

Trading Agreement 3

Gross Bidding Agreement

[Insert Company name]

Nord Pool Spot AS

Obsolete

GROSS BIDDING AGREEMENT

Notice

Please ensure that this document when executed does not contain any square brackets, footnotes, explanatory notes etc except those which are intended to remain in the document (if any). Please initial each page in the bottom right hand corner, and ensure that signatures are by duly authorised persons.

entered into between

[Insert Company name], with reg. no. **[Insert registration number]** in the [insert home state] Company Register (the "**Participant**");

and

Nord Pool Spot AS, a Norwegian limited company with reg. no **984 058 098** in the Norwegian Company Register ("**NPS**").

The Participant and NPS are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

1 GENERAL

- 1.1 NPS operates the Physical Market(s) as described in the Trading Rules and offers a gross bidding arrangement to eligible Participants on the terms and conditions of this agreement.
- 1.2 This agreement includes additional provisions regarding Trading in Elspot by Participants with both Sales Portfolios and Purchase Portfolios and supplements the relevant membership agreements with the Participant and the Trading Rules.
- 1.3 This agreement applies only to Sales Portfolios and Purchase Portfolios placed under one transmission system operator.

2 INTERPRETATION

- 2.1 Terms and expressions defined in the Definitions of the Trading Rules (Trading Appendix 1 to the Trading Rules) shall have the same meaning when used in this agreement, and any principles of interpretation of the Trading Rules shall apply accordingly to this agreement. In addition, the following terms shall have the meaning ascribed to them below:
 - a. "**Fee Schedule**" means Trading Appendix 6 to the Trading Rules
 - b. "**Gross Bidding**" means the placement of Orders and Transactions in electricity on the Physical Market under an arrangement entailing that a reduced fee is paid for the amount of purchase and sales volumes that nets to zero whereas standard fees are paid for the remaining volume (and this agreement constitutes such an arrangement).
 - c. "**Gross Volume Fee**" means the fees specified as such in the Fee Schedule.
 - d. "**Group**" means the Participant, any entity controlled by the Participant, any entity that controls the Participant as well as any entity under common control with the Participant.
 - e. "**Purchase Portfolio**" means the electricity purchases carried out by the Participant and/or any member of the Participant's Group.
 - f. "**Sales Portfolio**" means the electricity sales generated by the Participant's own production of electricity (or that of any member of its Group) and/or sales based on

other procurement agreements entered into by the Participant and/or any member of its Group.

- g. **"Standard Volume Fee"** means fees in the Fee Schedule not being Gross Volume Fees.
- h. **"Trading Rules"** means the rules issued by NPS at any time to govern Trading on the Physical Markets, including the Trading Appendices and the Trading Agreements.

2.2 In the event of conflict with the Trading Rules this agreement shall prevail.

3 GROSS BIDDING

3.1 The Participant undertakes to conduct Gross Bidding in accordance with this agreement and the Trading Rules.

3.2 The Participant undertakes to carry out Gross Bidding for all Sales Portfolios and Purchase Portfolios. By entering into this Gross Bidding Agreement, the Participant refrains from internal netting/matching of purchase interests in the Purchase Portfolio(s) with sales interest in the Sales Portfolio(s)

3.3 NPS may, at its discretion and subject to available functionality of applicable systems, implement technical measures to ensure the Participant's compliance with Section 3.2.

4 GROSS BIDDING FEES

4.1 The Participant carrying out Gross Bidding shall pay Trading fees in accordance with this Section 4.

4.2 To the extent that the gross volumes traded under the Gross Bidding Portfolios are corresponding (i.e. nets to zero), the Participant shall be charged a Gross Volume Fee with respect to the applicable volume (G). Any net difference in volumes traded under the Gross Bidding Portfolios (i.e. net surplus purchase or sales volume) shall be charged the Net Volume Fee with respect to the applicable volume (N).

4.3 The total Trading Fees for Gross Bidding Portfolios will be calculated as follows:

$Total\ Fee = (VFs * N) + (VFg * G)$, where

VFs = Net Volume Fee.

VFg = Gross Volume Fee.

N = the net value, calculated as the absolute value of the difference between the applicable sales volume and applicable purchase volume: (= abs (S-P))

S = the gross sales volume

P = the gross purchase volume

G = the gross volume, calculated as the sum of the gross sales volume and the gross purchase volume minus the net value: (S+P - N)

4.4 There shall be a maximum Gross Volume Fee ($VFg * G$) per calendar year as stated in the Fee Schedule and any Gross Volume Fee in excess of such maximum amount shall not be charged to the Participant

4.5 There is no annual fixed fee for entering into this Gross Bidding Agreement. The annual fixed fee for one (1) portfolio shall be free of charge for Gross Bidding purposes, all additional portfolios shall be charged Trading Fees in accordance with the Fee Schedule.

4.6 Fees under this agreement will be calculated as part of the regular invoicing of the Participant pursuant to the Trading Rules.

5 COMPENSATION OF INTEREST

5.1 NPS shall partially compensate the Participant's loss of interest income due to the difference in payment dates for purchased and sold volumes. The interest compensation will be paid on basis of the amount paid on gross purchase volumes on any Trading Day, but always limited

to the amount receivable on gross sales volumes on the same Trading Day. The interest will be calculated for the period from (and including) the Clearing Day when the purchase price was paid to NPS until (and including) the latest Clearing Day prior to the Clearing Day when NPS paid to the Participant the sales price for the sales volume for the same Trading Day.

- 5.2 The calculation of the compensation of loss of interest income shall be made in accordance with the annual interest rate stated individually for each trading currency in the Fee Schedule, such annual interest rate to be based on general interest rate levels for each trading currency and stated in the Fee Schedule in advance for each month of the year.
- 5.3 The compensation is calculated and paid in arrears on a monthly basis on the basis of the actual number of calendar days elapsed divided by 365. The Participant will receive the compensation of interest in the currency of their sales portfolio.

6 CHANGES TO THE AGREEMENT

- 6.1 Amendments to this agreement require written agreement of both Parties.
- 6.2 Notwithstanding section 6.1, NPS may amend the Trading Rules in accordance with the provisions thereof.

7 TERM AND TERMINATION

- 7.1 This agreement shall take effect from **[insert date]**
- 7.2 Either Party may terminate this agreement with three (3) months written notice to the other Party.
- 7.2.1 In the event that the Participant Agreement is terminated this agreement shall terminate on the same date as the Participant Agreement.

8 MISCELLANEOUS

8.1 Notices.

- 8.1.1 Any notice required to be given under this agreement or the Trading Rules by the Participant shall be given by authorised representatives and in writing to authorised representatives of NPS, unless as otherwise prescribed in the Trading Rules.

8.2 Entire agreement

- 8.2.1 This agreement and the Trading Rules contain the whole agreement between NPS and the Participant relating to the subject matter of this agreement and the Trading Rules and supersede any previous arrangement, understanding or agreement between them relating to that subject matter.

- 8.2.2 Each Party acknowledges that, in entering into this agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty other than as expressly set out in this agreement and the Trading Rules.

- 8.2.3 Nothing in this Section 8.2 shall limit or exclude any liability for fraud

8.3 Severability

- 8.3.1 In the event that any one or more provisions of this agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions shall remain valid and enforceable.

8.4 Assignment

- 8.4.1 The Participant may not transfer, novate or assign this agreement or its rights under the Trading Rules without the prior written consent of NPS.

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8.5.1 In the event that any one or more provisions of this agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions shall remain valid and enforceable.

8.6 Assignment

8.6.1 The Participant may not transfer, novate or assign this agreement or its rights under the Trading Rules without the prior written consent of NPS.

8.7 Counterparts

8.7.1 This agreement may be executed in any number of counterparts, each of which when executed shall constitute an original of this agreement, but all the counterparts shall together constitute the same agreement.

8.8 Waiver

8.8.1 No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy.

9 CHOICE OF LAW AND DISPUTE RESOLUTION

9.1 This agreement shall be governed by, construed and take effect in accordance with Norwegian law.

9.2 The Norwegian courts shall have exclusive jurisdiction to settle any claim, dispute or difference that may arise out of or in connection with this agreement, including any question as to its existence, validity or termination.

9.3 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the Norwegian courts and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgement in any proceedings brought in the Norwegian courts shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction in accordance with the enforcement law of that jurisdiction.

* * *

IN WITNESS OF THEIR AGREEMENT each Party has caused its authorised representative to execute this agreement effective as of the date of signature by both Parties.

This agreement has been made in two (2) originals, and each Party keeps one (1).

For and on behalf of Company name

Signature

Name and title (printed letters)

Date:

For and on behalf of Nord Pool Spot AS

Signature

Name and title (printed letters)

Date:

Signatures
Authorised signatures are required in order to effectuate this Gross bidding Agreement. Authorised signatures are by person(s) having general signing authority for the Member.

Annex 1: Portfolios included for Gross Bidding purposes

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