

Clearing Rules

Schedule 4

Nord Pool AS

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1 CLEARING OF PHYSICAL MARKETS BY NORD POOL

- 1.1 Nord Pool operates the Physical Markets in accordance with the Rulebook and is responsible for the Clearing of all Transactions in accordance with these Clearing Rules.
- 1.2 Transactions concluded on a Trading System are automatically and mandatorily subject to Clearing in accordance with these Clearing Rules.
- 1.3 Clearing is effected by Nord Pool whereby, through an automatic process of novation, it becomes the central counterparty to the matched buyer and seller on each side of every Transaction.
- 1.4 Upon the conclusion of a Transaction on a Trading System and allocation of the Transaction to a Trading Portfolio, the Transaction will be immediately replicated (mirrored) to the Clearing Portfolio associated with the applicable Trading Portfolio, and Clearing Transactions are created and allocated to the applicable Clearing Accounts in accordance with Section 11.
- 1.5 Every Clearing Transaction will be allocated by Nord Pool to the appropriate Clearing Portfolio of the Clearing Account of the relevant Clearing Member, as further described in these Clearing Rules.
- 1.6 The Transaction Confirmation also serves as Clearing Confirmation from Nord Pool with respect to the corresponding pair of Clearing Transactions.
- 1.7 Clearing by Nord Pool is subject to the fees set out in the relevant Fee Schedule.

2 CLEARING MEMBERS

- 2.1 Nord Pool recognises the following categories of persons for Clearing purposes:
 - (a) Participants, who may have Clearing Transactions allocated to them in their own name and account; and
 - (b) Clients, who may have Clearing Transactions allocated to them in their own name and account, but only pursuant to Orders submitted by a Client Representative.
- 2.2 Nord Pool will only admit a person as a Clearing Member if it considers, in its absolute discretion, that such person is a fit and proper person for Clearing.

3 CONDITIONS OF ELIGIBILITY

- 3.1 Only Clearing Members are eligible to become a counterparty to Nord Pool in Clearing Transactions.
- 3.2 Each Clearing Member must (either directly or via an appropriate nominee) enter into and maintain a BRPA with a relevant Transmission System Operator (or its agent). If such agreement is terminated or suspended for any reason with respect to any Clearing Member, the Clearing Member in question must inform Nord Pool immediately. Nord Pool may in such case suspend the Clearing Member from Clearing and/or terminate such Clearing Member's Participant Agreement or Client Agreement (as appropriate).
- 3.3 A Clearing Member may conclude its BRPA through an appropriately qualified third party, in which case Nord Pool may require that such Clearing Member provides reasonable evidence of an agreement to this effect with such third party.

- 3.4 Each Clearing Member shall, in respect of each Clearing Transaction registered with Nord Pool for Clearing, and until all deliveries under that Clearing Transaction have been successfully completed:
- (a) appoint a Contact Person for Clearing in accordance with Section 3.3.1 of the General Terms;
 - (b) establish one or more Clearing Accounts with Nord Pool in accordance with Section 6;
 - (c) establish and nominate one or more Cash Settlement Accounts in accordance with Section 8;
 - (d) provide initial Collateral and have met its Collateral Calls in accordance with Section 16;
 - (e) not be in breach of any Trade Restriction applicable to it as set out in Section 18;
 - (f) not have had its access to Clearing or the Clearing Platform suspended or terminated in accordance with these Clearing Rules;
 - (g) in respect of the GB Market only:
 - (i) have established access to one or more Energy Account(s) and must ensure that Nord Pool is nominated as ECV Notification Agent in respect of the same in accordance with Section 22;
 - (ii) ensure that it or its nominated ECV Transferee (if applicable) is a party to and in compliance with the BSC in relation to each applicable Clearing Transaction; and
 - (iii) have conducted its affairs (and, if applicable, procure that its ECV Transferee has conducted its affairs) so as to not give any cause for any ECV Notification made on its or its ECV Transferee's behalf by Nord Pool to be refused, rejected, cancelled, disapplied or nullified (whether in whole or in part) on the grounds that it or its ECV Transferee is in Credit Default (as defined under the BSC) or any other default under the BSC or is not in compliance with any applicable credit cover requirements under the BSC.
- 3.5 Each Clearing Member must at all times, and immediately upon request from Nord Pool, be able to provide reasonably documentary evidence that it (or, where applicable, its ECV Transferee) fulfils the criteria of Section 3.4.

4 CONTINUING INFORMATION OBLIGATIONS ON CLEARING MEMBERS

- 4.1 Nord Pool may at any time and from time to time investigate and or monitor a Clearing Member's financial standing and soundness, level of competence and other matters relevant (in the opinion of Nord Pool) to the financial and legal status of the Clearing Member.
- 4.2 Each Clearing Member shall ensure that Nord Pool promptly upon request receives such financial and other information as Nord Pool in its reasonable discretion may request in order for Nord Pool to assess the eligibility and financial status of the Clearing Member at all times, even where such information is held by third parties. All such information shall be provided free of charge to Nord Pool.
- 4.3 Each Clearing Member shall immediately notify Nord Pool in writing as soon as the Clearing Member becomes aware that, or finds it likely that, any of the following events has occurred or will occur in relation to it:
- (a) any Default Event or Insolvency Event under the Rulebook;
 - (b) any breach of any representation and warranty given or made under the Rulebook;

- (c) any disciplinary, criminal, or regulatory proceedings related to its Trading or Clearing involving the Clearing Member (or any one or more of its officers, employees, agents or professional advisers);
 - (d) any merger, de-merger, or other business re-organisation of the Clearing Member affecting one-third or more of the Clearing Member's net capital value (as assessed by reference to the latest annual or interim accounts of the Clearing Member);
 - (e) any material change to its business;
 - (f) in the case of an undertaking with share capital, any reduction in its nominal share capital;
 - (g) any other matter relating to it which the Clearing Member acting in good faith would reasonably expect to be of interest to Nord Pool in relation to Clearing and its status as a Clearing Member; or
 - (h) In respect of GB Market only, any non-compliance or breach of it or its ECV Transferee of any requirement applicable under the BSC, including any non-compliance by it or its ECV Transferee with Sections 3.4(g)(ii) or (iii).
- 4.4 In respect of the GB Market only, a Clearing Member that has appointed an ECV Transferee shall upon request deliver such similar information as required pursuant to the terms of Section 4.2 as Nord Pool may require in relation to the ECV Transferee and its status as ECV Transferee, and shall procure that its ECV Transferee notifies Nord Pool in the event that any events analogous to those set out in Section 4.3 occur in respect of its ECV Transferee and which would reasonably be expected to be of interest to Nord Pool in relation to ECV Transfers, ECV Notifications and/or the ECVNA Authorisation in respect of the ECV Transferee.

5 TERMINATION AND SUSPENSION OF CLEARING ACCESS

- 5.1 Access to Clearing may be terminated and/or suspended pursuant to these Clearing Rules.
- 5.2 If Nord Pool decides to suspend or terminate a Clearing Member's access to Clearing, Nord Pool shall immediately notify the Clearing Member of such decision. In any case where a suspension of Clearing is lifted, Nord Pool will give notice to the Clearing Member as soon as practicable during normal business hours.
- 5.3 Upon valid and undisputed termination of a Clearing Member's access to Clearing for any reason, the Clearing Member may require accelerated termination of its access notwithstanding the applicable termination period in accordance with the Rulebook. The Clearing Member's right to accelerated termination is conditional upon the Clearing Member not having any Open Positions and not owing any amount to Nord Pool under the Rulebook other than, if applicable, fixed Pending Settlements that are secured by Collateral. Upon receipt of a written request for accelerated termination, and provided that the Clearing Member is eligible for accelerated termination in accordance with the foregoing provisions of this Section, Nord Pool shall suspend the Clearing Member's right to have new Clearing Transactions allocated and effect termination of the Clearing Member's access to Clearing as soon as practicable.
- 5.4 Termination of a Clearing Member's access to Clearing will not affect the Clearing Member's rights and obligations with respect to Clearing Transactions already allocated at the time of termination and these Clearing Rules shall remain in force for as long as the Clearing Member has Open Positions or owes any amount to Nord Pool. Nord Pool may require a Clearing Member to close out its Open Positions upon termination of the Clearing Member's access to Clearing, prior to effective termination, and may reasonably restrict a Clearing Member's ability

to enter into new Clearing Transactions except for Close-Out Transactions in the period from a valid termination notice is sent or received until termination becomes effective.

- 5.5 Following termination of a Clearing Member's access to Clearing, and subject to Nord Pool's rights in the Collateral pursuant to Section 24, and except as may otherwise follow from relevant Collateral arrangements, any remaining Collateral shall be released and/or returned as soon as practicable after the date of termination, provided that in each case all amounts owing to Nord Pool by the Clearing Member are undisputed and have been fully, finally and unconditionally paid or discharged to Nord Pool and to the extent the Clearing Member has no Open Positions. Nord Pool may furthermore withhold Collateral to the extent necessary to secure Pending Settlements.

6 CLEARING ACCOUNTS

- 6.1 Upon approving a Clearing Member, Nord Pool shall establish at least one Clearing Account in the name of such Clearing Member.
- 6.2 Each Clearing Account may contain one or more Clearing Portfolios, and must have associated with it, in the name of the Clearing Member:
- (a) a Cash Settlement Account; and
 - (b) where Collateral is to be provided by the Clearing Member in the form of a cash deposit, a Cash Collateral Account.
- 6.3 Clearing Accounts will be opened for registration of Clearing Transactions only while the Clearing Member has and continues to satisfy the conditions of eligibility in Section 3.4.
- 6.4 Collateral Calls and Cash Settlement Amounts will be calculated separately and individually for each Clearing Account. Individual Collateral Calls and Cash Settlement Amounts may not be aggregated or set off (netted) against each other except as set out in these Clearing Rules.
- 6.5 Clearing Members may request the establishment of one or more additional Clearing Accounts, subject to approval from Nord Pool. The provisions of this Section 6 will apply accordingly to all additional Clearing Accounts.
- 6.6 Establishment of, changes to and the closure of Clearing Accounts (including with respect to individual Clearing Portfolios within a Clearing Account) are subject to the procedures laid down by Nord Pool from time to time and may incur additional fees.
- 6.7 When approving a Client for Clearing, Nord Pool shall establish a Clearing Account in the name of the Client. The Client Representative shall have power to allocate Clearing Transactions and otherwise access information related to the Clearing Account opened in the name of its Client. The Client Representative shall be authorised to represent the Client in all Clearing Transactions without further verifications or actions by Nord Pool.

7 ENERGY ACCOUNTS (GB MARKET ONLY)

- 7.1 With respect to the GB Market only, each Clearing Member must nominate and maintain an Energy Account for each of its Clearing Accounts in accordance with the procedures laid down by Nord Pool from time to time.
- 7.2 Energy Accounts may be held either by the Clearing Member itself or an ECV Transferee of the Clearing Member, however all Energy Accounts associated with a single Clearing Account must be held by the same person.

- 7.3 Nomination of an Energy Account with an ECV Transferee is subject to the approval of Nord Pool. An ECV Transferee must be party to the BSC and fulfil all applicable criteria for being an ECV Transferee under the Clearing Rules, its ECV Transferee Agreement and the BSC at all times. Further regulations relating to ECV Transfers are set out in Section 22.
- 7.4 Changes to Energy Accounts are subject to the procedures laid down by Nord Pool from time to time and may incur additional fees.

8 CASH SETTLEMENT ACCOUNTS

- 8.1 Each Clearing Member must at its own cost establish and maintain at least one Cash Settlement Account.
- 8.2 Clearing Members may associate a Cash Settlement Account with one or more of its Clearing Accounts, provided that, where more than one Clearing Account is associated with any Cash Settlement Account, the appropriate Cash Settlement Amount will be calculated jointly for all Clearing Accounts associated with such Cash Settlement Account.
- 8.3 Nord Pool offers an automated Cash Settlement arrangement whereby Nord Pool will effect instructions to debit or credit a Cash Settlement Account as part of the Cash Settlement on each Banking Day. Clearing Members wishing to utilise such arrangements for their Cash Settlement Account(s) must enter into and maintain such banking arrangements as Nord Pool may reasonably require from time to time, and perform all such acts and instructions as Nord Pool or the Settlement Bank or non-Settlement Bank (as applicable) may require in order to affect such arrangements, including the issue of Cash Settlement Instructions. The Clearing Member remains responsible towards Nord Pool for any delayed or failed Cash Settlement that is not caused by the negligence of Nord Pool or otherwise excusable under the Clearing Rules.
- 8.4 Changes to Cash Settlement Accounts are subject to the procedures laid down by Nord Pool from time to time and may incur additional fees.

9 CASH COLLATERAL ACCOUNTS

- 9.1 If a Clearing Member wishes to provide Nord Pool with Collateral in the form of cash, it must at its own cost establish and maintain at least one Cash Collateral Account. Cash Collateral Accounts must be held with a bank that has been approved with Nord Pool for such purpose. In approving a bank Nord Pool may require that the holding bank for the Cash Collateral Account has an adequate Credit Rating (to be determined by Nord Pool), that the Cash Collateral Account is held in a jurisdiction acceptable to Nord Pool, that it facilitates automated balance requests from Nord Pool, and that it otherwise has an account setup and surrounding systems which in the opinion of Nord Pool are compatible with the Cash Collateral Account arrangements.
- 9.2 Cash Collateral Accounts may not be held with:
- (a) the Clearing Member itself; or
 - (b) an Affiliate of the Clearing Member; or
 - (c) any other entity which in the opinion of Nord Pool could entail an unacceptable credit risk or general business risk to Nord Pool's interest in the relevant Collateral in case of an Insolvency Event involving the Clearing Member or any of its group companies.

- 9.3 With respect to the Nordic/Baltic Market and the CE Market only, a Cash Collateral Account may, with the prior agreement of Nord Pool in its absolute discretion, be substituted by or used in addition to a Pledged Settlement Account for the purpose of satisfying a Clearing Member's Collateral requirements.
- 9.4 Changes to Cash Collateral Accounts shall be subject to such procedures as may be stipulated by Nord Pool from time to time.

10 CLEARING PROCEDURES

- 10.1 Upon the formation of a Transaction (the "**Original Transaction**") in accordance with Sections 1.4 or 11.2 (as applicable), the Original Transaction will be replaced, by a process of automatic novation, with two corresponding Clearing Transactions.
- 10.2 For each pair of Clearing Transactions created in this way with respect to each Original Transaction:
- (a) Nord Pool will as the new counterparty to each Clearing Transaction assume, with respect to each original buyer or seller (as the case may be), all the rights and obligations of the original counterparty to such buyer or seller; and
 - (b) each counterparty's rights and obligations towards the other counterparty under the Original Transaction will be replicated and replaced with corresponding rights and obligations as between, respectively, such counterparties and Nord Pool.
- 10.3 Upon the creation of each corresponding pair of Clearing Transactions in accordance with Sections 10.1 and 10.2, the Original Transaction shall cease to exist and, except as set out in Section 12, the parties to the Original Transaction shall have no rights or obligations towards each other in respect of the Original Transaction.
- 10.4 Clearing Transactions will be allocated as follows:
- (a) Each Clearing Transaction to which a Clearing Member is counterparty shall be allocated to the relevant Clearing Portfolio within the Clearing Account of the relevant Clearing Member.
 - (a) Upon allocation of a Clearing Transaction to a Clearing Account, and subject to Section 12, the Clearing Transaction shall be offset against the Open Position of such Clearing Account, creating a revised Open Position on such Clearing Account.
 - (b) Each Clearing Member's obligations with respect to the Clearing Transactions previously allocated to such Clearing Account shall forthwith and automatically be replaced by an adjusted set of obligations to make Deliveries and/or Cash Settlements resulting from the new Open Position in accordance with the Clearing Rules.
 - (c) Any Transaction Information retained in the Clearing Portfolios is for informational use only.
 - (d) With respect to the GB Market only, notwithstanding paragraphs ((a)) through (c) above, Energy Contract Volumes are calculated and notified separately to the ECV Aggregation Agent in accordance with Section 21.
- 10.5 The Clearing Transactions allocated to a Clearing Account shall, in the absence of any material allocation error, represent the definitive record, as between Nord Pool and the Clearing Member, of the Clearing Transactions attributable to such Clearing Member.
- 10.6 Each Clearing Member acknowledges and agrees that the terms of these Clearing Rules shall be deemed to form a master agreement between the Clearing Member and Nord Pool for all

Clearing Transactions entered into by it, and that these Clearing Rules shall bind the Clearing Member in relation to all its Clearing Transactions. Each Clearing Transaction is accepted by Nord Pool in reliance upon the fact that all Clearing Transactions with each Clearing Member constitute a single business and contractual relationship with that Clearing Member and that each Clearing Transaction is made in consideration of each other Clearing Transaction.

- 10.7 Each Clearing Member agrees to perform all of its obligations with respect to each Clearing Transaction to which it is a counterparty and, except insofar as otherwise expressly stated in these Clearing Rules, agrees and accepts:
- (a) that a default in the performance of any such obligation shall constitute a default by it in respect of all Clearing Transactions to which it is a counterparty under these Clearing Rules;
 - (b) that Nord Pool shall be entitled to set off claims and apply property held by it in respect of any Clearing Transaction to which it is a counterparty against obligations owing to it in respect of any other Clearing Transactions; and
 - (c) that payments, Deliveries and other transfers made by either Nord Pool or the Clearing Member with respect to any Clearing Transaction shall be deemed to have been made in consideration of payments, Deliveries and other transfers with respect to any other Clearing Transactions between Nord Pool and such Clearing Member, and the obligations to make any such payments, Deliveries and other transfers may be applied against each other and netted.

11 HANDLING OF TRADING ERRORS

- 11.1 For Clearing Transactions resulting from Transactions conducted on a Trading System, Nord Pool will handle complaints related to Trading Errors in accordance with the Rulebook. Any changes or cancellations in a Transaction made by Nord Pool will trigger a corresponding change or cancellation to the corresponding Clearing Transactions. A Clearing Member may not raise any other objections against Nord Pool in respect of Trading Errors.
- 11.2 Notwithstanding Section 11.1, Nord Pool may correct substantial errors involving the allocation of Clearing Transactions. Any such correction will be binding on the Clearing Members involved. Nord Pool shall not be liable to any Clearing Member for any exercise or non-exercise of its powers under this Section 11.2, provided that it has acted in good faith.

12 INFORMATION SERVICES AND REPORTS

- 12.1 Nord Pool will provide continuous information about each Clearing Member's Open Position in each Product Series and on each Clearing Portfolio and Clearing Account, including information about Cash Settlement and Collateral. Nord Pool will make such information available to the Clearing Member through reports in the Clearing Platform and through such other means as Nord Pool decides.
- 12.2 Unless as otherwise set out in these Clearing Rules, reports found in the Clearing System are offered as a service for information purposes only, and Nord Pool makes no warranty express or implied that the reports are updated in real-time or that they are correct in all respects.
- 12.3 For each Clearing Day, Nord Pool will make available static reports relating to each Clearing Account for the previous Clearing Day at such time as set out in the Clearing Schedule. These reports form the basis of the Collateral Call and the Cash Settlements relating to that Clearing Day.

- 12.4 Client Representatives will have access to the same information and reports as the Clients for all Clearing Accounts for which they are nominated as Client Representative.

13 CLIENT TRANSACTIONS

- 13.1 The following provisions will apply with respect to all Clearing Transactions derived from Client Transactions:
- (a) A Participant may only act as a Client Representative when approved by Nord Pool to do so under a valid and effective Client Agreement.
 - (b) All communication between Nord Pool and the Client relating to Client Transactions shall take place exclusively through the Client Representative, unless Nord Pool in its discretion decides to involve the Client.
 - (c) Such Clearing Transactions shall be allocated to the Clearing Account of the relevant Client.
 - (d) The Client shall, subject only to Section 12, become the counterparty to Nord Pool in respect of all such Clearing Transactions as are validly allocated to the Clearing Account of the Client.
 - (e) The Client Representative shall check that each of its Clients has posted an appropriate level of Collateral with Nord Pool prior to the allocation of any Client Transactions to the Client's Clearing Account.
 - (f) Nord Pool shall inform the Client Representative if a Client fails to post Collateral in accordance with any Collateral Call.

14 COLLATERAL CALLS: GENERAL

- 14.1 Each Clearing Member is responsible for ensuring that an appropriate amount of Collateral is posted and maintained with Nord Pool at all times in accordance with these Clearing Rules.
- 14.2 Clearing Members may choose to provide Collateral through any one of, or any combination of, such forms of Collateral as may be permitted by Nord Pool from time to time.
- 14.3 All Collateral arrangements shall be subject to the express approval of Nord Pool.
- 14.4 Unless otherwise specified in these Clearing Rules, the Collateral posted by or on behalf of each Clearing Member may be applied by Nord Pool jointly and severally to any one or more of its Clearing Accounts.
- 14.5 Nord Pool may at any time reject and/or depreciate the recognized value of all or any part of the Collateral posted with it by any Collateral Provider if it:
- (a) has reasonable cause to believe that the Collateral Provider, or any Affiliate of the Collateral Provider, is subject to an Insolvency Event that could reasonably affect the anticipated realisation value of, or Nord Pool's security interest in, the relevant Collateral;
 - (b) deems that the Credit Rating of the relevant Collateral Provider and/or the Settlement Bank or non-Settlement Bank (as applicable), is no longer acceptable to it;
 - (c) the provision of such Collateral from the Collateral Provider, or held with the Settlement Bank or non-Settlement Bank (as applicable), would entail a concentration risk to Nord Pool; or

- (d) becomes aware of any other circumstances that may adversely affect the anticipated realisation value of, or Nord Pool's security interest in, the relevant Collateral.
- 14.6 The affected Clearing Member will be notified immediately of any decision pursuant to Section 14.5 above. Following such decision, Nord Pool may in its absolute discretion:
- (a) issue an Extraordinary Collateral Call to such Clearing Member to cover the shortfall in the required amount of Collateral and/or;
 - (b) suspend the Clearing Member from Clearing until it is satisfied that suitable additional Collateral has been provided or that the situation has otherwise been remedied.
- 14.7 An outstanding Collateral Call shall be deemed to have been satisfied only when the total Collateral posted by or on behalf of the applicable Clearing Member equals or exceeds such Collateral Call, provided always that:
- (a) In case of Cash Collateral, the Clearing Member shall confirm to Nord Pool the balance of the Cash Collateral Account. Such confirmations shall be sent by SWIFT message to Nord Pool from the bank holding the applicable Cash Collateral Account, and the balance reported by the bank will be definitive in determining the amount of Cash Collateral posted in favour of Nord Pool as at the date of such confirmation; and/or
 - (b) In case of a Letter of Credit or Bank Guarantee, the maximum amount recoverable (face value) by Nord Pool under the Letter of Credit or Bank Guarantee from time to time will be deemed as the amount of such Collateral posted; and/or
 - (c) In case of other Collateral, the amount of such Collateral posted will be determined by Nord Pool on a case by case basis upon receiving evidence satisfactory to Nord Pool that such Collateral amount has been posted.
- 14.8 With respect to the GB Market only, each Clearing Member must comply with all Collateral Calls in relation to such of its Clearing Transactions as are subject to ECV Transfers and the fact that an ECV Transfer has or will be made with respect to any Clearing Transaction will not affect Nord Pool's calculation of, or the Clearing Member's liability for, any Collateral Calls with respect to such Clearing Transactions.
- 14.9 Failure to post Collateral in accordance with this Section 14 in relation to any individual Collateral Call will result in the Clearing Member being deemed to be in material default with respect to the applicable Collateral Call and Section 24 shall apply.
- 14.10 Nord Pool may charge a reasonable fee to cover its expenses in connection with the establishment of or changes to Collateral, including the perfection of the security under any Collateral arrangement.

15 INITIAL AND DAILY COLLATERAL CALLS

- 15.1 Prior to the commencement of Trading, Nord Pool will determine, and issue an initial Collateral Call in respect of, the initial Collateral requirement for each Clearing Member, taking into consideration its expected type and volume of Clearing Transactions and other relevant factors.
- 15.2 With respect to the GB Market only, such other relevant factors shall include matters relating to any ECV Transferee of the Clearing Member.
- 15.3 Following satisfaction of the initial Collateral Call and commencement of Trading, Nord Pool will, in respect of each Clearing Member, perform a daily calculation as follows:

(Daily Net Position * Risk Parameter) * Day Factor the “Daily Margin Calculation”),

Where:

“Daily Net Position” means the net long or net short position (expressed in MWh) of the Clearing Member in question on the day of calculation;

“Risk Parameter” means a risk parameter multiplier as determined by Nord Pool from time to time and notified to Clearing Members via its website; and

“Day Factor” means a multiplier, as determined by Nord Pool from time to time and notified to Clearing Members via its website, representing a given number of days’ coverage applying to the Daily Margin Calculation.

- 15.4 Any change in the applicable Risk Parameter or Day Factor shall be notified to Clearing Members via a notice issued by Nord Pool on its website no less than two days’ prior to the effective date of such change.
- 15.5 Following the performance of the Daily Margin Calculation for a given Clearing Member, Nord Pool will be entitled to issue a Collateral Call to such Clearing Member for an amount of Collateral equivalent to the highest Daily Margin Calculation result over such period of days (including the day of the most recent Daily Margin Calculation) as may be notified by Nord Pool to Clearing Members from time to time (the **“Margin Calculation Period”**).
- 15.6 In any case where, with respect to any Clearing Member that has posted Collateral with Nord Pool, the highest Daily Margin Calculation performed during the Collateral Calculation Period is lower than the aggregate amount of Collateral posted by or on behalf of such Clearing Member, the Clearing Member in question may:
- (a) in the case of Cash Collateral, request Nord Pool to return to it all or part of the Cash Collateral currently posted to it, provided that the maximum amount of Cash Collateral to be returned in such circumstances shall not exceed the lower of:
 - (i) the aggregate amount of Cash Collateral currently posted with Nord Pool by such Clearing Member in accordance with these Clearing Rules; and
 - (ii) the difference between the aggregate amount of Collateral posted by or on behalf of such Clearing Member and the highest Daily Margin Calculation result obtained during the Collateral Calculation Period;
 - (b) in the case of Collateral in the form of a Letter of Credit and/or a Bank Guarantee, request that Nord Pool accepts such suitable replacement Letter of Credit and/or Bank Guarantee as reflects such lower Collateral requirement.
- 15.7 Collateral required to be provided in response to any daily Collateral Call must be posted by or on behalf of the Clearing Member by no later than the Final Collateral Time on the same Clearing Day in the form of Cash Collateral, or by otherwise increasing the Collateral provided by or on behalf of the Clearing Member by no later than the Final Collateral Time.

16 EXTRAORDINARY COLLATERAL CALLS

- 16.1 Nord Pool may issue an Extraordinary Collateral Call to a Clearing Member (or to all Clearing Members) if Nord Pool decides that extraordinary circumstances so require. Extraordinary circumstances include major price fluctuations, general changes to the Market and other matters that indicate a higher credit risk in respect of the Clearing Member or its ECV Transferee (whether individually or generally), including that a Clearing Member has one or

- more Open Position(s) in one or more Product Series relevant to the Daily Margin Calculation which exceed the Collateral currently posted.
- 16.2 An Extraordinary Collateral Call applies in addition to the initial Collateral Call and any daily Collateral Calls, and will be calculated applying the calculation procedures for daily Collateral Calls in Section 14, taking into account the circumstances causing the Extraordinary Collateral Call. Nord Pool may also, in its absolute discretion, apply any other risk calculation procedures that it considers appropriate under the relevant circumstances.
- 16.3 Without prejudice to any of its other rights under the Rulebook, if Nord Pool determines that any Clearing Member holds more than fifteen per cent (15%) of all positions with respect to a single Product Series, Nord Pool may calculate an Extraordinary Margin Call based on the increased risk to which Nord Pool determines it is exposed as a result of such holding.
- 16.4 Nord Pool may require a Clearing Member subject to an Extraordinary Collateral Call to immediately disclose its positions in all transactions to which it is a party (including transactions which are not subject to Clearing) which may have relevance to Nord Pool's calculation of the Extraordinary Collateral Call. If a Clearing Member fails to immediately disclose such positions, or if Nord Pool has cause to believe that all positions have not been disclosed or have been disclosed incorrectly, Nord Pool may in its discretion calculate the Extraordinary Margin Call based on the assumed positions of the Clearing Member.
- 16.5 An Extraordinary Collateral Call must be complied with by no later than 150 (one hundred and fifty) minutes after the Clearing Member (or, in respect of a Client, its Client Representative) receives notification of the Extraordinary Collateral Call through increasing the Collateral provided by or on behalf of the Clearing Member.
- 16.6 The following shall be deemed a satisfactory posting of Collateral in relation to an Extraordinary Collateral Call:
- (a) In case of Cash Collateral, that Nord Pool has received from the bank holding the applicable Cash Collateral Account(s) either: (i) SWIFT notice; or (ii) other written confirmation as reasonably satisfactory to and authenticated by Nord Pool; that the credit on the Cash Collateral Account has been or will be increased as soon as possible so as to comply with the Extraordinary Collateral Call; and/or
 - (b) In case of a Letter of Credit or Bank Guarantee, Nord Pool shall have received a written confirmation from the applicable Collateral Provider, reasonably authenticated and satisfactory to Nord Pool, that the maximum amount recoverable (face value) by Nord Pool under the Letter of Credit or Bank Guarantee has been or will be increased as soon as possible to comply with the Extraordinary Collateral Call; and/or
 - (c) In case of other Collateral, Nord Pool will determine in its absolute discretion whether or not the Extraordinary Collateral Call has been met on a case by case basis.

17 INTRA-DAY ONLY COLLATERAL REQUIREMENTS

- 17.1 In addition to Collateral Calls, in respect of each Intra-day Only Member, Nord Pool will determine the Intra-day Only Collateral Requirement on a continuous basis on each Intra-day Market Clearing Day.
- 17.2 The Intra-day Only Collateral Requirement shall be calculated in the same way as a daily Collateral Call is calculated under Section 15.
- 17.3 A Intra-day Only Member shall provide sufficient Collateral in advance to cover the Intra-day Only Collateral Requirement at all times.

18 TRADE RESTRICTIONS

- 18.1 Nord Pool may set individual Trade Restrictions for a Clearing Member, or general Trade Restrictions for all or groups of Clearing Members, including any criteria for such Trade Restrictions to apply. Except as may be agreed with the applicable Clearing Member(s) Nord Pool shall apply Trade Restrictions in a fair and non-discriminatory manner.
- 18.2 Notice of Trade Restrictions applicable to a Clearing Member, whether individual or general in nature, shall be provided to the relevant Clearing Member through reports in the Clearing Platform or by other written correspondence from Nord Pool.
- 18.3 Trade Restrictions (and any amendment to them) may be brought into force immediately upon notice from Nord Pool in accordance with Section 18.2.

19 CASH SETTLEMENT

- 19.1 Nord Pool shall on each Banking Day for each Clearing Member calculate the Cash Settlement Amount(s) due on that Banking Day, and shall issue payment instructions in the form of invoices to each Clearing Member via the Clearing Platform. Except where otherwise specified on the applicable invoice, all invoices are due on the same Banking Day as they are issued at such time as specified in the Clearing Schedule.
- 19.2 Nord Pool agrees to issue and each Clearing Member agrees to accept self-billed invoices from Nord Pool in respect of Clearing Transactions, and each Clearing Member further agrees not to raise any other invoice in respect of any Clearing Transaction.
- 19.3 The Cash Settlement Amount is calculated by aggregating and setting off the relevant Cash Settlement Amounts due to or from the Clearing Member on a given Banking Day, including all fees and other amounts payable to Nord Pool under these Clearing Rules or otherwise under the Rulebook.
- 19.4 With respect to the GB Market only, the Cash Settlement Amount will include any amounts payable by or to the Clearing Member in respect of Clearing Transactions that are subject to ECV Transfers and will not take account of any amount agreed between the Clearing Member and the ECV Transferee relating to the ECV Transfer.
- 19.5 On each day on which Cash Settlement takes place under the Clearing Rules, the Clearing Member shall pay such Cash Settlement Amount to Nord Pool, or Nord Pool shall pay such Cash Settlement Amount to the Clearing Member, in immediately available funds for value on the due date. Whenever a Cash Settlement Amount falls due on a date which is not a Banking Day then Cash Settlement shall not take place until the following Banking Day.
- 19.6 The following procedures apply for Cash Settlement:
- (a) Nord Pool will send a notification to Clearing Members of the Cash Settlement Amount and the due date for payment by such time and in such format as set out in the Clearing Schedule.
 - (b) For Cash Settlement Amounts owing from a Clearing Member to Nord Pool, the Clearing Member shall through its applicable Cash Settlement Account confirm the transfer of the applicable Cash Settlement Amount to Nord Pool's Cash Settlement Account.
 - (c) For Cash Settlement Amounts owing from Nord Pool to a Clearing Member, Nord Pool will confirm or cause to be confirmed the transfer of the applicable Cash Settlement Amount to the Clearing Member's Cash Settlement Account.

- (d) Confirmations under paragraphs (b) and/or (c) above shall be sent by SWIFT message so that they are received by Nord Pool or the Settlement Bank or non-Settlement Bank (as applicable) by such time as set out in the Clearing Schedule on the due date. In the event that Nord Pool is delayed in sending its notification under (a) above by more than 1 (one) hour, the deadline for confirmation shall be extended correspondingly for any delay exceeding the said 1 (one) hour.
- 19.7 Except as set out under Section 24, all Cash Settlement Amounts must be paid and executed as separate transactions in accordance with the terms of the individual payment instructions from Nord Pool and these Clearing Rules, and a Clearing Member may not set off any Cash Settlement obligation to or from the Clearing Member against any Cash Settlement obligation to or from Nord Pool, irrespective whether such obligations are due or not.
 - 19.8 Without prejudice to its other rights and remedies, Nord Pool may set off any matured obligation due to or from a Clearing Member against a matured obligation due to or from Nord Pool under these Clearing Rules, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, Nord Pool may convert either obligation at the currency exchange rate offered to Nord Pool at the time of set-off.
 - 19.9 Cash Settlement Amounts shall be calculated and paid in the currency applicable for the respective Product Series.

20 CASH SETTLEMENT ERRORS

- 20.1 The Clearing Member shall, if it believes that a Cash Settlement has been carried out incorrectly, notify Nord Pool as soon as possible and not later than five (5) Banking Days after the relevant Cash Settlement took place, failing which the Clearing Member will be bound by the Cash Settlement.
- 20.2 Nord Pool shall as soon as possible deal with notices issued in accordance with Section 20.1 and if the Cash Settlement was incorrect, carry out a corrected Cash Settlement between the affected Clearing Members with two (2) Banking Days' notice, by including it in a Daily Cash Settlement.
- 20.3 Irrespective of the time limits above, Nord Pool may carry out a corrected Cash Settlement in the event of substantial errors;
 - (a) with respect to corrections of errors in Transactions concluded on a Trading Platform as determined in accordance with the relevant Trading Rules;
 - (b) in respect of errors in Reference Prices.
- 20.4 Any correction in accordance with these Clearing Rules will be binding on all Clearing Members concerned. Nord Pool shall not be liable to any Clearing Member for any exercise or non-exercise of its powers under this Section 20.4, provided that it has acted in good faith.

21 NOTIFICATION PROCEDURES

- 21.1 With respect to each Delivery Period and each Clearing Transaction Nord Pool shall be solely responsible, for itself and on behalf of each of its counterparties, for making such notifications as are required to be made by it pursuant to the terms of the relevant BRPA (each a "**Notification**") to facilitate the delivery to or acceptance by the relevant Clearing Member of the relevant Energy Volume.
- 21.2 With respect to the GB Market only:

- (a) Nord Pool will act as ECV Notification Agent in all Clearing Transactions and any corresponding ECV Transfers and send ECV Notifications on behalf of both counterparties to every Clearing Transaction and ECV Transferees involved to the ECV Aggregation Agent.
- (b) Each Clearing Member shall ensure that:
 - (i) Nord Pool is appointed as ECV Notification Agent for each Energy Account nominated by it in accordance with the applicable requirements of the BSC and the procedures of Nord Pool from time to time;
 - (ii) Nord Pool's status as ECV Notification Agent for such Energy Accounts is maintained at all times, so as to enable Nord Pool to make ECV Notifications in respect of Clearing Transactions and ECV Transfers to such Energy Accounts;
 - (iii) that all such actions are taken by it or its ECV Transferee as may be required pursuant to the BSC or otherwise as reasonably requested by Nord Pool in order for Nord Pool to act as ECV Notification Agent under the BSC pursuant to the Clearing Rules at all times.
- (c) Subject to the Clearing Member's compliance with Section 21.2(b), Nord Pool shall ensure that it fulfils the eligibility criteria as ECV Notification Agent in accordance with the BSC. Clearing Transactions registered to a Clearing Account will be notified to the Energy Account associated with such Clearing Account as per Section 7.
- (d) ECV Notifications made by Nord Pool will reflect the net ECV positions for each of its counterparties or ECV Transferees (as the case may be) for every applicable Delivery Period and will be dispatched at regular time intervals in accordance with the time schedule set out in the Clearing Schedule. Clearing Transactions (and any corresponding ECV Transfers) entered into five (5) minutes or more prior to the time of dispatch of each ECV Notification will be included in each relevant ECV Notification. Clearing Transactions (and any corresponding ECV Transfers) entered into less than five (5) minutes prior to the to the time of dispatch of each ECV Notification may be included in the ECV Notification, but Nord Pool makes no warranty and expressly excludes all liability to this effect.
- (e) ECV Notifications from Nord Pool will be composed and notified to the ECV Aggregation Agent using an "overwrite" principle, whereby the net position for each counterparty or ECV Transferee for a relevant Delivery Period will be reported and each new ECV Notification will replace the previous ECV Notification for the same counterparty or ECV Transferee and Delivery Period.
- (f) Nord Pool shall, when acting as ECV Notification Agent, follow the applicable rules and procedures of the BSC. In case of conflict between the notification procedures of these Clearing Rules and the BSC, the rules and procedures of the BSC shall prevail.

22 ECV TRANSFERS (GB MARKET ONLY)

- 22.1 Whenever a Clearing Transaction is registered to a Clearing Account that is associated with the Energy Account of an ECV Transferee (following nomination of the Energy Account by the Clearing Member under Section 7.1), a corresponding ECV Transfer will be deemed to be created and executed automatically between the relevant Clearing Member and the ECV Transferee in accordance with this Section 22.

- 22.2 Where Section **Error! Reference source not found.**22.1 applies to any Clearing Transaction, the delivery obligations in respect of the Clearing Transaction and the corresponding ECV Transfer shall (subject to Section 22.2(d)) be effected in accordance with the following:
- (a) Nord Pool will make an ECV Notification on behalf of the ECV Transferee in accordance with Section 21 in respect of the relevant Energy Contract Volume for entry on the applicable Energy Account of the ECV Transferee, indicating whether the ECV Transferee is the buyer or the seller (according to whether the ECV Transferee is the buyer or seller under the corresponding ECV Transfer);
 - (b) Nord Pool will make an ECV Notification on its own behalf in accordance with Section 21 in respect of the relevant Energy Contract Volume for entry on its own applicable Energy Account, indicating whether Nord Pool is the seller or the buyer (according to whether Nord Pool is the Seller or the Buyer under the Clearing Transaction);
 - (c) The ECV Notifications under Section 22.2(a) and (b) in respect of the Clearing Transaction and the corresponding ECV Transfer shall be a pair of matching equal and opposite ECV Notifications for the purpose of the BSC;
 - (d) Notwithstanding Sections 22.2(a)-(c), ECV Notifications made by Nord Pool on behalf of an ECV Transferee will in accordance with Section 21.2(d) reflect the net ECV position of such ECV Transferee in respect of all ECV Transfers to which it is a party in each relevant Delivery Period;
- 22.3 Notwithstanding Section 22.2:
- (a) Nord Pool shall not become a party to any ECV Transfers and shall not (except in respect of the making of ECV Notifications in accordance with this Section 22.2) have any obligations in respect of any ECV Transfers;
 - (b) Any bilateral arrangements between the Clearing Member and its ECV Transferee in relation to ECV Transfers shall be exclusively between those persons and the Clearing Member shall ensure that such arrangements do not conflict with the Clearing Rules;
 - (c) The Clearing Transaction corresponding to an ECV Transfer (including the applicable Energy Contract Volume) shall remain in full force between Nord Pool and its counterparty in accordance with the Clearing Rules; and
 - (d) The Clearing Member's Open Position shall not be affected by any ECV Transfer and the Clearing Member shall remain liable to Nord Pool for the performance or non-performance of its obligations with respect thereto.
- 22.4 The Clearing Member shall ensure that its ECV Transferee complies with Sections 21 and 22 in its capacity as buyer or seller (as applicable) under each ECV Transfer. Any non-compliance with the BSC or the Clearing Rules on the part of such ECV Transferee in relation to any ECV Transfer will be deemed to be a default by the applicable Clearing Member in relation to the corresponding Clearing Transaction.
- 22.5 If an Energy Account held by an ECV Transferee has been nominated as the Energy Account for more than one Clearing Member, and in the case of a Notification Failure affecting such Energy Account, all relevant Clearing Members will be deemed to have defaulted in performing their obligations under the corresponding Clearing Transactions affected and the relevant Clearing Members shall be severally liable to Nord Pool in proportion to their applicable net Energy Contract Volumes under such Clearing Transactions in the relevant Delivery Periods.
- 22.6 This Section 22 shall apply in addition to any other relevant parts of the Clearing Rules and prevail in the case of conflict with other parts of the Clearing Rules.

23 CLAIMS WITH RESPECT TO NOTIFICATION FAILURE

- 23.1 Clearing Members wishing to claim a Notification Failure in respect of one or more Clearing Transactions must do so in writing no later than 30 calendar days following the applicable Delivery Period to which the Notification Failure relates, and must in the complaint specify the claim so as to reasonably enable Nord Pool to identify the Notification Failure and the alleged Delivery Failure Cost. Upon receipt of a valid claim, Nord Pool will investigate whether there has been a Notification Failure and either: (i) calculate the Delivery Failure Cost attributable to the Notification Failure(s); or (ii) dispute the claim by written notice, setting out in reasonable detail its reasons for doing so.
- 23.2 If a valid claim is not received by Nord Pool by the deadline stated in Section 23.1, the claim will be deemed null and void.
- 23.3 Claims for one or more Notification Failures relating to any 24 hour period that do not exceed an aggregate Delivery Failure Cost of Euro 1,500 (one thousand five hundred Euros) or its equivalent in any other currency shall under all circumstances barred.
- 23.4 Payments for undisputed claims for Delivery Failure Costs will be made promptly following the end of each calendar year and the expiry of the claim period as set out in Section 23.1.
- 23.5 With respect to the GB Market only, if one or more claims for a Notification Failure are disputed at the time when payment is due, and payment of the disputed claim(s) would result in the GB Market Cap being exceeded, Nord Pool may withhold an amount equal to such excess amount and deduct it from the payment to Clearing Members having undisputed claims on a pro rata basis, and full payment to Clearing Members (subject to the GB Market Cap) will only be made following final resolution of the dispute(s).
- 23.6 Advance payments for undisputed claims for Delivery Failure Costs may be made promptly following the end of each calendar quarter upon the prior written request from the claiming Clearing Member by no later than the end of the relevant calendar quarter, provided that: (i) the Clearing Member provides Collateral acceptable to Nord Pool in respect of such advance payments; and (ii) any interest which may fall due in accordance with section 11.2 of the General Terms from the date of payment if the advance payment (or part thereof) is repayable to Nord Pool due to the GB Market Cap coming into effect.

24 MATERIAL EVENTS OF DEFAULT

- 24.1 If a Material Default Event occurs with respect to a Clearing Member, and without prejudice to any other remedies that may be available to Nord Pool under the Rulebook or otherwise, Nord Pool may take any one or more of the following steps:
- (a) declare any or all claims of or against the defaulting Clearing Member due on that date;
 - (b) take such action, at the Clearing Member's own expense and risk, as it considers reasonably necessary or expedient to close-out any Open Positions by entering into Close-Out Transactions or otherwise discharging and/or netting the rights, obligations and positions of the Clearing Member;
 - (c) withhold any Cash Settlement Amount owed to the Clearing Member;
 - (d) enforce, appropriate, realise and otherwise apply its rights in relation to any Collateral posted by or on behalf of the Clearing Member;

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- (e) set off or otherwise apply any Open Positions related to a Clearing Account against any other claims from Nord Pool related to the other Clearing Accounts of the Clearing Member; and/or
 - (f) set off or otherwise apply all profits, Pending Settlements and other claims owed by the Clearing Member to Nord Pool and by Nord Pool to the Clearing Member so as to produce a single net sum payable by or to the Clearing Member, irrespective of whether such claims are in different currencies and regardless of their origin or character.
- 24.2 Nord Pool may take the steps set out in Section 24.1 above with respect to any one or more of the Open Positions registered on a Clearing Account.
- 24.3 No court order or filing or any other legal act shall be required prior to the taking of any of the steps stated in Section 24.1 above. Amounts due and not paid by the defaulting Clearing Member shall, to the extent possible, be discharged by applying any Cash Collateral before any other forms of Collateral are utilised.
- 24.4 Nord Pool shall inform the Clearing Member in writing of any measures taken under this Section 24.