DRAFT LETTER TO BE USED BY PARTIES WHICH HAVE ALREADY SIGNED ANY OF THE PRINCIPAL AGREEMENTS **UNDER GERMAN LAW**

**[LETTERHEAD OF FIRST SIGNATORY]**

[Insert counterparty contact details]

[Insert Date]

Dear [Insert Name(s)],

**Re: Amendment to interest provisions affected by the IBOR transition under Principal Agreements**

We refer to the principal agreements entered into between us identified by a tick in the square brackets in the “EFET Document” column in Schedule 1 (each a "**Principal Agreement**"). All terms not otherwise defined in this letter shall have the meanings given to them in the relevant Principal Agreement.

As you may be aware, several Inter-bank Offered Rates are ceasing to be published from 1st January 2022.

We therefore ask you to confirm your agreement in accordance with the relevant clauses of the Principal Agreement to the following by signing and returning the attached duplicate copy of this letter:

Each Principal Agreement shall be amended in accordance with the wording contained in Schedule 2.

Except as amended above, the Principal Agreements shall remain unamended and continue in full force and effect.

This letter shall be governed by German law*.*

This letter shall be duly executed by the authorised representatives of each Party and, when countersigned by you, constitutes a legally binding agreement between us.

Yours faithfully,

……………………………………………….

For and on behalf of [ ]

We agree with and consent to amendment of the Principal Agreements in accordance with the terms contained in this Letter.

…………………………………………..
For and on behalf of **[ ]**

**Principal Agreements**

| **Number** | **EFET Document Version** | **Full EFET Document Description** |
| --- | --- | --- |
| 1. | **[ ] Beach 15 Appendix** | Transaction Agreements incorporating the Standard Terms and Conditions for the Sale and Purchase of Natural Gas for U.K. Short Term Deliveries at the Beach Sub Terminals Using an 0600 Hours to 0600 Hours Gas Day (Beach 2015 (6:6)) and Standard Terms and Conditions for the Sale and Purchase of Natural Gas for U.K. Short Term Deliveries at the Beach Sub Terminals Using an 0500 Hours to 0500 Hours Gas Day (Beach 2015 (5:5)) (“**Beach 15 Appendix**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto..  |
| 2. | **[ ] EFET Biomass V1.0** | Any European Federation of Energy Traders Individual Biomass Contract Version 1.0 published January 2013 (“**EFET Biomass V1.0**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 3. | **[ ] EFET-Certificates Master V1.1** | Any European Federation of Energy Traders EECS Certificate & National Scheme Certificate Master Agreement Version 1.1 published September 2020 (“**EFET-Certificates Master V1.1**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 4. | **[ ] CPMA** | Any Bond Markets Association Cross Product Master Agreement published February 2000 supplemented by the EFET/IECA Commodity Schedule to the Cross Product Master Agreement (“**CPMA**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 5. | **[ ] Cross-Product CSA**  | Any European Federation of Energy Traders Credit Support Annex to the Cross-Product Master Agreement (“**Cross-Product CSA**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 6. | **[ ] EFET CPPNA** | Any European Federation of Energy Traders Cross Product Payment Netting Agreement Version 1.0 published on 20 October 2005 (“**EFET CPPNA**”) with an Effective Date of [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 7. | **[ ] EFET-EECS Certificates Master V1.0** | Any European Federation of Energy Traders EECS Certificates Master Agreement Version 1.0 published on 14 December 2013 (“**EFET-EECS Certificates Master V1.0**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 8. | **[ ] EFET Gas V2.0(a)** | Any European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Natural Gas Version 2.0(a) published 11 May 2007 (**“EFET Gas V2.0(a)”**) with an Effective Date of [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 9. | **[ ] EFET Gas (prev)** | Any European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Natural Gas Version 2.0 published 6 January 2003 (**“EFET Gas (prev)”**) and/ or any previous General Agreement for Natural Gas with an Effective Date of [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 10. | **[ ] Phase IV Gas Appendix V4.0** | Any European Federation of Energy Traders Allowances Appendix (Gas) ("Phase IV (Gas) Appendix") Version 4.0 published on 28 February 2018 to General Agreement Concerning the Delivery and Acceptance of Gas Version 2.0(a) May 11, 2007 (**“Phase IV Gas Appendix V4.0”**) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 11. | **[ ] EFET Gas/Power CSA V1.0(a)** | Any European Federation of Energy Traders Credit Support Annex for Gas/Power Version 1.0(a) published September 2005 (**“EFET Gas/Power CSA V1.0(a)”**) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 12. | **[ ] EFET Gas/Power CSA V2.0** | Any European Federation of Energy Traders Credit Support Annex for Gas/Power Version 2.0 published May 2010 (**“EFET Gas/Power CSA V2.0”**) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 13. | **[ ] EFET GTMA Appendix** | Any European Federation of Energy Traders GTMA Appendix Version 1.0 published on 11 September 2009 to General Agreement Concerning the Delivery and Acceptance of Electricity Version 2.1(a) (the “**EFET GTMA Appendix**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 14. | **[ ] EFET Master Netting Agreement** | Any European Federation of Energy Traders Master Netting Agreement Version 1.0 published in June 2010 (“**EFET Master Netting Agreement**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 15. | **[ ] EFET MNA CSA** | Any European Federation of Energy Traders Credit Support Annex to the EFET Form Master Netting Agreement version 1.0 published February 2011 (“**EFET MNA CSA**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 16. | **[ ] NBP 15 Appendix** | Any European Federation of Energy Traders NBP Appendix Version 2.0 published 7 September 2015 to the General Agreement Gas 2.0(a) (“**NBP 15 Appendix**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 17. | **[ ] EFET Power V2.1(a)** | Any European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Electricity Version 2.1 (a) published on 21 September 2007 (**“EFET Power V2.1(a)”**) with an Effective Date of [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 18. | **[ ] EFET Power (prev)** | Any European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Electricity Version 2.1 published on 20 December 2000 (**“EFET Power (prev)”**) and/ or any previous EFET General Agreement for Electricity with an Effective Date of [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 19. | **[ ] Phase IV Power Appendix V5.0** | Any European Federation of Energy Traders Allowances Appendix (Power) (“Phase IV (Power) Appendix”) Version 5.0 published on 28 February 2018 to General Agreement Concerning the Delivery and Acceptance of Electricity (**“Phase IV Power Appendix V5.0**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 20. | **[ ] EFET Power Purchase Full Version 2019** | Any European Federation of Energy Traders Power Purchase Agreement (Full Version) - in cooperation with RE-Source published on 18 June 2019 **(**“**EFET Power Purchase Full Version 2019**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |
| 21. | **[ ] EFET PRISMA Gas Capacity Contract V2.0** | Any European Federation of Energy Traders Individual PRISMA Gas Capacity Contract Version 2.0, Part I & II published on 15 October 2014 **(**“**EFET PRISMA Gas Capacity Contract V2.0**”) dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto.  |
| 22. | **[ ] EFET PRISMA (prev)** | Any European Federation of Energy Traders Individual PRISMA Gas Capacity Contract Version 1.0, Part I & II published on 7 May 2014 **(“EFET PRISMA (prev)”**), and/ or any previous EFET Individual PRISMA Gas Capacity Contract dated [\_\_\_\_\_\_\_\_\_\_\_\_], including all amendments thereto. |

**Amendments**

Amendments in respect of EONIA rates

The following amendments shall be made to:

Principal Agreements which reference the euro overnight index average administered by the European Money Markets Institute (or any successor administrator), howsoever described (“EONIA”), shall be amended by deleting in their entirety all references (including relevant descriptions or definitions) to EONIA and replacing them with a reference to the Euro Short Term Rate (“€STR” or “EuroSTR”) defined as:

“**€STR**” or “**EuroSTR**” means the euro short term rate administered by the European Central Bank (or any successor administrator) as administrator of the benchmark and published on the ECB’s Website.

Principal Agreements which reference EUR-EONIA-OIS-COMPOUND shall be amended by deleting in their entirety in the definitions of the Cost of Carry Rate and the Default Cost of Carry Rate, and inserting instead the following definitions:

The “**Cost of Carry Rate**” and “**Default Cost of Carry Rate**” shall each be redefined to mean “EUR-EuroSTR-COMPOUND” where EUR-EuroSTR-COMPOUND will be calculated as follows, and the resulting percentage will be rounded, if necessary to the nearest one ten-thousandth of a percentage point (0.0001%):

|  |  |  |
| --- | --- | --- |
|  |  |  |

where:

“**d0**”, for any Calculation Period, is the number of TARGET Settlement Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to d0, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in the relevant Calculation Period;

“**EuroSTRi**”, for any day “i” in the relevant Calculation Period, is a reference rate equal to EuroSTR in respect of that day as published on the website of the European Central Bank at https://www.ecb.europa.eu/home/html/index.en.html, or any successor source (the “**ECB’s Website**”);

“**EuroSTR**” is the euro short term rate (€STR) provided by the European Central Bank as administrator of the benchmark (or a successor administrator) on the ECB’s Website;

“**ni**” is the number of calendar days in the relevant Calculation Period on which the rate is EuroSTRi;

“**d**” is the number of calendar days in the relevant Calculation Period; and

“**Calculation Period**” means either the Cost of Carry Calculation Period or the Default Cost of Carry Calculation Period, as the context requires.

For the avoidance of doubt, where such Principal Agreement sets out the formula by which the Cost of Carry Amount or Default Cost of Carry Amount is calculated, the reference in that formula to the Cost of Carry Calculation Period or Default Cost of Carry Calculation Period (as the case may be) is to a number of days, and is not merely a means of identifying the relevant Cost of Carry Rate or Default Cost of Carry Rate.

Principal Agreements amended pursuant to paragraph 1 (a) or 1 (b) above, shall also have the following wording inserted:

*No Index Cessation Effective Date with respect to EuroSTR*

If neither the administrator nor authorized distributors provide or publish EuroSTR and an Index Cessation Effective Date with respect to EuroSTR has not occurred, then, in respect of any day for which EuroSTR is required, references to EuroSTR will be deemed to be references to the last provided or published EuroSTR.

*Index Cessation Effective Date with respect to EuroSTR*

If an Index Cessation Effective Date occurs with respect to EuroSTR, then the rate for a day on or after the Index Cessation Effective Date will be such rate as replaces EuroSTR pursuant to the prevailing fallbacks mechanics ISDA (the International Swaps and Derivatives Association), or any successor to ISDA, has in place (the “**Applicable Fallback Rate**”), as at the Index Cessation Effective Date, and all provisions in this section shall be read as though references to EuroSTR are instead references to the Applicable Fallback Rate.

For the purpose of the above:

“**TARGET Settlement Day**” means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open for settlement of payments in Euro.

“**Index Cessation Effective Date**” means, in respect of an Index Cessation Event, the first date on which EuroSTR, or if an Applicable Fallback Rate is being used, such Applicable Fallback Rate is no longer provided. If EuroSTR, or as the case may be, such Applicable Fallback Rate, ceases to be provided on the same day that it is required to determine the rate for a day pursuant to the terms of the contract, but it was provided at the time at which it is to be observed pursuant to the terms of the contract (or, if no such time is specified in the contract, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

“**Index Cessation Event**” means, in respect of EuroSTR or, in the event an Applicable Fallback Rate is being used, such Applicable Fallback Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the index announcing that it has ceased or will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the index; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the index, the central bank for the currency of the index, an insolvency official with jurisdiction over the administrator for the index, a resolution authority with jurisdiction over the administrator for the index or a court or an entity with similar insolvency or resolution authority over the administrator for the index, which states that the administrator of the index has ceased or will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the index.

In relation to any credit support annex amended pursuant to this paragraph 1 of Schedule 1, in order to ensure that no amount payable by reference to EuroSTR would be less than zero, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate plus any margin would otherwise be less than zero, the sum of the interest rate plus any margin shall be floored at zero.”

In relation to any Principal Agreement amended pursuant to this paragraph 1 of Schedule 1 which is not a credit support annex, in order to ensure that no amount payable by reference to EuroSTR would be less than the amount calculated as a result of the application of any margin, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate would otherwise be less than zero, the interest rate shall be floored at zero and any margin applied thereto.”

Amendments in respect of EURIBOR rates

The following amendments shall be made to Principal Agreements which reference the Euro wholesale funding rate known as the Euro Interbank Offered Rate administered by the European Money Markets Institute (or any successor administrator) (**“EURIBOR**”):

Deleting in their entirety all references (including relevant descriptions or definitions (but, for the avoidance of doubt, not deleting any reference to tenor)) to EURIBOR and replacing such wording with the following:

“**EURIBOR**”[[1]](#footnote-1) means that the rate for a Reset Date will be EURIBOR (the Euro wholesale funding rate known as the Euro Interbank Offered Rate provided by the European Money Markets Institute, as the administrator of the benchmark (or a successor administrator)) for the period agreed between the Parties (the “**Designated Maturity**”) which appears on the Reuters Screen EURIBOR01 Page as of 11:00 a.m., CET (or any amended publication time as specified the benchmark administrator in the EURIBOR benchmark determination methodology), on the day that is two TARGET Settlement Days preceding that Reset Date.

For the purposes of (a) above:

“**Reset Date**” means the date payment becomes overdue, and the same date each period of the Designated Maturity thereafter until the date on which the other Party receives payment of the overdue amount and all interest that has accrued, provided that if a relevant month does not contain such number of days, the Reset Date for such month shall be the last day of such month.

“**TARGET Settlement Day**” means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open for the settlement of payments in Euro.

Principal Agreements amended pursuant to this paragraph 2 (other than PRISMA Gas Capacity Contracts[[2]](#footnote-2)), shall also have the following wording inserted:

*No Index Cessation Effective Date with respect to EURIBOR*

If, by 11:00 a.m. CET (or the amended publication time for EURIBOR, if any, as specified by the EURIBOR benchmark administrator in the EURIBOR benchmark methodology) on that Reset Date, EURIBOR for a period of the Designated Maturity in respect of the Reset Date has not been published on the Reuters Screen EURIBOR01 Page and an Index Cessation Effective Date with respect to EURIBOR has not occurred, then, references to EURIBOR will be deemed to be references to the last provided or published EURIBOR. If by 3:00 p.m., CET (or four hours after the amended publication time for EURIBOR), on that Reset Date, neither the administrator of EURIBOR nor an authorized distributor has provided or published EURIBOR for a period of the Designated Maturity in respect of the Reset Date and an Index Cessation Effective Date has not occurred, then, unless otherwise agreed by the Parties, the rate for that Reset Date will be:

a rate formally recommended for use by the administrator of EURIBOR; or

a rate formally recommended for use by the supervisor which is responsible for supervising EURIBOR or the administrator of EURIBOR,

in each case, during the period of non-publication of EURIBOR and for so long as an Index Cessation Effective Date has not occurred. If a rate described in sub-paragraph (A) is available, that rate shall apply. If no such rate is available but a rate described in sub-paragraph (B) is available, that rate shall apply. If neither a rate described in sub-paragraph (A) nor a rate described in sub-paragraph (B) is available, then the Calculation Agent shall determine a commercially reasonable alternative for EURIBOR, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing EURIBOR that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

*Index Cessation Effective Date with respect to EURIBOR*

If an Index Cessation Effective Date occurs with respect to EURIBOR, then the rate for a Reset Date occurring two or more TARGET Settlement Days after the Index Cessation Effective Date will be such rate as replaces EURIBOR pursuant to the prevailing fallbacks mechanics ISDA (the International Swaps and Derivatives Association), or any successor to ISDA, has in place (the “**Applicable Fallback Rate**”), as at the Index Cessation Effective Date, after the Calculation Agent has made such adjustments as are necessary to account for any difference in term structure or tenor of the Applicable Fallback Rate and all provisions in this section shall be read as though references to EURIBOR are instead references to the Applicable Fallback Rate.

“**Index Cessation Effective Date**” means, in respect of an Index Cessation Event, the first date in respect of which EURIBOR, or (if an Applicable Fallback Rate is being used) such Applicable Fallback Rate, is no longer provided. If EURIBOR, or, as the case may be, such Applicable Fallback Rate, ceases to be provided on the same day that it is required to determine the rate for a Reset Date pursuant to the terms of the contract but it was provided at the time at which it is to be observed pursuant to the terms of the contract (or, if no such time is specified in the contract, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

“**Index Cessation Event**” means, in respect of EURIBOR or, in the event an Applicable Fallback Rate is being used, such Applicable Fallback Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the index announcing that it has ceased or will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the index; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the index, the central bank for the currency of the index, an insolvency official with jurisdiction over the administrator for the index, a resolution authority with jurisdiction over the administrator for the index or a court or an entity with similar insolvency or resolution authority over the administrator will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the index.

1. In relation to any credit support annex: (a) all references in paragraph 2 to the Calculation Agent shall be read as referring to the Valuation Agent; (b) the definition of

“**Reset Date**” shall mean each day in an Interest Period;

and (c) in order to ensure that no amount payable under a credit support annex by reference to EURIBOR would be less than zero, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate plus any margin would otherwise be less than zero, the sum of the interest rate plus any margin shall be floored at zero.”

1. In relation to any Principal Agreement amended pursuant to this paragraph 2 of Schedule 1 which is not a credit support annex, in order to ensure that no amount payable by reference to EURIBOR would be less than the amount calculated as a result of the application of any margin, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate would otherwise be less than zero, the interest rate shall be floored at zero and any margin applied thereto.”

Amendments in respect of SONIA rates

Principal Agreements which reference the Sterling Overnight Index Average administered by the Bank of England (or any successor administrator) shall have the following wording inserted:

*No Index Cessation Effective Date with respect to SONIA*

If neither the administrator nor authorized distributors provide or publish SONIA and an Index Cessation Effective Date with respect to SONIA has not occurred, then, in respect of any day for which SONIA is required, references to SONIA will be deemed to be references to the last provided or published SONIA.

*Index Cessation Effective Date with respect to SONIA*

If an Index Cessation Effective Date occurs with respect to SONIA, then the rate for a day on or after the Index Cessation Effective Date will be determined as if references to SONIA were references to such rate as replaces SONIA pursuant to the prevailing fallbacks mechanics ISDA (the International Swaps and Derivatives Association) or any successor to ISDA has in place (the “**Applicable Fallback Rate**”), as at the Index Cessation Effective Date, and all provisions in this section shall be read as though references to SONIA are instead references to the Applicable Fallback Rate.

For the purpose of the above:

“**Index Cessation Effective Date**” means, in respect of an Index Cessation Event, the first date in respect of which SONIA, or (if an Applicable Fallback Rate is being used) such Applicable Fallback Rate, is no longer provided. If SONIA, or, as the case may be, such Applicable Fallback Rate, ceases to be provided on the same day that it is required to determine the rate pursuant to the terms of the contract but it was provided at the time at which it is to be observed pursuant to the terms of the contract (or, if no such time is specified in the contract, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

“**Index Cessation Event**” means, in respect of SONIA or, in the event an Applicable Fallback Rate is being used, such Applicable Fallback Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the index announcing that it has ceased or will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the index; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the index, the central bank for the currency of the index, an insolvency official with jurisdiction over the administrator for the index, a resolution authority with jurisdiction over the administrator for the index or a court or an entity with similar insolvency or resolution authority over the administrator for the index, which states that the administrator of the index has ceased or will cease to provide the index permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the index.

In relation to any credit support annex amended pursuant to this paragraph 3 of Schedule 1, in order to ensure that no amount payable by reference to SONIA would be less than zero, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate plus any margin would otherwise be less than zero, the sum of the interest rate plus any margin shall be floored at zero.”

In relation to any Principal Agreement amended pursuant to this paragraph 3 of Schedule 1 which is not a credit support annex, in order to ensure that no amount payable by reference to SONIA would be less than the amount calculated as a result of the application of any margin, the relevant interest payment provision shall be amended by the addition of the wording:

“, provided that if the interest rate would otherwise be less than zero, the interest rate shall be floored at zero and any margin applied thereto.”

Amendments in respect of GBP LIBOR rates

The following amendments shall be made in respect of Principal Agreements which (a) are not credit support annexes, and which (b) reference a GBP LIBOR or a tenor thereof (“**GBP LIBOR**”):

by deleting in their entirety all references (including relevant descriptions or definitions) to GBP LIBOR and replacing such wording with the following:

“**Compounded SONIA**” means the rate of return of a daily compounded interest investment (it being understood that the reference rate for the calculation of interest is the daily Sterling Overnight Index Average i.e. SONIA) for the period specified in the Principal Agreement applying a five business day lookback in respect of each date in the late payment period. When compounding the overnight SONIA rate, if SONIA is negative for any day during the period, SONIA shall be deemed to be zero for that day.

The following amendments shall be made in respect of Principal Agreements which (a) are credit support annexes, and which (b) reference GBP LIBOR or a tenor thereof (“**GBP LIBOR**”):

by deleting in their entirety all references (including relevant descriptions or definitions) to GBP LIBOR and replacing such wording with Sterling Overnight Index Average (SONIA).

Principal Agreements amended pursuant to this paragraph 4 shall also incorporate the provisions of Schedule 1, paragraph 3(a) and, if the Principal Agreement is a credit support annex, paragraph 3(b) above.

1. Note: Adjustments to the EURIBOR definition for credit support annexes are provided in paragraph 2 (d). [↑](#footnote-ref-1)
2. Note: PRISMA Gas Capacity Contracts already have effective fallbacks. [↑](#footnote-ref-2)