

## **SCHEDULE G – PHYSICALLY SETTLED GAS FUTURES PRODUCTS – U.S. DELIVERY POINTS**

### **1. Relationship to Agreement**

- a. Schedule – This Schedule G contains clearing and settlement provisions for all Physically Settled Gas Futures Products offered at U.S. Delivery Points.
- b. Relationship to Agreement – Nothing in this Schedule G will impair the rights or obligations of Exchange or the rights or obligations of the Contracting Party pursuant to this Agreement. Any Contracting Party which is a party to a Physically Settled Gas Futures Transaction entered into at a U.S. Delivery Point hereby agrees that any such Physically Settled Gas Futures Transaction includes the provisions of this Schedule G and is subject to the terms of this Agreement.

### **2. Spread Products**

Not available at U.S. Delivery Points with mediated delivery nominations.

### **3. Pre-Delivery Procedures**

- a. Notice of Deliveries – At any time prior to delivery, Exchange may request verification from the Contracting Party that the Contracting Party has access to the relevant Transportation System(s) at the relevant U.S. Delivery Point(s) to perform its Obligations as Buyer or Seller under its Physically Settled Gas Futures Transactions.
- b. Verification of Access to Transportation Systems – Within 24 hours of any such request, the Contracting Party will verify to Exchange its access to the relevant Transportation System(s) at the U.S. Delivery Point(s) to perform its Obligations as Buyer or Seller under its Physically Settled Gas Futures Transactions.
- c. Remedial Actions by Contracting Party – If the Contracting Party does not verify its access to the relevant Transportation System(s) in accordance with paragraph b., the Contracting Party is required to enter into one or more Physically Settled Gas Futures Transactions to offset, in whole or in part, its delivery or take obligations prior to the nomination deadline for the applicable Delivery Day.
- d. Remedial Actions by Exchange – After 15:00 p.m. on the second Business Day prior to such Delivery Day if verifications in accordance with paragraph b. are not given by the Contracting Party, the orders of the Contracting Party which the Contracting Party has entered for the purchase or sale of gas may be eliminated and if the Contracting Party has not verified to Exchange’s satisfaction, acting reasonably, its access to the relevant Transportation System(s) at the U.S. Delivery Points to perform its Obligations as Buyer or Seller or offset its obligations to make or take delivery under its Physically Settled Gas Futures Transactions prior to the nomination deadline for such Delivery Day, Exchange may enter into Physically Settled Gas Futures Backstopping Transactions or enact the Liquidation and Close-out Procedures in accordance with this Agreement to offset, in whole or in part, delivery or take obligations, which in the opinion of Exchange may not be performed.
- e. Scheduling Agent – If the Contracting Party proposes to schedule through an agent,
  - (i) Exchange must be satisfied as to the validity of the appointment of the agent, and
  - (ii) notwithstanding the appointment of an agent for scheduling, the Contracting Party remains liable for its Obligations under the Agreement.

#### **4. Delivery Procedures**

- a. Performance at Timely Cycle — The Contracting Party, whether acting as Buyer or Seller, is expected to take or deliver natural gas, as applicable, at Timely Cycle, in accordance with this section.
- b. Procedures — On each day, Exchange and each Contracting Party with Physically Settled Gas Futures Transactions at any U.S. Delivery Point will submit Title Transfers for the delivery or take of gas under all such Physically Settled Gas Futures Transactions as follows.
- c. Contracting Party to Net Daily Contract Quantity — Each Contracting Party will offset the Daily Contract Quantities due for delivery against the Daily Contract Quantities due to be taken on each day for all Physically Settled Gas Futures Transactions to determine a net Daily Contract Quantity at each of the U.S. Delivery Points.
- d. Contracting Party to Submit Title Transfers — Each Contracting Party with a net Daily Contract Quantity to be delivered or to be taken at the U.S. Delivery Points will submit to the applicable U.S. Delivery Point Operator
  - (i) for Same-Day Delivery Tenors, Title Transfers before the next available intra-day NAESB nomination deadline for the net Daily Contract Quantity, and
  - (ii) for all other Physically Settled Gas Futures Transaction, Title Transfers before the NAESB Timely Nomination Deadline for the net Daily Contract Quantity.
- e. Exchange to Net Daily Contract Quantity — Exchange will, for each Contracting Party, offset the Daily Contract Quantities due for delivery against the Daily Contract Quantities due to be taken on each day for all Physically Settled Gas Futures Transactions to determine a net Daily Contract Quantity at each of the U.S. Delivery Points.
- f. Exchange to Submit Title Transfers — For all net Daily Contract Quantities of gas to be delivered or to be taken at the applicable U.S. Delivery Point, Exchange will submit to the applicable U.S. Delivery Point Operator
  - (i) for Same-Day Tenors, Title Transfers before the next available intra-day NAESB nomination deadline for the net Daily Contract Quantity, and
  - (ii) for all other Physically Settled Gas Futures Transactions, Title Transfers before the NAESB Timely Nomination Deadline for the net Daily Contract Quantity.
- g. Rankings — Any Contracting Party with net Daily Contract Quantities to be delivered to or to be taken from Exchange at the U.S. Delivery Points will submit rankings to the U.S. Delivery Point Operator
  - (i) in accordance with the Transportation General Terms and Conditions published by the applicable U.S. Delivery Point Operator Gas Tariff, and
  - (ii) that rank Exchange as “last-to-be-cut” or “first-to-be-delivered”, as applicable, for each nomination cycle.

#### **5. Performance of the Physically Settled Gas Futures Transactions**

- a. Performance — The Physically Settled Gas Futures Transactions at U.S. Delivery Points will be performed as follows:
  - (i) By the Contracting Party:

- (A) upon the acceptance of the Title Transfers by the applicable U.S. Delivery Point Operator for the net Daily Contract Quantities of gas nominated for delivery or take at the applicable U.S. Delivery Points; and
  - (B) by the payment to Exchange of the Invoice amounts for the Physically Settled Gas Futures Transactions at the applicable U.S. Delivery Points.
- (ii) By Exchange:
- (A) upon the acceptance of the Title Transfers by the applicable U.S. Delivery Point Operator for the net Daily Contract Quantities of gas nominated for delivery or take at the applicable U.S. Delivery Points; and
  - (B) by the payment to the Contracting Party of the Invoice amounts for the Physically Settled Gas Futures Transactions at the applicable U.S. Delivery Points.

## **6. Procedures on Failure of Performance**

- a. Rejection of a Title Transfer – In the event of a Failure to Deliver or Failure to Take in respect of a Physically Settled Gas Futures Transaction at any U.S. Delivery Point:
- (i) Exchange will notify the Contracting Party by instant message, phone or email that a Title Transfer has not been accepted by the U.S. Delivery Point Operator indicating the quantity affected; and
  - (ii) Exchange may exercise any of its rights under Article 5 of the Terms and Conditions.

## **7. Title**

- a. From Seller – Title to and risk of loss of gas delivered under any Physically Settled Gas Futures Transaction shall pass from the Seller during delivery at the receipt point specified in any Physically Settled Gas Futures Transaction.
- b. To Buyer – Title to and risk of loss of gas delivered under any Physically Settled Gas Futures Transaction shall pass to the Buyer during delivery at the receipt point specified in any Physically Settled Gas Futures Transaction.
- c. Regarding Exchange – In no event shall this Agreement be construed in a manner whereby title to and risk of loss of gas delivered under any Physically Settled Gas Futures Transaction would:
- (i) pass to Exchange, as Buyer, except as required by the U.S. Delivery Point Operator to facilitate any Title Transfer from Exchange to Seller, which in each such case shall be deemed to occur concurrently; or
  - (ii) be held by Exchange, as Seller, except as required by the U.S. Delivery Point Operator to facilitate any Title Transfer from Exchange to Buyer, which in such case shall be deemed to occur concurrently.

## **8. Representations and Warranties of the Contracting Party**

The Contracting Party represents and warrants in respect of any Physically Settled Gas Futures Transaction entered into by such Contracting Party that at the time of delivery or receipt:

- a. If it is the Seller:
- (i) it has the full right and authority to sell gas;

- (ii) it owns and has title to gas, or irrevocable authority to sell gas;
  - (iii) any gas delivered to Exchange shall be free from all royalty payments, Liens or encumbrances whatsoever; and
  - (iv) it has all necessary rights and entitlements with the applicable Delivery Point Operator for the delivery of gas on a firm basis at the applicable Delivery Point with sufficient inventory to deliver the net Daily Contract Quantity sold for each Gas Day.
- b. If the Buyer:
- (i) it has the full right and authority to purchase gas; and
  - (ii) it has all necessary rights and entitlements with the applicable Delivery Point Operator to take gas on a firm basis at the applicable Delivery Point with sufficient capacity to take the net Daily Contract Quantity purchased for each Gas Day.

## **9. Liability**

- a. Full Satisfaction – Upon payment, in accordance with this Agreement, of the amounts required to be paid by Exchange or the Contracting Party, as the case may be, in respect of any Failure to Deliver, Failure to Pay or Failure to Take in respect of such Physically Settled Gas Futures Transaction, Exchange or such Contracting Party shall have no further liability under such Physically Settled Gas Futures Transaction or this Agreement in respect of any such Failure to Deliver, Failure to Pay or Failure to Take.
- b. No Indirect Damages – Other than as specifically set forth in this Agreement, in no event shall Exchange or a party to a Physically Settled Gas Futures Transaction be liable under this Agreement or any Physically Settled Gas Futures Transaction for any special, consequential or indirect damages or claims, including without limitation, loss of profits or revenues, cost of capital or claims of any of the suppliers or customers of the Contracting Party arising out of any Failure to Deliver, Failure to Take or Failure to Pay or any other matter for which liability may be assessed under this Agreement or any Physically Settled Gas Futures Transaction.

## **10. Force Majeure**

- a. Exchange May Declare Force Majeure — A force majeure event may be declared by Exchange in its sole discretion at one of the U.S. Delivery Points if a U.S. Delivery Point Operator or U.S. Pipeline Operator declares a force majeure event or materially curtails, interrupts or prorates firm transportation services for a material number of Contracting Parties. Exchange also reserves the right to declare a force majeure if an event (including, but not limited to, a strike, lockout, national emergency, governmental action or act of God) occurs that materially affects the ability of a material number of Contracting Parties to meet their Obligations and that is beyond the control of the Contracting Parties.
- b. Exchange Will Not Declare Force Majeure — For clarity, Exchange will not declare a force majeure to the extent performance is affected by any of the following circumstances:
  - (i) the curtailment of interruptible or secondary firm transportation unless primary, in path, firm transportation is also curtailed;
  - (ii) the failure of a Contracting Party to take commercially reasonable efforts to remedy a transportation, supply or market access issue including, but not limited to, changing upstream or downstream pipelines and/or corresponding supplies or markets;
  - (iii) the economic hardship of a Contracting Party, including, but not limited to, the Seller's ability to sell gas at a better price than the Purchase Price or the Buyer's ability to purchase gas at a better price than

the Purchase Price or a regulatory authority disallowing, either in whole or in part, the pass through of costs resulting from this Agreement;

- (iv) the loss of the Buyer's market or the Buyer's ability to use or resell gas purchased hereunder; or
  - (v) the loss or failure of the Seller's gas supply or depletion of reserves.
- c. Effect of Force Majeure — On any day that a force majeure event is declared at one of the U.S. Delivery Points, the Contracting Party's obligation to take or deliver gas pursuant to all Physically Settled Gas Futures Transactions at that U.S. Delivery Point shall be reduced by the same percentage as the curtailment, interruption or allocation for that day. Any Physically Settled Gas Futures Products affected by the force majeure event may be halted from trading for the duration of the force majeure event.

#### **11. Procedures on Force Majeure Event**

- a. Investigation – Exchange will, in consultation with the applicable Delivery Point Operator make a determination of whether a force majeure event exists and an estimate of its probable duration.
- b. Notice to Contracting Parties – If a force majeure event is determined by Exchange to exist (the "Force Majeure Declaration"), all affected Contracting Parties will be immediately notified by notice on Exchange's Website, phone, instant message or email:
  - (i) that the Force Majeure Declaration has been made;
  - (ii) the reduction in relevant obligations; and
  - (iii) which Physically Settled Gas Futures Products, if any, will be halted from trading.
- c. Title Transfer – The Seller, Buyer and Exchange will make all necessary changes to the applicable Delivery Point Operator Title Transfers to reflect the reduced obligations.
- d. Further Notice – Exchange will promptly advise the affected Contracting Parties of any material changes to the Force Majeure Declaration.

#### **12. Invoice Amounts**

- a. Determination of Invoice Amounts — Exchange will determine the amounts owing or payable on a monthly basis for the U.S. Delivery Points as follows:
  - (i) for gas delivered or taken by multiplying:
    - (A) the portion of the Contract Quantity of gas delivered or taken at each of the U.S. Delivery Points under all Physically Settled Gas Futures Transactions for each Delivery Day of the given Month expressed in MMBtu's; by
    - (B) the Purchase Price, expressed in U.S. dollars per MMBtu for all Physically Settled Gas Futures Transactions for such Month; plus
  - (ii) all fees as outlined in the Fee Schedule; plus
  - (iii) any fees charged to Exchange by any of the applicable Delivery Point Operators for the Title Transfers pertaining to the delivery of gas under all such Physically Settled Gas Futures Transactions; plus
  - (iv) any applicable taxes pursuant to Section 7 of the Terms and Conditions.

### **13. Interpretation**

- a. Time — All times referred to herein are to Central Prevailing Time.
- b. Currency — All amounts of money referred to herein or in this Agreement in respect of the U.S. Delivery Points are in U.S. dollars.
- c. Interpretation — Capitalized words and phrases used in this Schedule and not defined in this Schedule will have the same meaning as set forth in this Agreement.

### **14. Definitions**

"Gas Daily" means a publication entitled Platts Gas Daily published by Platts, a division of The McGraw-Hill Companies, Inc.;

"Gas Day" means a consecutive twenty-four (24) hour period starting and ending at 9:00 a.m. Central Clock Time;

"Henry Futures Settlement Price" is defined in the ICE NGX Price Index Methodology Guide;

"ICE NGX Index Methodology Guide" means a document published by Exchange on Exchange's Website that provides descriptions of methodology for determining and definitions of price indices;

"MMBtu" means 1,000,000 (10<sup>6</sup>) British thermal units;

"Month" means a month commencing on the first Gas Day of the calendar month and ending on the first Gas Day of the next calendar month;

"NAESB Timely Nomination Deadline" means timely nomination deadline set out by the North American Energy Standards Board, which may be revised from time to time;

"Title Transfers" means a nomination for the transfer of gas as defined in the applicable U.S. Delivery Point Operator's Tariff as outlined in the ICE NGX Product List;

"U.S. Delivery Point Operator" means the applicable Delivery Point Operator at each U.S. Delivery Point as outlined in the ICE NGX Product List and "U.S. Delivery Point Operators" refers to them all collectively;

"U.S. Delivery Points" means all of the Delivery Points listed in the ICE NGX Product List that are designated as utilizing the mediated delivery nomination mechanism outlined in this Schedule G;

"U.S. Pipeline Operator" means the applicable Pipeline Operator at each U.S. Delivery Point as outlined in the ICE NGX Product List and "U.S. Pipeline Operators" refers to them all collectively.