

Ambit Illinois, LLC Customer Select Program NICOR Gas Supply Terms of Service Agreement

VERSION DATE: SEPTEMBER 12, 2018

The following is your Terms of Service ("Agreement") with Ambit Illinois, LLC, d/b/a Ambit Energy, a wholly owned subsidiary of Ambit Energy Holdings ("Ambit Energy" or "Ambit") for the purchase of natural gas service.

Ambit Energy agrees to sell, and Customer agrees to buy, the quantity of natural gas delivered to you, as measured or estimated by your Natural Gas Distribution Company (NGDC). Ambit Energy is an Alternative Gas Supplier (AGS) and will supply natural gas for your residence or business address as specified in the Disclosure Statement, which is hereby made an integral part of the Agreement. By enrolling for service with Ambit Energy, you agree to be bound by this Agreement and pay for the natural gas service Ambit Energy provides to you under this agreement. The words "we," "us" and "our" refer to Ambit Energy, and the words "you" and "your" refer to the Customer. Please retain this Agreement, the Disclosure Statement for your records.

Ambit Energy is licensed an Alternative Gas Supplier with the Illinois Commerce Commission (ICC) to offer and supply natural gas services in the state of Illinois. Ambit Energy sets the supply prices and charges that you pay. NICOR Gas will deliver the natural gas to you. The Illinois Commerce Commission regulates distribution prices and services. The Federal Energy Regulatory Commission (FERC) regulates transmission prices and services.

CONTACT INFORMATION:

For questions concerning your rate, service initiation or service cancellation, please contact Ambit Energy using the contact information below:

Ambit Energy

Internet Address: www.ambitenergy.com

P.O. Box 864589

Plano, TX 75086

Customer Service (877) 282-6248

Fax (877) 805-5606

Operating Hours:

Monday - Friday 8:00 a.m. - 6:00 p.m. CT

Saturdays 10:00 a.m. - 5:00p.m. CT

In the event of a power outage or gas leak, please contact your Natural Gas Distribution Company:

NICOR (888) 642-6748

Illinois Commerce Commission

527 East Capitol Avenue, Springfield, Illinois 62701

(800) 524-0795

TTY (for the hearing impaired only): (800) 858-9277

Internet Address: <http://www.icc.illinois.gov>

SERVICE TERM AND PRODUCT SELECTION: Depending on which plan you have selected, your service under this Agreement is provided under either a fixed-rate ("term") product or a variable-rate ("month-to-month") product, as specified in the Disclosure Statement. If you are a new Customer, your selected product will become effective on the day your service begins with Ambit Energy, which coincides with the date your meter is read by the NGDC. Because this date is determined by your NGDC, Ambit Energy is not able to commit to a specific date for the commencement of service. Product changes should be submitted two (2) weeks prior to your meter read to take effect at the start of your next billing period. Any requests made less than two (2) weeks in advance may delay the start of the new product until the following billing period.

Guaranteed Savings Plan - Natural Gas:

Ambit's Guaranteed Savings Plan is a variable-rate product which assures a savings of at least 1% compared to the NGDC's published rates for the same 24-month period provided you receive service from Ambit for twenty-four (24) consecutive months beginning on the meter read date after you enroll in this Plan. The guaranteed savings calculation is inclusive of all Ambit credits (such as Customer referral credits), and will be compared to the NGDC's published supply rates for the same 24-month period that you are enrolled in the Guaranteed Savings Plan. The Customer is responsible for all applicable taxes and NGDC charges. The evaluation and notification of savings will typically be completed within three (3) months following the twenty-fourth (24) consecutive billing cycle on the plan. **A renewal notice will be sent to you at least thirty-five days (35) prior to the end of your guaranteed savings expiration. You must renew your Guaranteed Savings Plan to continue to receive the savings guarantee. If you fail to take action to ensure the continued receipt of retail energy service upon the contract's expiration, you will automatically continue to be served by Ambit Energy pursuant to a default variable-rate product on a month-to-month basis unless you select another product or retail energy supplier. You always have the option to choose another plan should this occur.** Savings guarantees only apply to products that have "Guaranteed Savings Plan" in the product name.

You may renew online by logging on to your account management site at www.ambitenergy.com, calling Customer Care at (877) 282-6248 or by faxing your request to renew your plan to (877) 805-5606. Please state that you would like to renew your Guaranteed Savings Plan, include your account number and sign the fax. If Ambit Energy does not receive a request to renew your plan, your service will continue on the Illinois Select Variable Natural Gas plan.

Illinois Select Variable Natural Gas:

Variable-rate products shall commence for a one (1) month term ("Initial Term") and thereafter rates are subject to change at the discretion of Ambit Energy. This Agreement shall automatically renew for successive one (1) month periods ("Renewal Term") unless either party notifies the other party of its desire not to renew, at least thirty-five (35) days prior to the next meter read date. Variable-rate products are subject to change without notice and may change due to current and predicted weather patterns, retail competition, wholesale commodity energy cost, fluctuations in energy supply and demand, industry regulations, pricing strategies, cost to serve Customers, among many factors.

Customer understands and acknowledges that product selection at enrollment is subject to Ambit Energy approval, based upon the premise type and/or service class that was previously assigned to Customer's account by Customer's NGDC. If the information received from the NGDC does not match the requested Ambit Energy product, Customer agrees that Ambit Energy may switch the product type to match information received from the NGDC, if such a product is currently offered by Ambit

Ambit Illinois, LLC

Customer Select Program NICOR Gas Supply

Terms of Service Agreement

Energy. Customer understands that if the product is changed to one which matches the correct premise/service class type, rates may vary. You will receive written notice of the product's terms and will have the ability to exercise your right of rescission as described in the Disclosure Statement. If a corresponding product is not available, Ambit Energy reserves the right to drop the customer back to the NGDC.

BILLING: As an Ambit Energy gas supply Customer, under NICOR's Customer Select Program, Customer will receive one convenient bill for both the NGDC services and Ambit Energy commodity-supply services. Your bill will be issued by NICOR, and will contain commodity related charges, transportation and distribution charges, applicable taxes, and other applicable charges. You agree to continue to pay NICOR for the entire gas bill under the NGDC's payment terms and conditions. If Customer elects to pay under the NGDC's budget bill payment plan, Customer understands that this service will be controlled by the NGDC, but only applies to the NGDC's charges. In Ambit Energy's sole discretion, it may issue invoices or treatment notices directly to Customer and would require the Customer to pay Ambit Energy directly for such invoices and respond to treatment notices directly from Ambit Energy. Such Ambit Energy-issued invoices would include the commodity price per therm, applicable charges, applicable taxes, and may also include NGDC's transportation and distribution costs, applicable charges, and applicable taxes. If NICOR fails to provide Ambit Energy with usage volume for any billing cycles during the winter months, Ambit Energy reserves right to estimate usage volumes based on historical usage data. You may be required to pay a deposit to initiate service with Ambit Energy. At all times, the total of all deposits on file with Ambit Energy, including both initial and additional deposits, shall not exceed 1/6 of Customer's annual consumption for residential and Commercial Customers. Ambit Energy reserves the right to require Customer to pay a deposit to continue receiving gas supply from Ambit Energy under NICOR's Customer Select Program if Customer is forty-five (45) days or more in arrears on any due and outstanding balance. Upon the issuance of a deposit request, Customer must pay the deposit within fifteen (15) days from the deposit notice issuance date. The issuance date is the date stated on the notice or the postmark date on the envelope, whichever is later. If Customer fails to pay the required deposit within fifteen (15) days of the issuance date, Ambit Energy may terminate this Agreement without further notice. Such deposit shall not exceed \$100.00 and will only apply if Customer does not have a deposit on file with Ambit Energy at the time the Customer is in arrears. For any due and outstanding balances, Ambit Energy can use the deposit Customer posted to off-set unpaid past due balances. Customer agrees to pay all amounts owed to Ambit Energy for services rendered to Customer by Ambit Energy. If Customer fails to pay Customer's bill within twenty-one (21) days of the invoice date (the "Bill Due Date"), Ambit Energy reserves the right to charge a 1.5% monthly late fee of the amount past due, calculated from the Bill Due Date. Customer will pay each monthly bill in full in accordance with regulatory requirements of the Illinois Commerce Commission or be subject to a late payment charge calculated in accordance with the Commission's rules. If Customer fails to pay NICOR for the natural gas supply component as supplied to Customer by Ambit Energy, Customer will owe the unpaid amount to Ambit Energy. Ambit Energy reserves the right to withhold or subtract unpaid or past due Customer balances from any refunds owed to the Customer. In Ambit Energy's sole discretion, it may elect to provide a budget billing option. If Customer's account is placed in collections due to non-payment or under-payment, Customer shall be responsible for any costs incurred by Ambit Energy related to the enforcement of this agreement, including Ambit Energy's legal fees and court costs.

ASSIGNMENT: Ambit Energy may assign this contract to an alternative gas supplier certified by the ICC, subject to regulatory authorization. Prior to

assigning this Agreement, Ambit Energy shall give NICOR and Customer no less than thirty (30) days' prior written notice before an assignment. If Ambit Energy assigns Customer's contract, the assignee will honor the terms of this Agreement, and any material changes will allow Customer to opt out of the new provisions at no cost.

LIMITATION OF LIABILITY: Ambit Energy assumes no liability or responsibility for losses or consequential, special, punitive or indirect damages arising from this Agreement or any services provided by NICOR. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY SHALL NOT EXCEED THE AMOUNT PAID BY CUSTOMER UNDER THIS AGREEMENT. The natural gas delivered under this Agreement meets all applicable quality standards. Ambit Energy disclaims all other warranties, including warranties of merchantability and fitness for a particular purpose. Customer agrees to indemnify and hold harmless NICOR for any obligations of Ambit Energy and claims arising out of Customer's failure to comply with the terms of this Agreement.

MISCELLANEOUS: By entering this Agreement, Customer is appointing Ambit Energy as Customer's agent for purposes of procuring Customer's natural gas supply needs and grants Ambit Energy authorization to access Customer's account information, including account number(s), meter number(s), payment history and credit history. Customer authorizes Ambit Energy to perform a credit check on Customer to obtain your credit rating, and for commercial Customers, a Dun & Bradstreet report, if applicable. Ambit Energy will pay the charge to obtain Customer credit information, and will not pass this charge onto the Customer. Additionally, Ambit Energy may require additional credit assurance from Commercial Customers, and such Customers are required to provide this assurance within twenty (20) days upon request. Ambit Energy reserves the right to withdraw any offers under this Agreement at any time without notice for any Customer that has not yet enrolled in any plan covered by this Agreement. Ambit Energy may choose to not accept this Agreement for any reason except that Ambit Energy will never discriminate or deny service based on race, income, or gender. Ambit Energy shall not deny service based on locality, nor establish any unreasonable difference as to prices, terms, conditions, services, products, or facilities between localities. This Agreement constitutes the entire Agreement between Ambit Energy and Customer, and any previous agreements or oral statements are null and void and you agree that you did not rely on any oral representations other than in accordance to what is stated in this Agreement. Any notice required under this Agreement is effective when mailed to the last known mailing address on file for the parties to this Agreement.

DELAY OR FAILURE TO EXERCISE RIGHTS: No partial performance, delay or failure on the part of Ambit Energy in exercising any rights under this Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.

FORCE MAJEURE: The term "Force Majeure" shall mean any cause not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence, such Party is unable to prevent or overcome, including but not limited to, any act or cause which is deemed a Force Majeure by the NGDC or any transportation or transmitting entity. If either party is unable, wholly or in part, by Force Majeure to perform or comply with any obligations or conditions of this Agreement, such party shall give immediate written notice, to the maximum extent practicable, to the other party. Such obligations or conditions, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, and such party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during the period. The party claiming suspension of obligations must in good faith attempt to mitigate and/or terminate the Force Majeure.

TAXES AND LAWS: Except as otherwise provided in this Agreement or by law, all taxes of whatsoever kind, nature and description, due and payable with respect to Customer's performance of its obligations under this Agreement,

Ambit Illinois, LLC

Customer Select Program NICOR Gas Supply

Terms of Service Agreement

shall be paid by Customer. The parties' obligations under this Agreement are subject to present and future legislation, orders, rules, or regulations of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided herein.

ENTIRE AGREEMENT: This Agreement sets forth the entire agreement between the parties with respect to the terms and conditions of this transaction; any and all other agreements, understandings and representations by and between the parties with respect to the matters addressed herein are superseded by this Agreement.

ACCEPTANCE AND AMENDMENTS: This Agreement shall not become effective until accepted by Ambit Energy. Ambit may amend the terms of this Agreement at any time, consistent with any applicable law, rule or regulation, by providing notice to Customer of such amendment at least thirty (30) days prior to the effective date thereof. Ambit Energy will supply Customer with a current version of this document annually and upon request. However, any amendment of the Dispute Resolution, Binding Arbitration Clause and Class Action Waiver shall not apply retroactively to any claim initiated or accrued prior to the date of amendment. Any such claim shall be governed by the terms of the Dispute Resolution, Binding Arbitration Clause and Class Action Waiver in effect on the date the claim accrued.

GOVERNING LAW: This Agreement shall be governed by, enforced and performed in accordance with the rules of ICC. If at some future date there is a change in any law, rule, regulation or pricing structure, or there is a regulatory or judicial ruling or decision which shall have a detrimental economic impact upon Ambit's performance under this Agreement, or in the event that compliance with such change, ruling or decision shall result in a material change in the way prices are calculated under this Agreement, or a material change in the level of components of pricing under this Agreement, Ambit shall have the right to change this Agreement with thirty-five (35) days' notice to the Customer. Upon receipt of written notice of a material change, Customer may terminate this agreement prior to the date such change becomes effective without penalty.

DISPUTE RESOLUTION BY BINDING ARBITRATION:

PLEASE READ THIS CAREFULLY. IT AFFECTS YOUR RIGHTS.

Summary:

Most Customer concerns can be resolved quickly and to the Customer's satisfaction by calling our Customer Care department at (877) 282-6248. Customer can also contact Ambit in writing at P.O. Box 864589 Plano, TX 75086. Also, the Customer dispute or complaint may be submitted by either party at any time to the ICC pursuant to its Complaint Handling Procedure. Payment obligation for disputed amounts may be withheld until such dispute is resolved through mutual agreement or as warranted by ICC decision. **ALL OTHER DISPUTES SHALL BE HANDLED PURSUANT TO THE ARBITRATION AND CLASS ACTION WAIVER BELOW.**

In the unlikely event that Ambit's Customer Care department or ICC is unable to resolve a complaint you may have to your satisfaction (or if Ambit has not been able to resolve a dispute it has with you after attempting to do so informally), we each agree to resolve those disputes through binding arbitration or small claims court instead of in courts of general jurisdiction. Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award. **ANY ARBITRATION UNDER THIS AGREEMENT WILL TAKE PLACE ON AN INDIVIDUAL BASIS; CLASS ARBITRATIONS AND CLASS ACTIONS ARE NOT PERMITTED.** For any non-frivolous claim that does

not exceed \$75,000, Ambit will pay all costs of the arbitration. Moreover, in arbitration you are entitled to recover attorneys' fees from Ambit to at least the same extent as you would be in court.

In addition, under certain circumstances (as explained below), Ambit will pay you more than the amount of the arbitrator's award and will pay your attorney (if any) twice his or her reasonable attorneys' fees if the arbitrator awards you an amount that is greater than what Ambit has offered you to settle the dispute.

ARBITRATION AGREEMENT

(1) Ambit and you agree to arbitrate **ALL DISPUTES AND CLAIMS** between us. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to:

- claims arising out of or relating to any aspect of the relationship between us, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory;
- claims that arose before this or any prior Agreement (including, but not limited to, claims relating to advertising);
- claims that are currently the subject of purported class action litigation in which you are not a member of a certified class; and
- claims that may arise after the termination of this Agreement.

References to "Ambit," "you," and "us" include our respective subsidiaries, affiliates, agents, employees, predecessors in interest, successors, and assigns, as well as all authorized or unauthorized users or beneficiaries of services or Devices under this or prior Agreements between us.

Notwithstanding the foregoing, either party may bring an individual action in small claims court. This arbitration agreement does not preclude you from bringing issues to the attention of federal, state, or local agencies, including, for example, the Federal Trade Commission. Such agencies can, if the law allows, seek relief against us on your behalf. **YOU AGREE THAT, BY ENTERING INTO THIS AGREEMENT, YOU AND AMBIT ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY OR TO PARTICIPATE IN A CLASS ACTION.** This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this provision. This arbitration provision shall survive termination of this Agreement.

(2) A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to Ambit should be addressed to: Legal Department, Ambit Energy, 1801 North Lamar Street, Suite 600, Dallas, TX 75202. ("Notice Address"). The Notice must (a) describe the nature and basis of the claim or dispute; and (b) set forth the specific relief sought ("Demand"). If Ambit and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or Ambit may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by Ambit or you shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or Ambit is entitled. You may download or copy a form Notice and a form to initiate arbitration at ww2.ambitenergy.com/arbitration-forms.

(3) After Ambit receives notice at the Notice Address that you have commenced arbitration, it will promptly reimburse you for your payment of the filing fee, unless your claim is for greater than \$75,000. (The filing fee currently is \$200 for claims under \$10,000 but is subject to change by the arbitration provider. If you are unable to pay this fee, Ambit will pay it directly upon receiving a written request at the Notice Address.) The arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. The AAA Rules are available online at adr.org, by calling the AAA at (800) 778-7879, or by writing to the Notice Address. (You may obtain information that is designed for non-lawyers about the arbitration process at ww2.ambitenergy.com/arbitration-information.)

Ambit Illinois, LLC

Customer Select Program NICOR Gas Supply

Terms of Service Agreement

The arbitrator is bound by the terms of this Agreement. All issues are for the arbitrator to decide, except that issues relating to the scope and enforceability of the arbitration provision are for the court to decide. Unless Ambit and you agree otherwise, any arbitration hearings will take place in the county (or parish) of your billing address. If your claim is for \$10,000 or less, we agree that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based. Except as otherwise provided for herein, Ambit will pay all AAA filing, administration, and arbitrator fees for any arbitration initiated in accordance with the notice requirements above. If, however, the arbitrator finds that either the substance of your claim or the relief sought in the Demand is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of all such fees will be governed by the AAA Rules. In such case, you agree to reimburse Ambit for all monies previously disbursed by it that are otherwise your obligation to pay under the AAA Rules. In addition, if you initiate an arbitration in which you seek more than \$75,000 in damages, the payment of these fees will be governed by the AAA rules.

(4) If, after finding in your favor in any respect on the merits of your claim, the arbitrator issues you an award that is greater than the value of Ambit's last written settlement offer made before an arbitrator was selected, then Ambit will:

- pay you the amount of the award or \$10,000 ("the alternative payment"), whichever is greater; and
- pay your attorney, if any, twice the amount of attorneys' fees, and reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration ("the attorney premium").

If Ambit did not make a written offer to settle the dispute before an arbitrator was selected, you and your attorney will be entitled to receive the alternative payment and the attorney premium, respectively, if the arbitrator awards you any relief on the merits. The arbitrator may make rulings and resolve disputes as to the payment and reimbursement of fees, expenses, and the alternative payment and the attorney premium at any time during the proceeding and upon request from either party made within 14 days of the arbitrator's ruling on the merits.

(5) The right to attorneys' fees and expenses discussed in paragraph (4) supplements any right to attorneys' fees and expenses you may have under applicable law. Thus, if you would be entitled to a larger amount under the applicable law, this provision does not preclude the arbitrator from awarding you that amount. However, you may not recover duplicative awards of attorneys' fees or costs. Although under some laws Ambit may have a right to an award of attorneys' fees and expenses if it prevails in an arbitration, Ambit agrees that it will not seek such an award.

(6) The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. **YOU AND AMBIT AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.** Further, unless both you and Ambit agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding. If this specific provision is found to be unenforceable, then the entirety of this

arbitration provision shall be null and void.

(7) Notwithstanding any provision in this Agreement to the contrary, we agree that if Ambit makes any future change to this arbitration provision (other than a change to the Notice Address) during the term of your Agreement, you may reject any such change by sending Ambit written notice within thirty (30) days of change to the Notice Address provided above. By rejecting any future change, you are agreeing that you will arbitrate any dispute between Ambit in accordance with this provision.