

Appendix 1

ELSPOT REGULATIONS

ELSPOT REGULATIONS

1. INTRODUCTION

- 1.1 These Elspot Regulations is a part of the Rulebook, containing detailed provisions on Bidding and price calculation in Elspot.
- 1.2 The Elspot Market provides daily physical electricity trading for the next day's 24-hour period.
- 1.3 The Instruments subject to Trading and price calculation on the Trading Day is the next day's 24 delivery hours.
- 1.4 NPS will tape all telephone calls with the NPS trading desk. The tapes are stored for at least one (1) week. A Participant shall have the right to listen to the tapes of his own calls.

2. BIDDING FOR PURCHASE AND SALE

- 2.1 The Biddings are binding.
- 2.2 NPS shall treat all Biddings and other information communicated to NPS in this respect as confidential.
 - 2.2.1 By no later than 12:00 am each day the Participant shall submit its Bidding relating to the next day.
- 2.3 Every week NPS shall inform the Participants of the price range within which Bidding may be made during the week to come, of the Elspot Areas for which separate Bidding is to be given and definition of the borders of the Elspot Areas. The price range is the upper and lower price for which Bidding can be made. The price range can be changed for the following day's Bidding.
- 2.4 Bidding may only take place in areas where the relevant participant or Clearing Customer undertakes production, consumption or is party to contracts relating to physical delivery or purchase.
- 2.5 The Bidding may quote the number of MWh/h with up to one decimal.
- 2.6 Hourly Bidding is the Participant's specification of purchase and sale per hour. In the hourly Bidding the Participant shall submit a set of price/quantity specifications starting with the prevailing technical lower price limit and ending with the upper price limit for each purchase and/or sale he wishes to make, divided into hours and Elspot Areas. The volume given in hourly purchase bids must be constant or decreasing with increasing prices. The volume given in hourly sales bids must be constant or increasing with increasing prices.

- 2.7 Block Bidding is the Participant's specification of purchase or sale for a block period determined by the Participant. In the Block Bidding, the Participant shall submit price limit, volume per block as well as the start and stop time of the block. The block must span a minimum of 3 consecutive hours.
- 2.8 Blocks can be grouped together with a function called Linked Block Bid, which makes activation of each block dependent on whether other of the linked blocks are activated or not. When blocks are linked together the Participant must submit the priority order among the linked blocks. Only either sales or purchase blocks can be linked together. The allowed maximum number of priority levels and number of blocks on each priority level is published and controlled by NPS and can be changed from one day to the next.
- 2.9 Flexible Hourly Bidding is the Participant's specification of possible additional sales in one hour. The Participant specifies price limit and volume for flexible hour in the defined Elspot Area. Activation is based on in which hour the bid provides the highest overall social welfare for the market.
- 2.10 Bidding from Trading and Clearing Representatives shall be specified for each Clearing Customer and for the Trading and Clearing Representative's own Bidding.
- 2.11 The Participant shall use the Bidding in Elspot to achieve balance between energy inflow and energy demand in each Elspot Area. In order to control that this is done, NPS may require documentation for the Participant's basis for Bidding.
- 2.12 The Participant may submit Biddings for one or several calendar days within the period for which Elspot Areas have been defined. In respect of new hourly Biddings the Bidding last received will be valid. In respect of new Block Biddings all Biddings received will be valid unless a new Bidding is a change to an identified prior Bidding, in accordance with the change procedure set by NPS.
- 2.13 Participants who have notified NPS in advance are entitled to register block biddings which if needed shall be converted to hourly biddings. The Participant shall for each block Bidding indicate whether the Bidding is to be converted, and state the hourly rate in the event of conversion. Conversion shall take place if the block Bidding is not realised, and the price calculation pursuant to Chapter 3 gives a maximum price for any operating hour in the next 24 hours.
- 2.14 Conversion will only involve all block Biddings accepted for conversion and comprising one hour in which such a maximum price is reached. Conversion implies that the block Bidding is changed into independent hourly Biddings with the same volume (MW) as the block Bidding, with the stated hourly rate, with a spread of NOK 1 or Euro 0.1 or a similar amount in a different currency, applicable for all hours. NPS then carries out a new price calculation in accordance with Chapter 4 including the new hourly biddings and excluding the block Biddings. After the price calculation NPS will inform the market about the block conversion and which hours converted volumes are included in the price.

- 2.15 Prices for Biddings are to be quoted in a currency approved by NPS. The maximum number of decimals that can be quoted in each currency is determined by NPS. The Bidding may quote the number of MWh/h with up to one decimal. The participants shall make their Biddings for purchase and sale within the relevant price range. If NPS changes the price range in accordance with Section 3.1, the Participants shall submit new Bidding.
- 2.16 Bidding shall be made on NPS' standard bidding form and transmitted to NPS per electronic communication as specified by NPS. Fax or e-mail may be used when approved by NPS in situations where specified communication is not working. When using fax or mail NPS can restrict the number of price steps in the hourly bids and the number of block bids. The Bidding form must provide complete information in order to be valid. In case of rejection, the price report received by the Participant from NPS will declare that no contract is concluded.
- 2.17 NPS may in exceptional and isolated situations demand that the Participants make Biddings for several 24 hours to come. NPS shall in such situations give notice of the situation to the Participants at the latest one week in advance and simultaneously state the number of 24 hours needed in the Bidding.

3. PRICE CALCULATION

- 3.1 The price/quantity specifications of the Biddings will be regarded as points on a bidding curve created by drawing straight lines between the points.
- 3.2 The Block Bidding may be granted the tender if the criteria below are met.
- 3.2.1 A Block Bidding for sale is granted a tender if the average price for the hours included in the block period is equal to or higher than bid price. A Block Bidding for purchase will be granted acceptance if the average price for the hours included in the block period is equal to or below the bid price. In addition, the submitted volume must be fulfilled.
- 3.3 If situations occur in the price calculation where a choice must be made between competing Block Bids the selection is based on the following criteria:
- 3.3.1 The difference between submitted price and average area price. This means that the Block Bid which has the largest difference between submitted price and average area price will be excluded.
- 3.3.2 Energy, which means volume multiplied with the number of hours in the block. If the difference between submitted price and area price is equal, then the Block Bid or the combination of the Block Bids that gives the largest turnover will be given priority.
- 3.4 For Linked Block Bids the normal rules for block activation given in Section 3.3 following apply in full, but in addition those blocks with less than the highest priority among the Linked Blocks will only be considered for activation in case all the Linked Blocks with higher priority have been activated.

- 3.5 A Flexible Hourly Bidding may be granted the tender if the price and volume criteria are met.
- 3.6 NPS' prioritisation of Flexible Hourly Biddings shall be based on the following criteria:
- 3.6.1 Price, being the difference between the price of the Flexible Hourly Bidding and the Area Price.
- 3.7 Based upon Biddings received NPS calculates first a System Price. The System Price is the price in those Elspot Areas that at the relevant time are included in the system price calculation. Biddings in other Bidding Areas can only influence the System Price up to the capacity limit towards Areas included in the System Price. The system price calculation is carried out by aggregating all Biddings in one purchase- and one sales curve without considering potential capacity constraints between the relevant areas. The point of intersection between the two curves establishes the System Price.
- 3.8 If the power flow between two or more Elspot Areas exceeds the transmission capacity, two or more area prices will be calculated.
- 3.9 If situations occur where a point of intersection between the purchase- and sales curve is not achieved, NPS will handle the situation in the following order and according to the at all times prevailing procedure published by Nord Pool Spot AS :
- 3.9.1 Convert Block Bids according to Section 2.13 following.
- 3.9.2 Activate the Power Reserves in applicable Elspot area.
- 3.9.3 Ask the relevant TSOs about the possibility to increase the trading capacity.
- 3.9.4 Block Bids that increase the need for curtailment in the market and that include the hour or hours where curtailment occur are excluded from the price calculation, thus rejected in their entirety.
- 3.9.5 Activate separate purchase or sales offer from Energinet.dk due to lack of successful market coupling on the border between Denmark and Germany.
- 3.9.6 Deduct Biddings on a pro rata basis until such point of intersection is achieved.
- 3.10 Any imbalance between total purchase and total sale caused by the rounding off of quantity for each Participant when accurately calculating the price will be dispersed within each Elspot Area.
- 3.11 All prices in the Trading are stipulated in EUR. Biddings in other currencies are converted to EUR in the price calculation. When the price is stipulated, the Trade of each Participant and Clearing Customer shall be converted to the respective Trade Currencies.

- 3.12 Recalculating under Article 3.11 shall be based upon market offers from minimum two major competing commercial banks, for the purchase and sale of the relevant currency for delivery on the day prior to payment from NPS.

4. REPORTS OF PURCHASE AND SALE

- 4.1 When the price has been calculated, NPS shall inform the Participant of its calculated purchase/sale in a price report which shall be submitted to the Participant on the day preceding the day for which the price is given. The price report specifies the price and quantity for each Elspot Area in which the Bidding is made. Price reports to the Trading and Clearing Representatives are specified for each Clearing Customer and for the Trading and Clearing Representative's own Trading. If transmission of the price report is delayed, notice shall be given.
- 4.2 If the Participant wishes to invoke errors in NPS' handling of a Bidding NPS shall be notified accordingly before 2:00 pm CET on the same day. The Trading and Clearing Representatives invoke errors on behalf of Clearing Customers. The Participant shall, if relevant, receive a new price report before 2:30 pm CET. If transmission of the price report is delayed, the Participant is granted 30 minutes to submit notice of error, calculated from when the price report was transmitted from NPS. Correspondingly, NPS has one hour to resend a corrected price report, if relevant. Upon expiry of the notice period the price report transmitted will be regarded as a contractual obligation for the quantities specified in the price report.
- 4.3 In situations described in Article 2.16, NPS will, if needed, determine separate rules for price reports and deadlines for submitting notice of errors.

5. COMPUTER TECHNOLOGICAL FAILURE

- 5.1 If NPS due to computer technological failure is not able to determine prices before the delivery commences, the individual Participant's Biddings from the previous day shall be continued hour by hour, as long as the situation lasts. The previous day means the previous Banking Day if the computer technological failure has effect on a Banking Day, and the previous holiday if the computer technological failure has effect on Saturdays, Sundays and specified holidays, cf. Appendix 8.
- 5.2 NPS is not liable for additional costs or losses that may occur, unless it can be documented that NPS has acted deliberately or with gross negligence.

ELSPOT REGULATIONS

6. INTRODUCTION

- 6.1 These Elspot Regulations is a part of the Rulebook, containing detailed provisions on Bidding and price calculation in Elspot.
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 - 7.2.1 By no later than 12:00 am each day the Participant shall submit its Bidding relating to the next day.
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- 7.8 Blocks can be grouped together with a function called Linked Block Bid, which makes activation of each block dependent on whether other of the linked blocks are activated or not. When blocks are linked together the Participant must submit the priority order among the linked blocks. Only either sales or purchase blocks can be linked together. The allowed maximum number of priority levels and number of blocks on each priority level is published and controlled by NPS and can be changed from one day to the next.

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- 9.2 If the Participant wishes to invoke errors in NPS' handling of a Bidding NPS shall be notified accordingly before 2:00 pm CET on the same day. The Trading and Clearing Representatives invoke errors on behalf of Clearing Customers. The Participant shall, if relevant, receive a new price report before 2:30 pm CET. If transmission of the price report is delayed, the Participant is granted 30 minutes to submit notice of error, calculated from when the price report was transmitted

from NPS. Correspondingly, NPS has one hour to resend a corrected price report, if relevant. Upon expiry of the notice period the price report transmitted will be regarded as a contractual obligation for the quantities specified in the price report.

- 9.3 In situations described in Article 2.16, NPS will, if needed, determine separate rules for price reports and deadlines for submitting notice of errors.

10. COMPUTER TECHNOLOGICAL FAILURE

- 10.1 If NPS due to computer technological failure is not able to determine prices before the delivery commences, the individual Participant's Biddings from the previous day shall be continued hour by hour, as long as the situation lasts. The previous day means the previous Banking Day if the computer technological failure has effect on a Banking Day, and the previous holiday if the computer technological failure has effect on Saturdays, Sundays and specified holidays, cf. Appendix 8.
- 10.2 NPS is not liable for additional costs or losses that may occur, unless it can be documented that NPS has acted deliberately or with gross negligence.

ELBAS REGULATIONS

ELBAS REGULATIONS

1. GENERAL MATTERS

1.1 Introduction

1.1.1 These Elbas Regulations is a part of the Rulebook, containing detailed provisions on Listing and Trading in Elbas.

1.2 The Product Group

1.2.1 A Product Group may be elected among Traders and representatives of NPF and NPS to handle issues relating to the development of Elbas and advise NPF and NPS in the issues being handled, and to develop the Rulebook.

1.2.2 NPF shall prepare the matters to be handled by the Product Group and convene meetings as well as be responsible for informing the Participants of important matters handled by the Product Group.

1.3 Trading Hours

1.3.1 Trading Hours are specified by NPF with respect to each Trading System.

1.4 Availability

1.4.1 A Trader having submitted a Bid shall be available at all times for the duration of the Bid.

1.4.2 If a Participant has concluded a Transaction, the Trader or an identified substitute shall be available on the same Trading Day for half (1/2) an hour after the Transaction is completed.

1.5 Market information

1.5.1 NPF shall continuously submit market information to the Participants.

1.5.2 The market information shall include information on prices and volumes of Bids and Transactions, the ranking of Bids, the time at which a Transaction was concluded and any cancellations or amendments of Transactions.

1.5.3 Market information is submitted through ETS, or by MTS upon request.

1.5.4 NPF shall not disclose the identity of the Party to a Bid or Transaction.

1.5.5 The Participant may not give any other persons or parties access to the market information without permission of NPF.

1.6 Traders and user codes

- 1.6.1 A Participant shall appoint at minimum one Trader to be responsible for the Trading and Clearing activities of that Participant.
- 1.6.2 The Trader(s) shall be approved by NPF following a procedure specified by NPF.
- 1.6.3 NPF will give each Trader access to the electronic trading system.
- 1.6.4 NPF shall as soon as possible withdraw the user rights when receiving written notification from the Participant that the Trader is to be replaced by another Trader. The Participant is responsible for the actions of the Trader until such notification is received.

2. GENERAL RULES ON BIDS

2.1 Bids may only be of the types "Fill" or "All or None".

- 2.1.1 With respect to a Fill Bid, matching may be effected either for the full volume or a part of the volume. Any remaining volume shall remain valid with the ranking of the original Bid.
- 2.1.2 With respect to an All or None Bid, matching may only be effected for the full volume.

2.2 A Combination Bid relates to several Instrument Series. The price of the Bid may be determined for each individual Bid or for the Combination Bid.

- 2.2.1 A Block Bid is a Combination Bid containing several consecutive individual hour series.
- 2.2.2 A Block Bid is of the type "All or None" where matching may only be effected for all individual hour Series of the Block Bid.

2.3 A Bid shall specify:

- 2.3.1 The Instrument Series (including combinations)
- 2.3.2 The Trading Price;
- 2.3.3 The Number of Instruments;
- 2.3.4 Other possible conditions attached to the Bid such as expiry.

2.4 **A Bid is binding and effective once registered in ETS. A Bid placed with MTS is binding and effective once MPS has confirmed receipt thereof.**

2.5 **A Bid shall only be valid until it is cancelled or amended as specified in Chapter 4 or 5, or it is expired as specified in the Bid.**

2.6 **Bids are ranked as follows:**

2.6.1 The Bid with the better price is first ranked.

2.6.2 Bids at the same price are ranked based on which Bid were first registered in any of the Trading Systems.

2.6.3 Block Bids that can not be matched may be bye-passed by lesser ranked bids that can be matched.

3. PRODUCT SPECIFICATIONS

3.1 Trade lot

3.1.1 The Instrument Series at Elbas concerns Transactions for the sale and purchase of electricity at the net Trading Price, where the trade lot is 1 MWh of electricity.

3.1.2 The Open Balance in the Instrument Series shall be delivered in the main grid in the Elbas Area where the Account Holder is registered, under the rules for Balance Settlements of the System Operator in the particular area.

3.2 Listing schedule

3.2.1 The Elbas Market provides continuous electricity trading 24 hours a day covering individual delivery hours up to one hour prior to delivery.

3.2.2 Series of delivery hours the following day are listed and opened for Trading the day after the Elspot System Price has been set, normally at 02 p.m. CET and for Germany at 08. a.m. The Instruments open for Trading will then be maximum the following 38 delivery hours in Series of 1 hour as further specified by NPF.

3.2.3 Series of delivery hours are listed as following:

3.3 **Example: PH03 010513 where**

P= Elbas instrument;
H = Hour;
03 = delivery hour 03 i.e. delivery 02-03 CET;
01 = 2001;
05 = May;
13 = day.

3.4 **Final trading time**

3.4.1 Trading in a Series is closed one hour before the beginning of the delivery hour or as further specified by NPF.

3.5 **Quoting**

3.5.1 The Trading Price is given as a quote describing the price per MWh. For example a quote of 22.60 means that the Trading Price is EUR 22.60 per MWh.

3.5.2 The order volume denotes the maximum volume to be bought or sold in MWh.

3.6 **Tick size**

3.6.1 The Tick Size is 0.10 (representing Euro)

4. **THE ELECTRONIC TRADING SYSTEM (ETS)**

4.1 **Registration of Bids**

4.1.1 Participants may register Bids in ETS, where Bids are ranked.

4.1.2 NPF may instruct Participants to remove Bids that NPF deems to be contrary to market prices or good market practice. If the Participant does not remove the Bid within five (5) minutes, NPF may remove the Bid. When assessing the market price, NPF shall take into account the price level of transactions concluded on other relevant markets, the size of the Transaction and the factors in Clause 4.3.3. NPF shall charge a fee of EUR 200 for each Bid removed.

4.2 Matching

4.2.1 Transactions are matched automatically when concurring Bids are registered.

4.2.2 Amendments and cancellations of a Bid become effective when registered in ETS provided the Bid has not been matched by then.

4.2.3 Matched Transactions are automatically registered in ETS.

4.3 Trading Errors

4.3.1 Participants must, in respect of Trading Errors, object to NPF as soon as possible and at latest five (5) minutes prior to the end of Trading Hours for the Instrument first coming into delivery.

4.3.2 NPF may cancel a Transaction if one or both of the Participants acted contrary to trading restrictions under applicable law, or there are severe technical problems considering relevant transmission capacity, or the Transaction price is outside the Market Spread as defined below and cancellation is provided for below in Clause 4.3.4 following.

4.3.3 The Market Spread shall be determined by NPF based on the Bid levels prevailing at and before the conclusion of a Transaction, volatility, the largest spread (difference between a purchase and a sales price) allowed for Market Makers as well as the price in Transactions concluded prior to the Transaction. NPF may also request the Market Makers or others for quotes. An average price shall be calculated from bid quotes complying with the spread obligations. The Market Spread is the average price \pm 30 %.

4.3.4 If a Transaction was concluded outside the Market Spread, the Transaction shall be cancelled, unless the other party to the Transaction is a Market Maker objecting thereto and he acted in compliance with his Market Maker Agreement for the relevant Series.

4.3.5 A Market Maker may not object to any Transaction concluded outside the Market Spread if not meeting his obligation under the Market Maker Agreement for the relevant Series.

4.3.6 Cancellation at the initiative of NPF shall take place within fifteen (15) minutes from the conclusion of the Transaction. Cancellation at the request of a Participant shall take place within Trading Hours for the Instrument in the Transaction first coming into delivery. Cancellation shall be notified to the Participants involved within these time limits.

4.3.7 NPF may charge cancellation fees. The fee for a Transaction cancelled at the initiative of a Party, which shall be collected from the Party requesting the cancellation, shall be EUR 200/Transaction. The fee for a Transaction cancelled at the initiative of NPF shall be EUR 100/Party to the Transaction.

5. THE TELEPHONE TRADING SYSTEM (MTS)

5.1 Placing of Bids

5.1.1 Participants may place telephone Bids with employees of NPF operating the MPS, where after MTS will seek to negotiating a Transaction on behalf of the Participant, as provided for below.

5.1.2 Amendments and cancellations of a Bid become effective when MTS has confirmed receipt thereof also provided the Bid has not been matched by then.

5.1.3 The right to negotiate is granted to the Bid with the highest rank in MTS. The right to negotiate shall be retained even if the Party loses his rank during the negotiations. No negotiations are carried out with regard to lots with total underlying energy less than 50 MWh.

5.1.4 MTS will present the Bid to the Participant with the highest ranked opposite Bid in ETS. If acceptance is not received, MTS may present the negotiation bid to any Participants for their acceptance.

5.1.5 MTS shall have no legal obligations with respect to following up Bids not accepted by the best ranked Participants but will follow up the Bid to the extent practical and possible. MTS will not follow up Combination Bids that are not immediately matched.

5.2 NPF may also restrict the Bid negotiations if so required by the market situation.

5.3 NPF may tape all telephone calls with MTS. The tapes are stored for at least one (1) week. A Participant shall have the right to listen to the tapes of his own calls.

5.4 Matching

5.4.1 Matching is effected by MTS immediately when a Bid so presented has been accepted by the other Party, without further approval from the Participant placing the Bid.

5.4.2 Following matching, MTS shall immediately confirm the Transaction by telephone to the Participants involved, and register the Transaction in ETS.

5.5 Trading Errors

5.5.1 NPF shall rectify all errors discovered before a Transaction is confirmed by telephone. Participants must object to MTS immediately after noticing an error concerning a confirmed Transaction, and at latest five (5) minutes prior to the end of Trading Hours for the Instrument first coming into delivery.

5.5.2 NPF may within ten (10) minutes of a telephone confirmation rectify errors made by MTS at NPF's own initiative. NPF, at the request of a Participant, may rectify errors within Trading Hours for the Instrument in the Transaction first coming into delivery.

5.5.3 If Bids were not matched but MTS erroneously confirmed a Transaction, the Participant invoking the error must object to NPF within ten (10) minutes from the confirmation.

6. SUSPENSION OF TRADING

6.1 NPF may suspend Trading in any or both Trading Systems if NPF deems this necessary, including if there are technical errors in ETS or disturbances in the electricity systems.

6.2 NPF shall to the extent possible inform Participants of suspensions.

6.3 All Bids in ETS and MTS will automatically be removed before the relevant Trading System is reopened.

6.4 Trading may, in the event that the trading in ETS is suspended, be transferred to MTS. Bids placed in ETS must be replaced in MTS as the Bids will not be automatically transferred to MTS. The provisions in Clause 5 shall apply to such Trading.

7. ELECTRICITY-SHORTAGE SITUATIONS

7.1 National disturbance situations in the electricity system

7.1.1 NPF may in a national electricity shortage situation as defined by the relevant TSO's, suspend Trading and/or cancel one or several Bids or Transactions.

7.1.2 NPF shall immediately after the receipt of information of the disturbance by the TSO notify the Participants and NPS of the estimated duration, by electronic notice in ETS or by telephone.

7.2 Disturbance situations involving a single party

7.2.1 Disturbance situations in the electricity system involving single parties shall not have an effect on fixed electricity delivery obligations or Transactions concluded on NPF. The Party shall, despite a disturbance situation, fulfil its obligations towards NPF and NPS. The consequences of a disturbance situation shall remain to be cleared between the Party and possibly the originator of the disturbance as well as the Open Supplier of the Party.

7.2.2 Trading on NPF shall be kept open even if there are disturbance factors in the electricity system affecting the transfer, consumption or production of electricity by a single party.

SETTLEMENT REGULATIONS

SETTLEMENT REGULATIONS

1. INTRODUCTION

- 1.1 This appendix supplements the General Rules with further provisions on Settlement and posting of Collateral.

2. SETTLEMENT

2.1 Electricity Delivery

- 2.1.1 All Transactions are to be settled as fixed physical electricity delivery.
- 2.1.2 On each Settlement Day, NPS will send notice to the Participants having carried out Trading during the day in question (including the invoice day) specifying the Delivery Amount for the Participant and each Clearing Customer it represents.
- 2.1.3 The Participants are under an obligation to deliver or off-take the Delivery Amounts specified. Non-delivery or non-off-take is to be settled with the relevant Balance Responsible Party or Transmission System Operator in accordance with applicable rules, with no liability for NPS.

2.2 Cash Settlement

- 2.2.1 Cash Settlement for Transactions is to be made daily between NPS, the Participant and the Clearing Customer in accordance with the following procedures:
- 2.2.2 On each Settlement Day, NPS will send invoices or credit notes to the Participants and Clearing Customers having carried out Trading during the day in question (including the invoice day). Trading performed other days than Settlement Days shall be invoiced the following Settlement Day. Nord Pool Spot AS will, as vendor, under this arrangement issue sales documentation on behalf of sellers in Nord Pool Spot's Physical Markets.
- 2.2.3 The invoice and credit note respectively will indicate the net amount to be paid or received by the Participant or Clearing Customer for Transactions effected since the latest Settlement Day (including the invoice day). The Participants will also be charged for the volume dependent fees. The invoices and the credit notes shall be issued in the same currency as the Bidding.
- 2.2.4 Cash Settlement will be based on the Transactions recorded with NPS only, and will not reflect non-delivery or non-off-take.
- 2.2.5 The invoice falls due the first Settlement Day following the invoice day. The amount due shall be available on the Participant's or the Clearing Customer's Cash Account within 11:00 am on the date of payment with value date similar to the due date, and in the relevant Trading Currency.

2.2.6 Amounts provided in the credit note shall be deposited on the Participant's and the Clearing Customer's Cash Account with value date, at the latest, on the third Settlement Day following invoice day and in the relevant Trading Currency.

2.2.7 In the event of overdue payment, the Parties may claim default interest pursuant to the Norwegian act of 17 December 1976 no. 100 regarding interest accrued in connection with late payment, as amended from time to time.

3. COLLATERAL

3.1 Participants and Clearing Customers must post Collateral pursuant to the Collateral Call before Trading may commence.

3.2 Collateral Calls are stipulated by NPS each Settlement Day as the total purchase price for each Participant's and Clearing Customer's net electricity purchase in Trading during a period of days decided by NPS, including VAT. The period can be changed with two days notice in the form of an Exchange Information.

3.3 NPS shall stipulate the Collateral Calls for new Participants and Clearing Customers, based on, inter alia, anticipated future net purchase.

3.4 If a Participant or a Clearing Customer changes from net sale to net purchase, the Collateral Call is stipulated as net purchase price on the first day multiplied with a number of days, as set out by NPS in Section 3.2. If the Participant continues as a net purchaser, the Collateral Call shall be adjusted daily during the number of days set out by NPS in Section 3.2 and thereafter stipulated on ordinary terms. If the Participant returns to a net sale position, the Collateral Call shall be reduced daily until the minimum amount in Section 3.5 is re-obtained.

3.5 The minimum Collateral Call for each Trading & Clearing Representative, Direct Participant and each Clearing Customer, is set by Nord Pool Spot AS. The minimum can be set individually, according to participant category or for all participants.

3.6 The Collateral Call is stipulated for each Trading Currency. A Participant or Clearing Customer operating with more than one Trading Currency shall state the currency applicable for the Collateral.

3.7 NPS may adjust upward the Collateral Call if the Participant's or the Clearing Customer's Trading increases, or if special circumstances so require, such as e.g. large variations in the Markets.

3.8 NPS and each Participant and Clearing Customer may agree to limit the trade volume, which implies that NPS may refuse Trading beyond the agreed limit.

3.9 NPS may, in circumstances mentioned in Article 3.7, suspend the Participant or the Clearing Customer from further Trading, or require a reduction in the net Trading volume until Collateral is posted for the increased Collateral Call. NPS may also refuse to approve Biddings of purchase if the purchase price exceeds the available Collateral (taking into account previous non-settled purchases).

The Participant and the Clearing Customer shall be notified of any new Collateral Calls within 09:00 am each Settlement Day. As for the Clearing Customer, the notification shall be given both to the Trading and Clearing Representative and the Clearing Customer. Collateral for the increased Collateral Call must be in place within 11:00 am on this Settlement Day.

- 3.10 Participants and Clearing Customers operating with more than one Trading Currency will have the Collateral Call stipulated and presented in the applicable currency after a conversion carried out by NPS, after having included guarantees and net balance on the Deposit Account.
- 3.11 Non-coverage for Collateral Calls will be added to the following day's Cash Settlement in the Participant's or the Clearing Customer's applicable currency after conversion.
- 3.12 A conversion of currency as indicated above shall be based on applicable market rates collected by NPS from at least two major competing banks.

PARTICIPANT REQUIREMENTS

PARTICIPANT REQUIREMENTS

1. REPRESENTATIONS BY THE PARTICIPANT

1.1 The Participant represents that:

1.1.1 The Participant is properly staffed and well organised and its personnel have the necessary competence and knowledge for Trading and Clearing in the Markets. The Participant is aware of the characteristics of the Products traded in the Markets and cleared by NPS and the risks related thereto.

1.1.2 The Participant has all requisite power and authority and legal right to enter into the Participant Agreements with NPF and NPS under its articles of association, by laws or any other document and to effect Trading and Clearing in accordance with the Rulebook.

1.1.3 The Participant has taken all necessary actions to authorise the execution, delivery and performance of the Participant Agreements, implying that the Rulebook and each Contract and Clearing Transaction entered into in accordance with the Rulebook constitute a legal, valid and binding obligation, enforceable against the Participant in accordance with their terms. The signing and delivery of the Participant Agreements and the compliance with the Rulebook does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Participant.

1.1.4 The Participant holds any public licenses needed to conduct its affairs under the Rulebook, and there are no further licences or filings with or other acts by or in respect of any regulatory body or any other governmental authority or court that are required to be obtained, made or done by the Participant in connection with the Trading and Clearing, nor is it necessary in order to ensure the validity or enforceability, that the Rulebook or any agreement or Clearing Transaction is filed, registered or recorded in any public office.

1.1.5 Before each delivery hour, NPS/NPF confirms to a power balance accounting organisation of the area in question the net deliveries based on the Participant's position. The Participant may however also need to deliver other confirmations to its open deliverer or balance accountant.

1.2 The Participant acknowledges that it is under a duty to notify NPS or NPF in case of any breach of representations, as further provided for in the Rulebook.

1.3 The Participant is, when carrying out Trading or when entering into a Clearing Transaction that is subject to Clearing with NPS, deemed to repeat the representations specified above as well as any further representations specified as such in the Rulebook.

CLEARING CUSTOMER REQUIREMENTS

CLEARING CUSTOMER REQUIREMENTS

1. REPRESENTATIONS BY THE CLEARING CUSTOMER

1.1 The Clearing Customer represents that:

1.1.1 The Clearing Customer is properly staffed and well organised and its personnel and/or advisors or portfolio managers have the necessary competence and knowledge.

1.1.2 The Clearing Customer has all requisite power and authority and legal right to enter into the Clearing Customer Agreement under its articles of association, bylaws or any other document, and to enter into Clearing Transactions in accordance with the Rulebook and perform its obligations in respect of Clearing.

1.1.3 The Clearing Customer has taken all necessary actions to authorise the signing and delivery of the Clearing Customer Agreement, implying that the Rulebook and each Clearing Transaction with NPS entered into in accordance with the Rulebook constitute a legal, valid and binding obligation, enforceable against the Clearing Customer in accordance with their terms. The signing and delivery of the Clearing Customer Agreement and the compliance with the Rulebook does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Clearing Customer.

1.1.4 The Clearing Customer holds any public licenses needed to conduct its affairs under the Rulebook, and there are no further licenses or filings with or other acts by or in respect of any regulatory body or any other governmental authority or court that are required to be obtained, made or done by the Clearing Customer in connection with the Trading and Clearing, nor is it necessary in order to ensure the validity or enforceability, that any agreement or Clearing Transaction is filed, registered or recorded in any public office.

1.1.5 Before each delivery hour, NPS/NPF confirms to a power balance accounting organisation of the area in question the net deliveries based on the Clearing Customer's position. The Clearing Customer may however also need to deliver other confirmations to its open deliverer or balance accountant.

1.2 The Clearing Customer acknowledges that it is under a duty to notify NPS in case of any breach of these representations, as further provided for in the Rulebook.

1.3 The Clearing Customer is, when entering into any Transaction that is subject to Clearing with NPS, deemed to repeat the representations specified above as well as any further representations specified as such in the Rulebook.

MARKET CONDUCT RULES

MARKET CONDUCT RULES

1. INTRODUCTION

- 1.1 These Market Conduct Rules have been issued by NPS and NPF under the Rulebook. The provisions herein apply to Participants and Clearing Customers in the Physical Markets.
- 1.2 The definitions of Inside Information and Market Manipulation correspond to the definitions in the Market Conduct Rules applicable to the financial markets operated by Nord Pool ASA (the "Financial Markets").
- 1.3 The surveillance department of Nord Pool ASA ("the Surveillance Unit") is assisting NPS and NPF in the surveillance of the Physical Markets in connection with its surveillance of the Financial Markets.
- 1.4 Words with capital letter in this document are defined in the Definitions in the Rulebook unless a separate definition is provided herein.

2. INSIDE INFORMATION, PROHIBITION ON INSIDER TRADING AND DUTY OF CONFIDENTIALITY

- 2.1 The term "Inside Information" shall mean any information of a precise nature which has not been made public relating directly or indirectly, to one or more Instruments, and which Participants and Clearing Customers would expect to receive in accordance with accepted market practice.
- 2.2 If the Participant or Clearing Customer concerned is in doubt as to whether certain information constitutes Inside Information, it shall contact Nord Pool's market surveillance department in order to be advised on how to handle the situation. Any statement from Nord Pool in such respects is for guidance only and cannot be interpreted as a final or binding opinion on behalf of Nord Pool, nor shall Nord Pool be liable for any advice given in such respects.
- 2.3 Participants and Clearing Customers may not place, change or remove Bids or actively enter into Transactions in the Physical Markets when holding Inside Information, except as follows:
 - 2.3.1 When Bidding on the Elspot Market pursuant to the Elspot Regulations, provided that the Participant or Clearing Customer does not take the inside information into consideration in its Bidding.
 - 2.3.2 When registering or calling in Orders or entering into Transactions in Instruments to which the Inside Information does not relate.

- 2.3.3 When performing trading if the trading operations are separated from the departments where persons employed are holding Inside Information, and provided that there has been no exchange of Inside Information between the trading operations and such other departments. A Participant or a Clearing Customer must upon request document to Nord Pool that the member has implemented adequate information barriers and other mechanisms between the trading operations and the department(s) or person(s) holding the Inside Information (commonly referred to as "Chinese Walls", "Firewalls" or similar designation), which effectively prevents the disclosure of Inside Information to the trading operations.
- 2.3.4 In respect of trading on behalf of the Clearing Customer when the Clearing Customer, to the best of the Trading and Clearing Representative's knowledge, does not hold Inside Information. This exception does not apply to active portfolio management or other investment decisions by the Trading and Clearing Representative, and the Trading and Clearing Representative may not give advice about a Transaction when holding Inside Information.
- 2.4 Participants and a Clearing Customers and their board of directors or employees are subject to a duty of confidentiality in respect of Inside Information and may not disclose any Inside Information to persons or entities whom such information does not concern, prior to the information being distributed to and published by Nord Pool.
- 2.5 The entities and persons referred to in Section 2.4 may not advise anyone in respect of trading when holding Inside Information.

3. **DISCLOSURE REQUIREMENTS**

- 3.1 Participants and Clearing Customers shall disclose to Nord Pool any information relating to the Nordic electricity market regarding the Participant's or Clearing Customer's own business or facilities of which the Participant or Clearing Customer concerned owns or controls or has the balance responsibility for in whole or in part, in particular information relevant to facilities for production, consumption or transmission of electricity, regarding:
- 3.1.1 any planned outage, limitation, expansion or dismantling of capacity in the next 6-weeks period of more than 100 MW for one generator, consumption or transmission facility, or more than 200 MW for one production station, including changes of such plans;
- 3.1.2 any planned outage, limitation, expansion or dismantling of capacity of more than 400 MW for one production station, consumption or transmission facility for the current calendar year and three calendar years forward, including changes of such plans
- 3.1.3 any unplanned outage or failure relating to more than 100 MW for one generator, consumption or transmission facility, and more than 200 MW for one production station, including updates on such outages or failures.

- 3.1.4 Any other information that is likely to have a significant effect on the prices of one or more Instruments if made public.
- 3.2 The disclosure requirements in section 3.1 apply with the following exceptions:
 - 3.2.1 information regarding the Participant's or Clearing Customer's own plans and strategies for trading.
 - 3.2.2 information regarding the Participant's or Clearing Customer's Installations and business strategies in respect of Allowances.
 - 3.2.3 information that a Trading and Clearing Representative receives in this capacity as such regarding a Clearing Customer, as well as any other information conveyed by a Clearing Customer to a Trading and Clearing Representative related to the Clearing Customer's pending Orders.
 - 3.2.4 information regarding another Participant or Clearing Customer that a Participant or Clearing Customer receives from a contracting party when contemplating or entering into a non-exchange trade.
- 3.3 A Trading and Clearing Representative is, independent of the disclosure duties of his Clearing Customers, under an obligation to disclose to Nord Pool the Inside Information concerning Clearing Customers as provided for in this Section 3, if and when the Trading and Clearing Representative possesses such information.
- 3.4 The disclosure shall be given electronically to NPS through the Urgent Market Messages (UMM) application as further provided for in the UMM User Terms and the relevant UMM Guidelines, unless otherwise specified. Where relevant, the disclosure shall as a minimum include information on:
 - 3.4.1 affected geographical area or interconnection;
 - 3.4.2 relevant generator, station or line;
 - 3.4.3 the time of decision or occurrence of outage;
 - 3.4.4 available capacity to the market of electrical effect in MW before, during and after event;
 - 3.4.5 the starting time of the planned or unplanned outage, and the corresponding stop time; and
 - 3.4.6 the cause of the event.
- 3.5 All information which shall be disclosed pursuant to this Section 3 shall be disclosed immediately, and no later than 60 minutes after occurrence of the event which leads to the relevant information.

4. MARKET MANIPULATION

- 4.1 Participants and Clearing Customers shall not engage in Market Manipulation as defined in Enclosure 1.

5. GOOD BUSINESS CONDUCT

- 5.1 Participants and Clearing Customers must not apply unreasonable business methods when carrying out Trading, but always seek to act in accordance with good business conduct.

6. DUTY TO PROVIDE INFORMATION UPON REQUEST

- 6.1 Participants and Clearing Customers and their board of directors and employees are, upon written request by the Market Surveillance Unit under an obligation to as soon as possible provide NPS with all information NPS considers relevant in respect of its role in surveillance of the Market Conduct Rules and other applicable laws and regulations.
- 6.2 The duty to provide information under Section 6.1 applies regardless of any confidentiality undertakings and other duties of silence the Participant or Clearing Customer may be placed under.
- 6.3 Information received by the Market Surveillance Unit following a request upon Participants and Clearing Customers may only be utilized for the purpose of surveillance of the Market Conduct Rules and other applicable laws and regulations, investigation of possible breaches of such rules and sanctioning of such breaches.
- 6.4 Employees at the Market Surveillance Unit are, subject to a duty to ensure that no other party gain access to or knowledge of matters relating to the business or personal affairs of third parties as they become aware of through their employment or appointment, save to the extent required by supervisors or otherwise required or allowed by law.
- 6.5 The relevant Physical Market may impose a daily charge on an entity or person that does not comply with Section 6.1, running until the entity or person provides the information.
- 6.6 Nord Pool are not permitted to inform the public that Nord Pool has initiated investigation of named Participants or Clearing Customers, unless special reasons so warrants and only after a pre-warning to the entity subject to investigation. Such information shall be in a neutral manner. Nord Pool may also disclose the results of such investigations.

7. BREACH OF MARKET CONDUCT RULES – DISCIPLINARY SANCTIONS

- 7.1 In the event that a Participant or a Clearing Customer is in breach of the rules above, Nord Pool may decide on one or more of the following actions against this party:

7.1.1 Issue an oral warning,

7.1.2 Issue a warning in writing,

7.1.3 In the event of a serious breach, impose a Violation Charge on the Market Participant of up to NOK 2,500,000. Such charge shall be decided taking into account the nature and severity of the breach, including whether the breach has been intentional, whether the Participant or its board of directors or employees may otherwise be blamed, any mitigating circumstances, as well as other relevant factors.

7.2 In the event that a Trader is responsible for a breach of the rules above, Nord Pool may decide on one or more of the following actions against this person:

7.2.1 Issue an oral warning,

7.2.2 Issue a warning in writing,

7.2.3 Withdraw the approval of the Trader

8. **PROCEDURES FOR DISCIPLINARY SANCTIONS**

8.1 The surveillance department

8.1.1 If Nord Pool's surveillance department suspects a breach of the Market Conduct Rules and its investigation supports this suspicion, then the surveillance department may recommend disciplinary sanctions against a Participant or a Clearing Customer and/or Trader, as further provided for in the Market Conduct Rules.

8.1.2 Any recommendation for disciplinary sanctions shall be in writing and be filed to the Board with copies to the relevant Participant or Clearing Customer or Trader. A Participant or Clearing Customer shall always be copied in on filings related to his Trader.

8.1.3 Irrespective of the above, the surveillance department of Nord Pool may issue oral warnings to a Participant or a Clearing Customer and/or Trader without filing with the Board.

8.2 The Board's decision

8.2.1 The Board shall in its full discretion decide if and what disciplinary sanctions that shall be applied against the Participant or Clearing Customer and/or Trader.

8.2.2 The Board's decision shall be notified to the relevant Participant, Clearing Customer and/or Trader.

Enclosure 1

DEFINITION OF MARKET MANIPULATION

1. GENERAL DEFINITION

1.1 "Market manipulation" shall mean

1.1.1 Transactions or Orders to trade:

1.1.1.1 which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of a Listed Product; or

1.1.1.2 which secure, by a person, or persons acting in collaboration, the price of one or several Products at an abnormal or artificial level;

1.1.2 unless the person who entered into the transactions or issued the orders to trade establishes that his reasons for so doing are legitimate and that these transactions or orders to trade conform to accepted market practices as specified in section **Error! Reference source not found.**; or

1.1.3 Transactions or Orders to trade which employ fictitious devices or any other form of deception or contrivance; or

1.1.4 Dissemination of information through the media, including the Internet, or by any other means, which gives, or is likely to give, false or misleading signals as to Listed Products, including the dissemination of rumours and false or misleading news, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

2. SPECIFIC PROHIBITIONS

2.1 The following conduct will always be deemed to constitute market manipulation:

2.1.1 Conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a Listed Product which has the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions; or

2.1.2 The buying or selling of a Listed Product at the close of the market with the effect of misleading investors acting on the basis of closing prices; or

2.1.3 Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion relevant to a Product while having previously taken positions on that Product and profiting subsequently from the impact of the opinions voiced on the price of that instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way.

3. ACCEPTED MARKET PRACTICES RELEVANT TO NORD POOL

(None at present)

4. SPECIFIC DEFINITIONS FOR ENCLOSURE 1:

4.1 When used in this Enclosure 1:

4.1.1 "**Transactions**" shall mean Exchange Trades and Non-Exchange Trades in Listed Products, and trades in electricity in the Nordic electricity market.

4.1.2 "**Orders to trade**" shall mean orders for Exchange Trading in Listed Products, other orders relating to Listed Products, and orders to trade electricity in the Nordic electricity market.

ETHICAL GUIDELINES

ETHICAL GUIDELINES

1. NON-SANCTIONED GUIDELINES

- 1.1 These Ethical Guidelines supplements the legally sanctioned "Rulebook for Nord Pool's Physical Markets" (the "Rulebook"), requiring high standards of conduct from the Participants and Clearing Customers when involved in Trading.
- 1.2 The Market Council of Nord Pool will handle any non-compliance in respect of the Ethical Guidelines and may thereafter give an official statement. If such non-compliance constitutes no violation of any laws, regulations or provisions in the Rulebook, Nord Pool cannot effectuate any formal sanctions.
- 1.3 Changes to the Ethical Guidelines can only be made by approval of the Market Council.

2. SCOPE

- 2.1 The Ethical Guidelines apply to all Exchange Members/Participants and Clearing Members/Clearing Customers in the markets organised by Nord Pool Spot AS, Nord Pool Finland Oy, Nord Pool ASA and Nord Pool Clearing ASA (in these Ethical Guidelines referred to as "Nord Pool") regardless of their function or geographical location.
- 2.2 If the Ethical Guidelines are in conflict or inconsistent with (and not merely supplement) laws, regulations or the Rulebook, these laws, regulations or provisions of the Rulebook shall precede.

3. PURPOSE

- 3.1 The activities in the markets organised by Nord Pool affect great economic values and are vital to the supply of energy in the relevant countries. Nord Pool, the Participants and Clearing Customers are therefore dependent of strong reliance, and that the public in general have confidence in their ethics and good standards of conduct.
- 3.2 These Ethical Guidelines shall contribute to maintaining a strong public confidence in Nord Pool and Participants and Clearing Customers being active in the countries where Nord Pool operates.

4. GENERAL PRINCIPLES

- 4.1 Participants and Clearing Customers shall act responsibly and seriously in order to maintain strong public confidence in them and in the markets of Nord Pool. It is the responsibility of the board, management and employees of Participants and Clearing Customers to ensure that this will be done.
- 4.2 Participants and Clearing Customers shall be in compliance with laws and regulations and the Rulebook as well as in compliance with general standards for

good business practice and good professional behaviour.

- 4.3 Participants and Clearing Customers shall never compete with its colleagues in an unfair manner.
- 4.4 A good way to measure whether a line of action is in accordance with the above mentioned standards, is whether it can be justified in a way acceptable to others. Good business practice and good professional behaviour is measured and supported through good documentation and keeping of journals documenting relevant conduct, and by openness on the intentions with decisions carried out.

5. RELATIONS TO CLIENTS

- 5.1 A Participant acting on behalf of Clients as intermediary or agent, or in any other way performing investment services as defined in the Investment Service Directive (EEC Directive 1993/22) and applicable state legislation, shall endeavour to protect the interest of the Client in all cases where there are possible conflicts between their own interests and their Client's best interests, and shall make sure that Clients are treated equally and non-discriminatory.
- 5.2 The interests of the Clients shall be attended to in a correct and loyal manner, in accordance with national legislation and international standards as to good business practice when performing investment services.

6. MARKET BEHAVIOUR

- 6.1 All transactions made in Nord Pool's markets shall be performed with a genuine and generally acceptable business purpose.
- 6.2 No fictive transactions and mock agreements shall be carried out, and Participants Clearing Customers must never give false or misleading expressions of their intentions with trades or bids and offers in the markets.
- 6.3 No bids or offers or trades shall be presented to the market with the purpose of misleading other Participants and Clearing Customers. Sudden changes in market behaviour that is not motivated by serious commercial or technical circumstances must not occur.
- 6.4 Any Participant or Clearing Customer that is a leading player in respect to the relevant supply or demand for electricity or electricity derivatives must assure that they do not in any inconsiderate way affect the price development in the relevant markets.
- 6.5 No misleading information must be given that can contribute to make a false and incorrect or misleading picture of the market situation.

7. OTHER DEMANDS TO THE PARTICIPANTS AND CLEARING CUSTOMERS IN THE MARKET

- 7.1 Participants shall assure that their management and board of directors have proper

knowledge of and complies with laws, regulations and relevant rules, and passes relevant knowledge on to their own employees within their respective areas of responsibility.

- 7.2 A Participant shall appoint a person who will be responsible for overlooking the ethical standards within the company (a compliance-function), so that they make sure that the board and the employees at any time have knowledge of the current regulations for their area of activity.
- 7.3 Participants and Clearing Customers shall establish internal ethical rules for their employees, and give directions to how to act in situations raising ethical questions, or whom they can address in situations of doubt. The guidelines should also give answers to questions in practical situations where other rules and regulations are unclear and/or insufficient. The internal guidelines should also give directions on the employees' possible trading with instruments. The employees should continuously receive information and be educated in the ethical questions relevant for their work.

SETTLEMENT SCHEDULE

SETTLEMENT SCHEDULE

The updated Clearing Schedule is available at:

<http://www.nordpoolspot.com>

FEE SCHEDULE

FEE SCHEDULE

The updated Fee Schedule is available at:
<http://www.nordpoolspot.com>

DEFINITIONS

DEFINITIONS

<p>All Or Nothing Bid in Elbas means a Bid which upon matching must be matched for the whole volume specified.</p>
<p>Area Price means the settlement price for the power traded in a specific bidding area through the Elspot day ahead market. Two or more bidding areas may have the same area price in a specific hour and thus forms a Price Area for this hour.</p>
<p>Balance Responsible Party means a Participant that has entered into an agreement with a Transmission System Operator and that balances its electricity balance through the national regulation power market or open electricity delivery of balance power from the Transmission System Operator, or in the Elbas Market.</p>
<p>Banking Day means a day in which the banks in Norway perform banking activities.</p>
<p>Bid means an offer by a Participant to buy or sell one or several Instruments.</p>
<p>Bidding means a Participant's specification of purchase and sale.</p>
<p>Bidding Area means a sub area of the Electricity Exchange Area defined by the transmission system operators. The Electricity Exchange Area is divided into bidding areas in order to handle transmission constraints on certain connections in. Participants must make bids according to where their production or consumption is physically connected in the grid thus specifying the bidding area for each bid.</p>
<p>Block Bid in Elspot means an all or nothing Bid that covers several consecutive hours defined by the Participant. The block must span a minimum of 3 consecutive hours.</p> <p>Block Bid in Elbas means a bid with an all or nothing condition on the volume which may cover one or several consecutive hours. The start and stop time of a block bid may be defined by the Participant.</p>
<p>Buyer means the Party agreeing to purchase electricity in a Transaction.</p>
<p>Cash Account means Pledged Cash Account or Non-Pledged Cash Account.</p>
<p>Cash Settlement means cash Settlement to be carried out between NPS and Participants and Clearing Customers.</p>
<p>Clearing means a clearing-by-novation process where NPS enters into the Transaction as central counterparty and thus becomes counterparty to the Buyer and Seller.</p>
<p>Clearing Account means an account that is opened in NPS where Transactions are registered.</p>
<p>Clearing Customer means a person or a legal entity who has signed a Clearing Customer Agreement as well as an agreement with a Trading and Clearing Representative in accordance with which the Trading and Clearing Representative shall perform Trading for the Clearing Customer's account and represent the Clearing Customer towards NPS.</p>
<p>Clearing Customer Agreement means an agreement between NPS, a Participant and the Clearing Customer where the Clearing Customer appoints the Participant as its Trading and Clearing Representative.</p>

Clearing Day means a Banking Day on which a monetary settlement is carried out.
Clearing Regulations means Appendix 3 to the Rulebook.
Collateral means cash deposits to a Pledged Cash Account and On-Demand Guarantees.
Collateral Calls means NPS' calls for Collateral from Participants and Clearing Customers.
Combination Bid means a Bid relating to several individual Series.
Contact Person means a person who according to a power of attorney represents a Participant in Trading with NPS and NPF.
Contract Party means a Participant or Clearing Customer who has performed Trading and Clearing in the Markets.
Contract Price means the price agreed upon in a Transaction, which the Buyer is obligated to pay and the Seller is entitled to receive.
Conversion Of Block Bids means the conversion of a block bid into an hourly bid in Elspot – thus ignoring the all or nothing condition in the bid and handling each hour defined in the bid independently.
Definitions mean this appendix containing definitions of capitalized terms in the Rulebook.
Delivery Amount means the electricity amount to be delivered upon settlement of Transactions as further provided for in Appendix 3.
Elbas Area means those areas into which the Electricity Exchange Area is divided in order to remedy capacity constraints, if any, in the grid.
Elbas Market means the trading market operated by NPF for short-term day-ahead and intra day spot balancing electricity delivery in the prevailing Electricity Exchange Area defined for Elbas.
Electricity Exchange Area means the geographical Elspot or Elbas Areas in which NPS and NPF are entitled to organise physical Markets and through agreements with transmission system operators has been allocated transmission capacity in the planning phase in order to be entitled to transfer electricity between those Areas.
Elspot Area means those areas into which the Electricity Exchange Area is divided in order to remedy capacity constraints, if any, in the grid.
Elspot Market means the trading market operated by NPS for day-ahead electricity delivery in the prevailing Electricity Exchange Area defined for Elspot.
Fill Bid means a Bid in Elbas that may be matched for the full volume or part of the volume.
Flexible Hourly Bid means a sales block bid for one hour, the hour is not specified.
Hourly Bid means a bid in Elspot where a participant states volumes to buy or sell at different price levels in a set of price steps defined for a specific hour. Each pair of price and volume is handled as a point on a bid curve with linear interpolation between each pair.

Instrument means the product series where Transactions may be carried out in the Markets.
Intraday Trading Limit means a trading limit that may be set by Nord Pool for a Participant, based on the Account Balance and the Collateral posted.
Market Council means an independent advisory council to Nord Pool ASA, appointed under the articles of association of Nord Pool ASA.
Market Maker means a Participant that has entered into a Market Maker Agreement with a two-way quotation obligation in Elbas.
Market Maker Agreement means an agreement between NPF and a Participant committing the Participant to quoting of two-way Bids in Elbas.
Market Surveillance Unit means the common Market Surveillance Unit of NPS and Nord Pool ASA, acting as Market Surveillance Unit for the Markets.
Markets mean the markets for standardised short-term spot trading in electricity operated by NPS or NPF.
Markets or Physical Markets means the electricity trading markets that NPS or NPF at all times organises.
Non-Pledged Account means an account established by a Participant or a Clearing Customer in a Deposit Bank approved by NPS, which shall be applied in connection with Cash Settlements towards NPS.
Nord Pool means NPS and NPF.
NPF means Nord Pool Finland Oy.
NPS means Nord Pool Spot AS.
On Demand Guarantee means a guarantee in favour of NPS for a predetermined amount securing obligations of a Participant or a Clearing Customer towards NPS.
Open Balance means the net position in each Instrument Series registered in a Clearing Account, which can either be positive or negative. A positive value identifies a purchase position in that Instrument while a negative value identifies a sales position.
Open Supplier means a corporation that has entered into an agreement with a Participant or a Clearing Customer to cover the difference between the materialized consumption/sales and production/acquisition of the Participant or the Clearing Customer in the Balance Settlement.
Order means Bid in Elbas.
Participant means a person or legal entity who has signed the Participant Agreement. Clearing Customers are not comprised by the notion. Trading and Clearing Representatives are comprised.
Participant Agreement means the agreement entered into between a Participant and NPS or NPF regarding Trading and Clearing in Nord Pool's physical markets.
Parties mean NPS, NPF, the Participant or the Clearing Customer.
Physical Markets means NPS and NPF.

Pledged Cash Account means a pledged account established by a Participant or a Clearing Customer in a Deposit Bank approved by NPS and which shall be applied in connection with cash Settlements and cash collateral deposits towards NPS.
Price Area means the constellation of one or more bidding areas having a common area price for a specific hour.
Product Group means a group of persons elected by NPS from among the Participants of the Physical Markets that shall meet regularly to discuss and advice on issues relating to the development of the trade in the Markets.
Rulebook means the "Rulebook for Nord Pool's Physical Markets" consisting of General Rules, Appendices and Agreements.
Seller means the Party agreeing to sell electricity under a Transaction.
Settlement means the process which by trades in the Markets are handled through cash transactions.
Settlement Bank means a bank having entered into a Settlement Bank Agreement with NPS.
Settlement Note means a note from NPS to Participants and Clearing Customers specifying Transactions, Open Balance, settlement obligations and fees related to each Clearing Account.
System Price means the intersection of the aggregated supply and demand curves without considering capacity limitations between the Elspot Areas included in the System Price calculation at the relevant time. Biddings in other Bidding Areas can only influence the System Price up to the capacity limit towards Areas included in the System Price.
Tick Size means the tick size specified in the Elbas Regulations. The price of a Bid placed in the Trading System must be divisible by the Tick Size, for different Trading Currencies different Tick Sizes can apply.
Trade Lot means the trade lot of each Instrument as defined in the product specification. The volume of Bids placed in the Trading Systems must be divisible into whole Trade Lots.
Trader means a physical person authorised by a Participant to conduct Trading on behalf of the Participant.
Trader means the person appointed by a Participant to represent that Participant in respect of Trading and Clearing.
Trading means the process of entering into a Transaction in the Markets.
Trading and Clearing Representative means a Participant that has the right to trade for its own account and obligated to trade on behalf of its Clearing Customers.
Trading Currency means one or several currencies approved by NPS in which a Participant or a Clearing Customer wishes to carry out Bidding and Trading.
Trading Day means a day when NPS and/or NPF is open for Trading.
Trading Fee means the annual fee and the volume dependant fee charged for Trading in the Markets.

Trading Party means the holder of a Clearing Account in the name of whom the Transaction is entered into.
Trading Price means the delivery price that is agreed to in a Transaction.
Trading Regulations means Appendix 1 and 2 to the Rulebook.
Transaction means an agreement regarding purchase or sale.
Transmission System Operator (TSO) means an entity responsible for operating, ensuring the maintenance of and developing the transmission system.
Value Added Tax means any value added tax imposed, or any replacement or other tax levied by reference to value added to a Transaction.
Violation Charge means a fee that Nord Pool may charge Participants and Clearing Customers when in breach of the Market Conduct Rules.