EXPRESSION OF PRINCIPLES

Dated 21 December 2023

As entered into between:

1. the **Minister of Economic Affairs and Climate Policy**, acting as administrative body (*bestuursorgaan)* and as representative of the State of the Netherlands, represented by Mrs. M.A.M. Adriaansens**;**

2. the **State Secretary of Infrastructure and Water Management**, acting as administrative body (*bestuursorgaan)* and as representative of the State of the Netherlands, represented by Mrs. V.L.W.A. Heijnen;

3. **Air Liquide Industrie B.V.**, with its registered office in Rotterdam, Weena 312-314, 3012 NJ Rotterdam, represented by Mr. G.J. ten Cate (hereafter: "Air Liquide Industrie");

4. **Air Liquide B.V.**, with its registered office in Eindhoven, De Witbogt 1, 5652 AG Eindhoven, represented by Mr. G.J. ten Cate (hereafter: "ALBV");

   and

5. **Pergen V.O.F.**, with its registered office in Rotterdam and its office address at Vondelingenweg 601, 3196 KK Vondelingenplaat Rotterdam, represented by Mr. G.J. ten Cate (hereafter: "Pergen").

regarding cooperation to reduce Greenhouse gas emissions in the Netherlands.

Parties 1 and 2 hereafter individually as well as jointly referred to as the "State";
Parties 3, 4 and 5 hereafter jointly referred to as "Air Liquide";
Parties 1, 2, 3, 4 and 5 hereafter individually also referred to as "Party" and jointly referred to as "Parties".

WHEREAS:

Legal and policy framework for CO_2 reduction

1. Parties acknowledge that additional efforts for reduction of Greenhouse gas emissions are required to achieve the goals of The Paris Agreement, the European Climate Law, the Dutch Climate Law (*Klimaatwet*) and the Dutch Coalition Agreement (*Coalitieakkoord)*.
2. The Dutch Coalition Agreement as presented on 15 December 2021, increases the national CO_2 reduction targets to at least 55% in 2030, and the Government aims for 60% CO_2 reduction in 2030, and for climate neutrality in 2050 and for establishment of a green economy that is climate neutral, fossil free and circular.
3. For the industry, as laid down in the letter about additional Dutch climate policies[1] (*Kamerbrief Voorjaarsbesluitvorming Klimaat* dated 26 April 2023), the proposed target is to reduce the emissions associated with industrial activity to a maximum of 29.6 million tons (hereafter: "Mton") by 2030. This target has been adjusted to 29.1 Mton with the 'Augustusbesluitvorming' (*Kamerbrief Kabinetsaanpak Klimaatbeleid* dated 19 September 2023, Kamerstuk 32813 nr. 1291).
4. On 14 July 2023 the Minister of Economic Affairs and Climate Policy presented a national roadmap[2] (*Routekaart verduurzaming industrie 1.0*) to accelerate the transition in the Dutch industry towards a climate neutral, fossil free and circular economy. Parties acknowledge that their mutual cooperation will take place in the context of the developing policy around accelerating the transition of the industry.
5. Air Liquide underpins that this Expression of Principles ("EoP") and mentioned targets and possible measures do not take into account the potential impact of intended policy measures such as announced in the *Kamerbrief Voorjaarsbesluitvorming Klimaat* dated 26 April 2023 and thereafter, implementation of which could change Air Liquide's options for additional CO_2 reduction in this EoP.

Tailor-Made Approach ("Maatwerk")

6. The Government aims to facilitate the climate transition of the industry in the Netherlands with, amongst other instruments, a tailor-made approach for the 10-20 largest industrial emitters. As set out in among others the letter informing parliament on the tailor-made approach[3] (hereafter: *Zomerbrief*) and the letter informing parliament on the progress of the tailor-made approach[4] (hereafter: "*Voortgangsbrief*"), the aim of the tailor-made approach is to support these companies, based on mutual commitments, in achieving additional and accelerated CO_2 reduction before 2030 and having a sustainable future in the Netherlands. Furthermore, the aim is to contribute and to meet now and in the long-term other sustainability challenges in the Netherlands.
7. Where needed, the Government, as stipulated in the Dutch Climate Policy Programme, intends to support the largest industrial emitters in their endeavours in order to contribute to additional CO_2 reduction, while considering European principles regarding state aid and a level playing field on the internal market and aiming for an international level playing field.
8. In the *Zomerbrief* and the *Voortgangsbrief*, the Government explained the structure of the discussions with the 10-20 largest emitters for a tailor-made approach. The structure will be along the following lines:
    i. First, discussions will be held to see whether parties can come to an EoP, in which they express their intention to further discuss the possibilities of reducing additional CO_2-

[1] Kamerbrief Voorjaarsbesluitvorming Klimaat, d.d. 26 April 2023.
[2] Routekaart Verduurzaming Industrie 1.0, Nationaal Programma Verduurzaming Industrie, d.d. 14 July 2023.
[3] Kamerbrief Zomerbrief Maatwerk, d.d. 8 July 2022.
[4] Kamerbrief Voortgang Maatwerkafspraken, d.d. 27 February 2023.

emissions and reduction of impact on the local environment by the respective companies and the possibilities of the Government to assist therewith;

ii. Second, if an EoP appears to be a good basis for further discussions, parties intend to continue discussions with the aim to define the specific measures to be taken and intend to agree on those in a draft joint letter of intent ("JLoI");

iii. Third, the draft JLoI will be submitted to the 'Adviescommissie Maatwerkafspraken Verduurzaming Industrie' for an expert advice to the Minister of Economic Affairs and Climate Policy with respect to, among others feasibility, cost-effectiveness and level of ambition;

iv. Finally, if a final JLoI has been agreed upon and signed, parties intend to implement and elaborate their agreements in binding tailor-made agreements.

9. The current EoP, therefore, is only of an indicative, non-binding nature, which means that in the further discussions in the context of the tailor-made approach neither Party can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP.
10. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion, either Party may terminate discussions at any time for any reason.

Air Liquide in The Netherlands

11. The Air Liquide Group is a world leader in gases, technologies and services for industry and health and is present in 73 countries with approximately 67,100 employees, serving more than 3.9 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. These molecules embody Air Liquide Group's scientific territory and have been at the core of their activities since its creation in 1902.
12. Air Liquide produces and supplies gases and technologies, as an enabler for industry, healthcare, mobility, and for the agricultural and industrial transition. In the Netherlands Air Liquide has four production units producing hydrogen, carbon monoxide, steam and CO_2; two air separation units producing oxygen, nitrogen and argon, several cogeneration units and an on-site presence in major industrial areas. Air Liquide has also been using its existing industrial facilities, technologies and expertise to develop applications for transportation, particularly heavy mobility such as road freight, inland shipping, maritime transport and aviation. In 2014 Air Liquide built the first hydrogen refuelling station in the Netherlands in Rhoon. For the healthcare sector, Air Liquide provides medical gases and home healthcare to hospitals and patients. With its Hydrogen Mobility ("H2E") business line, Air Liquide currently focuses on the midstream part and the technology of the hydrogen mobility market i.e. the infrastructure between production of hydrogen and the supply of hydrogen to the end customer. Examples are hydrogen inland and (short) sea shipping, Hydrogen Refuelling Stations for (heavy duty) hydrogen vehicles and hydrogen aviation.
13. Air Liquide's activities in the Netherlands are often heavily integrated with the activities of its clients, for example by being a (technology) partner in a number of energy transition enabling ecosystems (e.g. H-Vision, Botlek circular steam, Hytrucks) and being the direct supplier of gases, steam and electricity to numerous large industrial players. Air Liquide's decarbonization efforts and efforts to improve the living environment will therefore require close coordination with these clients.
14. Air Liquide has indicated that it has already implemented various initiatives focusing on optimizing resources, reducing waste and promoting sustainable practices. Examples in the Netherlands include: the capture of CO_2, for the usage in the food and drinks industry as well as in the horticultural sector (Carbon Capture and Utilization), the reuse of condensed water (saving drinking water) and the conversion of refinery offgases into hydrogen (saving natural gas).

Projects Air Liquide is working on in the Netherlands include the Steam Botlek project (which aims to utilize residual heat) and the H-Vision project which focuses on decarbonizing refinery offgases. With these activities, Air Liquide aims to contribute to an increasingly circular economy.

Reduction of CO_2-emissions

15. The Air Liquide Group has committed to decreasing its CO_2 emissions in absolute value by 33% (from 2020 market based emissions of 32.5 million tonnes of CO_2 equivalents - scopes 1 and 2) by 2035. This includes emissions from its production and cogeneration units, as well as indirect emissions from the production of electricity and steam purchased by the Air Liquide Group for its operations. Furthermore, the Air Liquide Group commits to reaching carbon neutrality by 2050, aligning the Air Liquide Group with international efforts to reduce global warming, as outlined in the Paris Agreement. The Air Liquide Group also helps its customers to reduce their carbon emissions, developing new technologies and skills to support their low-carbon transition.
16. In recent years, Air Liquide has developed various projects in the Netherlands that reflect these ambitions, including the construction of an innovative air separation unit, equipped to enable the uptake of large quantities of renewables in the power system through demand-side management, the integration of industrial off-gases as feedstock and energy efficiency projects. Recently, Air Liquide decided to develop and install a CryoCap™ unit to capture carbon dioxide (CO_2) from its hydrogen plant on the Rozenburg site. The carbon capture unit will be connected to the Porthos system, the first common large-scale CO_2 transport and storage system to be developed in the Rotterdam harbour area. Air Liquide points out it has already contracted over 1000 GWh/year of locally produced renewable power to decarbonize its electricity consumption and to support its future growth ambitions.
17. Air Liquide has the ambition to achieve its CO_2 reduction by 2030 in line with the Dutch Climate Agreement and the Dutch Coalition Agreement and sees opportunities to achieve additional CO_2 reduction. Air Liquide has expressed that the higher the level of the ambition of additional CO_2 reduction, the higher the level of support and facilitation that might be needed to realize the ambition.
18. Air Liquide sees the following main pillars for its decarbonization ambitions in the Netherlands, to be realized together with its clients: efficiency, electrification, electrolysis and carbon capture and storage. Besides this, Air Liquide aims to contribute to the decarbonization of its clients.
19. Parties recognize that the innovative and transformational change and decarbonization roadmap of Air Liquide's business has substantial advantages and may also come with substantial risks and challenges for Air Liquide, depending on technological, economic, political and commercial developments.
20. Parties acknowledge that decarbonization projects have long development and construction times (several years) and can change in scope and impact – including the amount of CO_2 reduction achievable.
21. Within the framework of the tailor-made approach, the Government intends to support Air Liquide's additional CO_2 reduction by among others: financial support (while considering, amongst others, European principles regarding state aid), where possible through generic financial mechanisms; stimulation of demand for low carbon fuels and sustainable products; timely decision-making on permit applications; advancing timely availability of affordable energy carriers and required infrastructure for these energy carriers (such as electricity, CCS and hydrogen); and addressing (EU or other) regulatory uncertainty.
22. The Government aims to facilitate the energy transition of the industry in the Netherlands, both with pricing instruments such as the carbon levy for industry and with instruments covering uneconomical parts of necessary and efficient investments and operations and recognizes the necessity of continued involvement with the industry to monitor whether the current governmental instruments are indeed suitable and sufficient towards this end.
23. Carbon capture and storage is an important enabler in achieving the Dutch 2030 climate goals. Several industrial companies depend on the timely availability of European carbon capture and

storage infrastructure. The Government is exploring possibilities to enable cross-border CO_2 transport and storage to other North-western European countries, and efficient access to CO_2-transport and storage infrastructure, in line with the CCS directive[5].

24. Parties acknowledge that the use of fossil-based Carbon Capture and Storage (CCS) is a transitional application of this technology that should be phased out no later than 2050, unless this technology can play a part in achieving negative emissions to offset hard-to abate emissions.

Local environmental impact

25. Parties acknowledge that the Dutch Coalition Agreement aims to decrease reactive nitrogen emissions to reduce the deposition thereof in Dutch Natura 2000 nature areas, and that each sector, including the industrial sector, is expected to contribute fairly to the necessary reduction of reactive nitrogen emissions, taking into account the efforts done over the past decades. The letter of 15 July 2022 to parliament regarding nitrogen[6] explains the policy framework.
26. The Government aims, in line with the European Zero Pollution Vision, to reduce air-, water- and soil contamination by 2050 to levels that are no longer harmful to general health and natural ecosystems, thereby taking into account the limits of planet earth with the aim of realizing a toxin-free environment and has formulated emission reduction and health gain ambitions in several policy acts to this end.
27. The Government has formulated an emission policy that includes the legal obligation to minimise emissions of persistent pollutants and pollutants of high concern – in Dutch referred to as '*zeer zorgwekkende stoffen (ZZS*)' and inform the authorities on achieved reduction and next steps to further achieve zero emissions every five years.
28. Air Liquide has indicated that significant efforts have been undertaken in recent years to reduce NO_x emissions levels, such as the investment in new burners with a lower NO_x emission, resulting in a reduction of NO_x emissions by 28% in 2022, when compared to the emissions registered in 2019.

Other

29.]Parties acknowledge that industrial decarbonization projects require the timely realization of energy & CO_2 infrastructure and a clear industrial demand for such infrastructure. The Government has developed a national and regional infrastructure program in which governments, industry and grid operators work together to (i) take stock of all infrastructural needs for the industry, including for Air Liquide, and (ii) to enable acceleration of infrastructural projects admitted to the MIEK (*Meerjarenprogramma Infrastructuur Energie en Klimaat*) where desirable and possible.
30. Parties acknowledge that the Rotterdam harbour region has a significant potential to reduce CO_2 emissions by decarbonizing refinery fuel gases and using these in the installations they originated from, as well as at other sites in the harbour region, for the purpose of high temperature processes and power generation as a replacement of natural gas as a fuel. The infrastructure needed to realize this potential is prioritized by the MIEK.
31. Parties acknowledge that making more optimal use of residual heat generated by industrial processes would reduce the need for primary fuel consumption and the associated CO_2-emissions.

[5] Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006

[6] Kamerbrief Stand van zaken stikstof en landelijk gebied, d.d. 15 July 2022.

Have agreed:

1. Definitions

The following terms, if capitalised as indicated, shall have the following meaning:

a. **Air Liquide**: Air Liquide Industrie, ALBV and Pergen;
b. **ALBV**: Air Liquide B.V., a company with limited liability organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, and having its principal place of business at De Witbogt 1, 5652 AG Eindhoven, The Netherlands, registered at the Dutch Trade Register under file number 17063904;
c. **Air Liquide Industrie:** Air Liquide Industrie B.V., a company with limited liability organised under the laws of the Netherlands, with its corporate seat in Rotterdam, the Netherlands, and having its registered office at Weena 312, 3012 NJ Rotterdam, the Netherlands and registered at the Dutch Trade Register under number 24266306;
d. **Air Liquide Group:** the group of companies which L'Air Liquide Societe Anonyme Pour l'Etude et l'Exploitation des Procedes Georges Claude, with register number 55209628100019, and main office at 75 Quai d'Orsay , 75007 Paris, France, controls directly or indirectly. For the purpose of this definition, "control" shall mean the ownership of more than 50% of the voting rights.
e. **BAT:** best available technologies (*beste beschikbare technieken*) as defined in article 1.1 paragraph 1 of the Dutch Environmental Permitting (General Provisions) Act (*Wet algemene bepalingen omgevingsrecht*);
f. **Carbon Capture and Storage**: the process of capturing, transporting and permanently storing carbon dioxide to prevent it for entering the atmosphere, hereafter also be referred to as 'CCS';
g. **Climate neutrality**: net-zero Greenhouse gas emissions in CO_2 equivalent terms;
h. **CO_2**: all Greenhouse gases in CO_2 equivalent terms, unless stated otherwise;
i. **Dutch Climate Law**: the law enacted on 2 March 2022 , also known as the Klimaatwet;
j. **Dutch Climate Agreement**: the agreement dated 28 June 2019 as supported by the Government, Dutch companies and other interested parties in relation to the reduction of Greenhouse gases as part of the Dutch climate policy (Klimaatakkoord);
k. **Dutch Coalition Agreement**: coalition agreement (Coalitieakkoord) of the cabinet Rutte IV government dated 15 December 2021;
l. **Dutch Climate Policy Programme**: the governmental policy programme (beleidsprogramma Klimaat) dated 2 June 2022 on the main features of the climate policy until 2030 aimed at the realisation of the objectives of the Dutch Climate Law;
m. **Dutch CO_2 Levy**: the national levy on industrial CO_2 emissions, governed by the 'Wet belastingen op milieugrondslag' chapter VIB;
n. **EoP**: this Expression of Principles;
o. **Government**: the government of the Netherlands;
p. **Greenhouse gases**: the gases listed in Annex II to 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 European Union;
q. **Meerjarenprogramma Infrastructuur Energie en Klimaat**: the multi-annual program in which the Government, together with other stakeholders, coordinates timely decision-making and realisation of infrastructural projects of national interest that are needed to achieve CO_2 reduction and will hereafter be referred to as 'MIEK';
r. **Parties**: the Parties to this Expression of Principles;
s. **Party**: one of the Parties to this Expression of Principles;
t. **Pergen:** Pergen V.O.F (vennootschap onder firma), a general partnership constituted in accordance with the laws of the Netherlands with its registered office in Rotterdam and its office address at Vondelingenweg 601, 3196 KK Vondelingenplaat Rotterdam, the Netherlands and registered at the Dutch Trade Register with number 24365735;
u. **Permits**: means any permit, license, exemption, consent or other authorisation that Air Liquide requires from the State or any (local) governmental organisation for the realisation of projects

executed by Air Liquide relating to the tailor-made approach.

2. Objectives for the cooperation between the Parties

The objectives of this EoP are to:

1. express non-binding principles for potential subsequent mutual agreements on the cooperation between the Parties to pursue the intentions as stated below in Article 3 each from their own purview (see recitals above) and subject to each Party's internal criteria for cooperation and decision making;
2. accelerate the reduction of Air Liquide's scope 1 CO_2 emissions on site subject to the Dutch CO_2 Levy in the Netherlands, aiming for 1.05 Mton CO_2 reduction in the year 2030 relative to the year 2020;
3. reduce an additional 0.30 Mton of CO_2 emissions related to electricity production, hence leading to a total reduction of 1.40 Mton of CO_2 emissions annually by 2030;
4. accelerate reduction of Air Liquide's local environmental impact in the Netherlands, with a focus on nitrogen;
5. accelerate the transition to a sustainable economy, notably through fostering renewable and low carbon hydrogen markets and sustainable mobility decarbonization solutions, such as (heavy-duty) mobility, inland shipping, short sea and aviation.

3. Intentions

3.1 Intention 1– establish basis for cooperation

1. Parties intend to cooperate on the basis of mutuality ("wederkerigheid") in a staged process to create mutual and simultaneously increasing levels of commitment, in due course towards binding agreement(s) on achieving the objectives, to be laid down in writing and subject to authorised signature.
2. As the next step, Parties intend to strengthen their cooperation by drawing up and agreeing on a JLoI. The JLoI will elaborate on the levels of commitment related to all intentions to be pursued thereafter.
3. Parties acknowledge that apart from an adequate application process, early alignment, effective prioritisation, planning and cooperation between the State, the relevant (local) governmental authorities, the relevant public institutions and Air Liquide are important for effectively conducting permitting processes to obtain the relevant Permits, including NOx related permits and to that effect:
    a. Parties acknowledge each Party's and other entities' responsibilities under various laws and regulations;
    b. Parties intend to, individually and jointly, engage and align with relevant public entities and institutions to promote a timely and predictable permitting process. Air Liquide intends to continue its engagement with relevant stakeholders, e.g. those in the vicinity of its operations, in relation to the permitting process; and
    c. the State intends to facilitate, where possible and within its purview, timely decision-making on permit applications for any Permit and, whilst respecting their respective authority and role under public law, encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit, to contribute to timely decision making.

3.2 Intention 2– reduction of Air Liquide's CO_2 emissions

1. This objective relates to CO_2 emissions of Air Liquide's activities that are subject to the Dutch CO_2 Levy, as well as emissions relating to the production of electricity. In the year 2020 Air Liquide's CO_2 emissions under the Dutch CO_2 Levy were 1.76 Mton (hereafter referred to as: 'industrial emissions'). The emissions related to electricity production amounted to 0.8 Mton (hereafter referred to as: 'electricity emissions').

2. Air Liquide aims, with support of the tailor-made approach by the State, to reduce its annual industrial CO_2 emissions by 1.05 Mton (+/- 60%) in the year 2030 when compared to 2020. This would mean approximately 0.25 Mton additional CO_2 reduction beyond the estimated 0.80 Mton CO_2 reduction required to achieve an emission level equal to the expected amount of CO_2 dispensation rights awarded for Air Liquide's activities in 2030 to Air Liquide and its customers under the *Wet belastingen op milieugrondslag*.
3. Air Liquide aims to reduce its electricity emissions by 0.30 Mton in 2030 compared to the year 2020.
4. In the period between 2030 and 2040 Air Liquide aims to further reduce its emissions (both industrial and electricity emissions) while maintaining growth in renewable and low carbon activities.
5. Air Liquide intends to allocate its resources to accelerate and mature a portfolio of carbon abatement and energy efficiency projects, subject to Air Liquide's internal criteria. This portfolio consists of projects under development, in Pernis, Rozenburg and Bergen op Zoom. The projects and measures needed for implementing the aforementioned CO_2 emission reductions may evolve over time.
6. According to Air Liquide, the following enablers are required to accomplish the intention as described in paragraph 3.2.2:
    a. access to competitive CO_2 transport and storage infrastructure in Europe;
    b. financial support to cover funding gaps;
    c. timely granting of the required permits;
    d. appropriate tax regime to avoid double taxation as well as a regulatory regime furthering the application of renewable and low carbon fuels;
    e. timely access to the electricity grid and timely availability of sufficient electricity grid transmission and distribution capacity (contractual certainty at the latest in 2026, to ensure realization by 2030);
    f. attention for the effects of grid tariffs in incentivizing flexible assets, competitive grid fees (compared to neighbouring countries), as well as the integration of industry and district heating to effectively utilise low-grade heat; and
    g. sufficient availability of skilled technical personnel.
7. The State intends to explore how it can contribute to the accomplishment of Intention 2 as mentioned in this article 3.2. In this context:
    a. The State intends to:
        i. explore possibilities to facilitate a European CCS market in which the export of CO_2 between countries can take place;
        ii. explore possibilities to identify and where necessary mitigate legal or policy barriers related to the export of CO_2;
        iii. if deemed necessary, based on further investigations, and if fitting in line with future policy developments, potentially considering the exploration of generic subsidy scheme amendments to arrange support for projects using CO_2 sinks outside of the Netherlands.
    b. The State intends to explore how existing and future generic subsidy schemes can be adequately funded and be kept up to date to address possible deficiencies, subject to all internal criteria (political consent, subsidy design principles and state aid regulations among others), so that the funding gaps of projects can be supported;
    c. The State intends to continue to coordinate the realisation of MIEK projects, notably the 380kV electrical infrastructure in Zuid-Holland and Zeeland, the Porthos project and the H-Vision project;
    d. In addition the State will continue to partake in discussions with the stakeholders involved in the realization of the broader energy infrastructure needed to decarbonize the Rotterdam harbour region, which has a broader scope than the projects identified in the MIEK (e.g. the 150 kV electrical infrastructure required by Air Liquide to further develop the project portfolio described in this agreement), with the intention of resolving potential bottlenecks within its own purview.

8. Parties intend to explore the potential to increase the share of flexible electricity consumption, in order to allow for the efficient integration of renewable electricity into the electricity grid in space and time.
9. Parties intend to agree to monitor and periodically evaluate Air Liquide's CO_2 emissions.
10. Parties acknowledge that it is Air Liquide's intention that additional CO_2 dispensation rights under the Wet belastingen op milieugrondslag that ensue from the additional CO_2 reduction realized by the tailor-made approach, shall not be traded to other companies, in order to prevent a "waterbed effect". The effects hereof will be discussed in the coming period and worked out in more detail in the JLoI.
11. Parties acknowledge that acquisitions, divestments, or significant changes to today's output could lead to re-evaluation of the above-mentioned intentions and other elements in this article.
12. Air Liquide has indicated that due to its deep interconnection with other companies, commitment from clients is an important aspect in the realization of the project portfolio described in this EoP.

3.3 Intention 3 – reduction of Air Liquide's local environmental impact

1. Parties intend to agree to monitor and periodically evaluate Air Liquide's local environmental impacts (e.g. in relation to potential emissions to water, air and soil), with the ambition to reduce these where feasible. Air Liquide thereby intends to realise emission levels comparable to the lower end of the BAT Associated Emission Level bandwidth.
2. The State seeks sufficient comfort that Air Liquide will further reduce its industrial NO_x emissions by 10% in 2030, when compared to 2022 emission levels (this implies an overall reduction of 38% NO_x in 2030 when compared to 2019 levels[7]).
3. Furthermore, Parties intend to explore what additional nitrogen reduction measures (e.g. the potential for end-of-pipe techniques) could be implemented to achieve an emission reduction that goes further than the intention formulated in article 3.3.2. and what support is required from the State in terms of facilitating timely decision-making related to permitting (within its purview), infrastructure, amended regulations and financial feasibility, so that this can result in concrete tailor-made agreements between Parties. The mutual dependency and opportunities with the CO_2-reduction path will also be taken into account.
4. Air Liquide intends to assess the scope to further reduce emissions impacting nature and the environment.
5. In the JLoI phase more concrete goals will be formulated, based on the outcomes of the aforementioned research and monitoring, taking into consideration what is technically and financially feasible.

3.4 Intention 4 – accelerate the transition to a sustainable economy by fostering renewable and low carbon hydrogen markets

1. Air Liquide intends to mature a portfolio of large-scale renewable and low carbon hydrogen production projects (e.g. two new 200 MW electrolyser sites on the Rotterdam Maasvlakte and in Terneuzen for the production of renewable hydrogen). Investment decisions remain subject to Air Liquide's internal criteria.
2. In order to mature these hydrogen projects, Parties recognize that timely access to the electricity grid and timely availability of sufficient electricity grid transmission and distribution capacity is necessary.
3. The State intends to develop policies to enable investments in the renewable and low carbon hydrogen value chain, including furthering the development of a national and cross-border hydrogen market, development of power infrastructure and connections, subsidies, credits and streamlining in permitting procedures - both for industrial and mobility markets. Air Liquide

[7] 2019 is the benchmark year for the national industrial nitrogen policy framework, based on the RIVM report published in 2023 (Bepalen drempelwaarde piekbelasters aanpak, RIVM-briefrapport 2023-0313). As mentioned in the 'local environmental impact' section, Air Liquide already achieved a significant reduction of emissions in 2022. Therefore this year was chosen as the reference year for formulating the emission reduction intention for nitrogen.

emphasizes that specific support is needed for midstream assets for transporting hydrogen by road and waterways from production sites to customers and distributors.

4. Specifically, the State intends to explore support mechanisms to develop demand for low carbon and renewable hydrogen, to stimulate low carbon and renewable production processes (market pull). For renewable hydrogen, the State intends to explore ways in which an adequate market pull for the usage of renewable hydrogen by large hydrogen consumers such as refiners and chemical plants can be created, as well as direct use in transport, aiming at covering a significant part of the economic lifespan of new electrolysers. For low carbon hydrogen, the State intends to explore a feed-in mandate for low carbon hydrogen for flexible gas-fired power plants.

3.5 Intention 5 – accelerate the transition to a sustainable economy by fostering sustainable mobility decarbonization solutions (heavy-duty) mobility, inland shipping, short sea and aviation

1. Air Liquide aims to initiate, accelerate and mature on-road mobility and inland shipping decarbonization projects.
2. Air Liquide (via its H2E business line) has the ambition, with support of (the tailor-made approach by) the State, to:
    - develop a hydrogen liquefaction plant and associated necessary optimized distribution assets in the Netherlands; and
    - develop a gaseous hydrogen filling and distribution centre in the Netherlands as well as high capacity associated distribution assets to ensure that renewable hydrogen can be delivered efficiently to mobility customers.
3. Air Liquide shall continue to allocate resources and explore opportunities to (further) develop and accelerate hydrogen mobility projects in the Netherlands.
4. According to Air Liquide, to accomplish Intention 5, the following specific enablers are required:
    i. Financial support, where possible through (new or adapted) generic financial instruments (while considering, amongst others, European principles regarding state aid) for liquid and gaseous hydrogen midstream assets (including associated assets such as filling and distribution centres, hydrogen liquefiers, hydrogen refuelling stations, (liquid) hydrogen maritime and road containers and liquid and gaseous hydrogen on-road trailers). Financial support is needed due to the current stage of development of the hydrogen mobility market, where the costs of such assets exceed the willingness-to-pay of (heavy duty) road mobility and inland shipping providers, whilst current financial instruments focus merely on hydrogen production assets and its customers, without including the above mentioned midstream assets necessary for the distribution from production assets to the customers;
    ii. Implementation of regulatory incentives for (i) on-road and maritime transport of liquid and gaseous hydrogen, and (ii) application of liquid and gaseous hydrogen as a mobility fuel;
    iii. Timely access to the electricity grid and timely availability of sufficient electricity grid transmission and distribution capacity; and
    iv. Timely realization of permits with respect to the construction and operation of hydrogen liquefaction, filling and distribution assets as well as the construction of the pipeline connection with the Air Liquide existing hydrogen pipelines.
5. In this context, the State intends to facilitate, accelerate and scale-up the incentives for zero emissions mobility solutions through stimulating subsidy schemes, by facilitating, where possible and within its own purview, timely decision-making on permit applications for any relevant permits.
6. Parties intend to cooperate on exploration of initiatives that strengthen the market for direct use of hydrogen in (heavy-duty) on-road mobility and inland shipping, including possible incentive options. This will be further addressed in the JLoI phase.
7. Parties acknowledge that the creation of a supporting regulatory framework for the distribution and direct application of (gaseous and liquid) hydrogen in mobility markets (e.g. to reduce

uncertainties and accelerate the zero emission inland shipping laws & legislation) would contribute to the further evolution of these markets.

8. Air Liquide wishes to highlight that currently, no uniform regulation and legislation is applicable to the use of hydrogen (containers) as a fuel for (inland/sea-going) ships. Consequently, depending on the routing of the ship, certification respectively dispensation is required on a case-by-case basis from relevant authorities which causes uncertainties, delays and additional costs. The State intends to explore how it can contribute to facilitating the (inland/sea-going) shipping industry in the transition from fossil to renewable fuelled shipping by removing such barriers where possible.

4. Time schedule

The Parties share a joint sense of urgency. The Parties therefore have the ambition to draw up and agree to a JLoI by Q4 2024 or sooner.

5. Costs

Each Party bears its own costs associated with this EoP.

6. Interpretation of terms and substance of this document

1. The terms of this EoP are not legally binding nor legally enforceable upon either Party hereto.
2. The current EoP is only of an indicative, non-binding nature, which means inter alia that neither Party can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP; the EoP only serves the goal of affirming Parties' intention to engage in further discussions about the possibilities of additional CO_2 reduction.
3. Parties shall, after signing this EoP begin discussions on a JLoI, which will more specifically describe the plans of the State and Air Liquide in this respect.
4. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion either Party may terminate discussions at any time for any reason, in which case the terminating Party is not liable for any damages or compensation of costs towards (any of) the other Parties.
5. The Province of Zuid Holland is co-signing this EoP to express its support of the objectives and intentions of this EoP and to express its intention to participate in the upcoming discussions about the JLoI and possibly becoming a party to that JLoI.
6. To the extent this EoP creates any legal relationship between the Parties, that legal relationship shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute about the interpretation or implementation of this EoP will be resolved through consultations between the Parties.

7. Other

This EoP comes into effect on the signature date.

[*Remainder of the page intentionally left blank – signature page on the next page*]

Signed in the Hague on 21 December 2023 in five original copies, each in the English language.

Minister of Economic Affairs and Climate Policy,

acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

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By: Mrs. M.A.M. Adriaansens

State Secretary of Infrastructure and Water Management,

acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

_____

By: Mrs. V.L.W.A. Heijnen

Air Liquide Industrie B.V., Air Liquide B.V. and Pergen V.O.F.

_____

All represented by: Mr. G.J. ten Cate

Co-signed in The Hague on 19 December 2023.

The Provincial Executives of the Province of Zuid-Holland (Gedeputeerde Staten),

acting as administrative body (bestuursorgaan) and the royal commissioner of the Province of Zuid-Holland, acting as a representative of the Province of Zuid-Holland, on his behalf,

_____

By: Mrs. J. N. Baljeu