the termination notice by Creditor.
7. This Surety Agreement is subject to Dutch law. Nevertheless, the United Nations Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) is excluded.
8. The courts at the seat of Creditor have exclusive jurisdiction.
9. This agreement has been signed by the duly-authorized officer(s) of the companies, and all required corporate and other formalities have been complied with.

Exhibit B to the General Terms and Conditions Reverse Flow 2018

Place			Groningen
Date	_____	_____	_____
Name	_____	_____	_____
Position	_____	_____	_____
Signature	_____	_____	_____
<Parent name>	<Debtor name>	BBL Company V.O.F.	
Guarantor	Debtor	Creditor	