



# Clearing Rules

Nord Pool Gas Physical Market

Issued by Nord Pool Spot AS

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## 1. INTRODUCTION

- 1.1.1 NPS is authorized by Norwegian Water Resources and Energy Directorate ("NVE") to organize and operate the Physical Markets in the Nordic and Estonia.
- 1.1.2 These Clearing Rules with appendices apply to the Clearing of Products in the NPG Physical Market.
- 1.1.3 Clearing is subject to the fees set out in the Fee Schedule.
- 1.1.4 These Clearing Rules constitute a contract between NPS and each Member in respect of Clearing and supplement the relevant Clearing Agreements.
- 1.1.5 All Transactions entered into on the NPG Physical Market will be automatically and mandatory subject to Clearing with NPS, whereby Members will become counterparty to NPS acting as central counterparty in all Transactions as further set out in the Clearing Rules. Clearing is initiated by NPS entering into a Transaction as central counterparty and registering the Transaction on the Clearing Accounts of the Members involved.

## 2. INTERPRETATION, DEFINITIONS AND ABBREVIATIONS

- 2.1.1 Capitalised terms shall have the meaning assigned to them in Clearing Appendix I (Definitions) or as specifically defined in the text body of these Clearing Rules.
- 2.1.2 References to any law or statute shall be deemed to include any related amendments, consolidations, re-enactments or replacements of it.
- 2.1.3 References to an entity include any corporate body, an unincorporated association or any other legal entity or physical person.
- 2.1.4 References to points in time refer to Central European Time (24-hour format), unless otherwise specified.
- 2.1.5 Any words importing the singular shall admit the plural where the context admits and vice versa. Any words importing the neuter gender shall include the feminine gender and the masculine gender (in respect of a physical person).
- 2.1.6 The term "including" shall mean "including but not limited to".
- 2.1.7 Any reference to NPS having a right to make a decision or termination or to form any opinion or judgement shall unless as otherwise stated mean that NPS has the right to exercise its sole and unfettered discretion in doing so.
- 2.1.8 The headings in these Clearing Rules are for convenience only and shall not affect its interpretation.
- 2.1.9 References to communications in writing shall unless otherwise specified include e-mail.

## 3. REPRESENTATION AND WARRANTIES

### 3.1 Representations by the Member

- 3.1.1 Each Member represents and warrants to NPS on each date on which a Transaction is registered for Clearing:
  - a. **Power.** It has the power to perform its obligations under the Clearing Rules and each Transaction;
  - b. **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and, if relevant under those laws, is of good standing);

- c. **Organisation.** It is properly staffed and organised to enable it to carry out, and its personnel have the necessary competence and knowledge for Trading;
  - d. **Risk assumption.** It is aware of and understands the characteristics of each of the Products and the risks related thereto, and it has submitted Orders after a full opportunity to review their terms and conditions, and has an adequate understanding of those terms and conditions and of their risks, and is capable of assuming those risks;
  - e. **No Violation or Conflict.** The execution, delivery and performance of the relevant trading agreements or the Clearing Rules do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to the Member or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
  - f. **Required Authorisations.** All Required Authorisations under Applicable Law have been obtained and are in full force and effect, and all conditions of any Required Authorisations have been complied with, and there are no further licences or filings with or other acts by or in respect of any Regulatory Body or court that are required to be obtained, made or done by the Member in connection with Trading or Clearing;
  - g. **Accurate Information.** All applicable information that is furnished in writing by or on behalf of the Member which is identified as being subject to or connected to the Clearing Rules is, as of the date it is furnished to NPS, true, accurate and complete in every material respect;
  - h. **Compliance.** No Non-Compliance Event, or event that with notice or lapse of time or both would constitute a Non-Compliance Event has occurred with respect to it and no such event would occur as a result of it entering into or performing its obligations under the Clearing Rules.
- 3.1.2 The Member is, when carrying out Trading on the NPG Physical Market, deemed to repeat the representations specified above as well as any further representations specified as such in the Clearing Rules.
- 3.1.3 The Member acknowledges that it is under a duty to notify NPS in writing in case of any breach or suspected breach of its representations immediately upon the Member becoming aware of the same.

## **3.2 Representations by NPS**

- 3.2.1 NPS represents and warrants to each Member in relation to each Clearing Transaction which is entered into that:
- a. **Power.** It has the power to perform its obligations under the Clearing Rules and each Clearing Transaction;
  - b. **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and, if relevant under those laws, is of good standing);
  - c. **Organisation.** It is properly staffed and organised to enable it to carry out, and its personnel have the necessary competence and knowledge to enable it to carry out its obligations under the Clearing Rules;
  - d. **No Violation or Conflict.** The execution, delivery and performance of the relevant trading agreements or the Clearing Rules do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to NPS or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
  - e. **Required Authorisations.** All Required Authorisations under Applicable Law have been obtained and are in full force and effect, and all conditions of any Required Authorisations have been complied with, and there are no further licences or filings with or other acts by or in respect of any Regulatory Body or court that are required to be obtained, made or done by NPS in connection with its performance under the Clearing Rules;

- f. **Accurate Information.** All applicable information that is furnished in writing by or on behalf of NPS which is identified as being subject to or connected to the Clearing Rules is, as of the date it is first furnished to Members and unless as otherwise specified in the applicable information, believed to be true and accurate in every material respect; and
- g. **Compliance.** No default, or event that with notice or lapse of time or both would constitute a default has occurred with respect to it and no such event would occur as a result of it entering into or performing its obligations under the Clearing Rules.

#### **4. PREREQUISITES FOR CLEARING**

- 4.1.1 Members must be legal entities that have entered into a Participant Agreement with NPG and a clearing agreement with NPS.
- 4.1.2 A prospective member must upon request from NPS be able to document that it possesses all Required Authorisations.

#### **4.2 Counterparty Eligibility**

- 4.2.1 Only Members are eligible as Counterparties to NPS in Clearing Transactions. To be eligible as a Counterparty to Clearing Transactions, the Member must at the time that each Clearing Transaction is registered:
  - a. Have appointed a Clearing Responsible in accordance with Section 5;
  - b. Have established one or more Clearing Accounts with NPS in accordance with Section 6;
  - c. Have established one or more corresponding Non-Pledged Cash Account(s) as set out in Section 6;
  - d. Have established Collateral and have met its Collateral Calls as set out in Section 7; and
  - e. Not have its access to Clearing suspended or terminated.
- 4.2.2 Members must at all times, and immediately upon request from NPS, be able to document that they fulfil the criteria of this Section 4.2.

#### **4.3 Continuous Information Obligations of Members**

- 4.3.1 NPS may at any time request for and obtain credit information and otherwise monitor a Members financial standing and soundness, level of competence and other matters relevant (in the opinion of NPS) to the financial and legal status of the Member, including Required Authorisations. Each Member agrees promptly to provide such information and documents as NPS may request, and to request any other party holding such information or documents on behalf of the Member to release such information or documents.
- 4.3.2 NPS may, without being prevented by any duty of confidentiality by any holder of information, request for and obtain such information and documents (where available) from the Members bank(s) or other sources of relevant information as NPS considers appropriate. The Member shall promptly provide any additional waiver required for information to be provided to NPS.
- 4.3.3 A Member shall immediately notify NPS in writing as soon as the Member becomes aware of or finds it likely that any of the following events will occur in relation to it:
  - a. Any Non-Compliance Event under the Clearing Rules or disciplinary, criminal, or regulatory proceedings related to Trading and Clearing activities involving the Member or its board of directors or employees involved in its Clearing with NPS;
  - b. Any merger, de-merger, or other business re-organisation of the Member affecting one-third or more of the Members net capital value (as assessed by reference to the latest annual or interim accounts of the Member);
  - c. Any material changes to its business;

- d. Any other matter relating to it of which a Member acting in good faith would reasonably expect to be of interest to NPS in relation to Clearing and its position as a Member.

## **5. CLEARING RESPONSIBLE**

- 5.1.1 Each Member must appoint one Clearing Responsible for the Members Trading, subject to the approval of NPS not to be unreasonably withheld.
- 5.1.2 Each Member shall ensure that its Clearing Responsible shall be fully authorised to represent the Member towards NPS in all matters related to the Members Clearing, and shall be capable of taking such action in a manner consistent with the daily time schedules and other requirements established by or pursuant to the Clearing Rules.
- 5.1.3 Following receipt by NPS of a written notification from the Member that the appointment of any individual Clearing Responsible is to be revoked, NPS shall reject access to Clearing reports immediately, and send written confirmation thereof. Notwithstanding such notification, the Member shall remain bound by and liable for all actions or omissions of the Member in respect of Clearing until such time as NPS has confirmed in writing that the Clearing Responsibles access to clearing reports has been terminated.

## **6. ACCOUNT STRUCTURE**

### **6.1 Cash Accounts**

- 6.1.1 Each Member must at its own cost establish and maintain at least one Cash Account in an NPS approved bank.
- 6.1.2 The Cash Account shall be a Non-Pledged Cash Account.

### **6.2 Clearing Accounts**

- 6.2.1 When approving a Member, NPS will establish a Clearing Account with the Member.
- 6.2.2 Each Clearing Account may be associated with one or more Trading Portfolios of the Member, and must furthermore be associated with one or more Cash Accounts.
- 6.2.3 Collateral Calls and Cash Settlement Amounts will be calculated separately and individually for each Clearing Account.

## **7. COLLATERAL**

### **7.1 Collateral Arrangements**

- 7.1.1 Each Member must at its own cost establish and maintain Collateral in accordance with the Clearing Rules, and ensure that the value of its Collateral posted at all times meets the applicable Collateral Calls.
- 7.1.2 Members shall provide Collateral by the means of an On-Demand Guarantee.

### **7.2 Base Collateral**

- 7.2.1 NPS will determine a Base Collateral for new Members taking into consideration its expected net purchase and other relevant factors. The Base Collateral must be established prior to the commencement of Trading.
- 7.2.2 Base Collateral is a part of the Collateral that may be used for entering into new contracts. The Base Collateral will effectively be total posted Collateral minus calculated delivery Collateral Call. At any time the Member may use a set percentage of the base Collateral to commit new trades. The percentage is set by NPS and may be set per Member or for the market as a whole. The percentage may be changed by NPS with one days notice.

### **7.3 Delivery Collateral**

7.3.1 Delivery Collateral is a part of the Collateral calculated on the basis of trades that have been entered into, but that has not yet been settled. Each product type has a separate calculation.

### **7.4 Daily Collateral Calls**

7.4.1 Each product type traded at the NPG Physical Market has a separate Collateral Call calculation. Collateral Calls are calculated including VAT. Collateral Call calculations can be changed with two days' notice by informing all relevant Members.

7.4.2 Within Day contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery Collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

7.4.3 Day ahead contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery Collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

7.4.4 Weekend contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery Collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

7.4.5 Balance of Month contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery Collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

7.4.6 Month ahead contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery Collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

7.4.7 Swap contracts have the following Collateral Call calculation. The buyer posts delivery Collateral equal to the contract value. The seller posts delivery collateral equal to market value minus contract value plus fifty percent (50%) of market value. This percentage may be changed with two days' notice.

### **7.5 Extraordinary Collateral Calls**

7.5.1 NPS may issue an extraordinary Collateral Call to one or more Member(s) if NPS decides that extraordinary circumstances so require. Extraordinary circumstances include general matters to the Market(s) and other matters that indicate a higher credit risk in respect of the Member (whether individually or generally).

7.5.2 Extraordinary Collateral may be required to be posted within one (1) hour after the Member receives notification of the extraordinary Collateral call, in the form of Cash Collateral, or by otherwise increasing the Collateral provided by or on behalf of the Member by the same deadline. NPS may also, in its sole discretion, apply any other risk calculation procedure that NPS considers appropriate under the relevant circumstances. The collateral call may be set individually, according to Member category or for all Members.

### **7.6 Cash Settlement**

7.6.1 Cash Settlement for Transactions is to be made daily between NPS and the Member in accordance with the following procedures:

7.6.2 On each Settlement Day, NPS will send statements to the Member having carried out Trading during the day in question. Trading performed other days than Settlement Days

shall be invoiced the following Settlement Day. NPS will issue self-billing invoices to the sellers in the NPG Physical Markets.

- 7.6.3 The statements will indicate the net amount per portfolio to be paid or received by the Member for Transactions effected since the latest Settlement Day. The Member will also be charged for the trading and clearing fees.
- 7.6.4 Cash Settlement will be based on the Transactions recorded with ETS only, and will not reflect non-delivery or non-off-take.
- 7.6.5 NPS may set-off any and all claims and receivables between NPS and the respective Member.
- 7.6.6 The invoice falls due the first Settlement Day following the invoice day. The amount due shall be available on the Members 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.
- 7.6.7 Amounts provided in the self billing invoice shall be deposited on the Members Cash Account with value date, at the latest, on the third Settlement Day following invoice day.
- 7.6.8 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.
- 7.6.9 Each Product class has an individual settlement procedure.
- 7.6.10 Within Day products are settled in the following manner. The buyer is invoiced with the day following the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available settlement day will apply.
- 7.6.11 Day ahead products are settled in the following manner. The buyer is invoiced with the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available settlement day will apply.
- 7.6.12 Weekend Products are settled in the following manner. The buyer is invoiced with the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available settlement day will apply.
- 7.6.13 Balance of month contracts are settled in the following manner. The buyer is invoiced with the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. Trades are split into individual days and settled independently. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available Settlement Day will apply. Trades are split into individual days and settled independently.
- 7.6.14 Month ahead contracts are settled in the following manner. The buyer is invoiced with the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. Trades are split into individual days and settled independently. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available Settlement Day will apply. Trades are split into individual days and settled independently.
- 7.6.15 Swap contracts are settled in the following manner. The buyer is invoiced with the delivery date as due date, if the due date is an available Settlement Day. If not the first available Settlement Day will apply. Trades are split into individual days and settled

independently. The seller is credited with the buyers due date plus two days as due date if that day is an available Settlement Day. If not the first available Settlement Day will apply.

## **7.7 Tax and VAT**

7.7.1 Unless as otherwise set out in this Section 6.4, each Counterparty is responsible for and shall settle any and all VAT and Tax arising in connection with its Trading activities and which is payable by that Counterparty under Applicable Law, with no further charge, reimbursement or indemnification to or from the other Counterparty irrespective of whether the Counterparty is required by Applicable Law to pay any VAT or Relevant Tax which is properly for the account of the other Counterparty.

## **8. INFORMATION SERVICES**

8.1.1 NPS will provide information to the Member about each Member's Clearing Account(s), including information about Cash Settlement and Collateral.

8.1.2 For each Clearing Day, NPS will make available 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 for the Cash Settlements falling due on that Clearing Day.

## **9. FEES AND SETTLEMENT**

9.1.1 Fees as prevailing from time to time shall be charged to Members and invoiced in accordance with the Fee Schedule. Unless as explicitly stated, all fees are stipulated exclusive of VAT.

9.1.2 Unless as otherwise set out in the Clearing Rules, each Member is responsible for and shall cause to pay any and all VAT and relevant tax arising in connection with its Trading activities and which is payable by that Member under Applicable Law, with no further charge, reimbursement or indemnification to or from the other Member to a Transaction or NPS, irrespective of whether the Member is required by Applicable Law to pay any VAT or relevant tax which is properly for the account of the other Member or NPS.

9.1.3 Settlement of trading and clearing fees shall be carried out through NPS in accordance with the Clearing Rules and shall be included in the Settlement of the corresponding Settlement Transaction(s). Upon payment to NPS, NPS will discharge its corresponding claim against the Member.

## **10. NON-COMPLIANCE**

10.1.1 A Non-Compliance Event exists if a Member in the reasonable opinion of NPS:

- a. Is in breach of the Clearing Rules; or
- b. Is in breach of Applicable Law and such breach affects, or will affect, the Member's ability to comply with the Clearing Rules.

10.1.2 A Material Non-Compliance Event exists if in the reasonable opinion of NPS:

- a. The Member is not in compliance with the requirements of these Clearing Rules;
- b. The Member is in breach of the representations contained in Section 3.1.1 letter (a) through (g) (inclusive) of these Clearing Rules, provided that the Representation in the opinion of NPS is incorrect or misleading in a material respect and has not been remedied within fifteen (15) calendar days following written notice from NPS, or the misrepresentation clearly indicates that the Member is unfit for further Clearing;
- c. The persistence of a Non-Compliance Event may adversely affect Clearing in accordance with the Clearing Rules and Applicable Law and such Non-Compliance Event is not remedied within fifteen (15) calendar days after NPS having sent

written notice to the Member; or

- d. The Non-Compliance Event is caused by the negligence, wilful default or fraud of the Member, and such Non-Compliance Event is not remedied within fifteen (15) calendar days after NPS having sent written notice to the Member.
- 10.1.3 NPS may for as long as a Non-Compliance Event or Material Non-Compliance Event persists, issue a written warning and/or suspend a Member from Trading with immediate effect. During suspension, the Member may only carry out Trading following approval by NPS. Further NPS is entitled to:
- i. Declare any or all claims of or against the defaulting Member due on that date;
  - ii. Withhold any Cash Settlement Amount owed to the Member
  - iii. Enforce, realise and apply its rights in the Collateral posted by or on behalf of the Member by either; (i) drawing upon Bank Guarantees provided to NPS by or on behalf of the Member, (ii) enforcing its security in respect of and applying the balance of the Cash Accounts or (iii) enforcing, realising and applying any other form of Collateral posted by or for the Member;
  - vi. Set off all claims owed by the Member to NPS and by NPS to Member so as to produce a single net sum payable by or to the Member. Amounts due and not paid by the defaulting Member shall, to the extent possible, be discharged by applying the balance of the Cash Account(s) before Bank Guarantees and other forms of Collateral are utilised.
- 10.1.4 NPS' right to terminate a Clearing Agreement due to a Material Non-Compliance Event is set out in the Clearing Agreements.
- 10.1.5 Before imposing a sanction according to this Section 10, the Member shall, if possible, be given an opportunity to present a rejoinder and to give an opinion on the facts presented by NPS.
- 10.1.6 NPS may in its sole discretion independently decide on whether the sanction shall be made public or not and eventually on how to make the sanction public.

## **11. LIABILITIES AND FORCE MAJEURE**

- 11.1.1 NPS shall not be liable for any loss or damage to a Member that may arise out of the Clearing Rules as a result of any act or omission by NPS or any other Member, provided that NPS has not acted negligently, fraudulently or in wilful default.
- 11.1.2 Except where NPS has acted fraudulently or is in wilful default, NPS shall under no circumstances be liable to the Member for indirect loss and consequential damage including loss of profits or contracts.
- 11.1.3 Notwithstanding Sections 11.1.1 and 11.1.2, a Member will be liable to NPS for all loss or damage suffered, including expenses accrued, which result directly from the Member's default under a Non-Compliance Event.
- 11.1.4 Neither NPS nor Member shall under any circumstances be liable for any loss or damage in respect of any failure on its part to perform any of its obligations under the Clearing Rules if a Force Majeure Event prevents performance of its relevant obligations.

## **12. INDEMNITIES**

- 12.1.1 The Member shall fully and effectively indemnify NPS from and against any and all costs, claims, damages and expenses arising directly out of any breach of its obligations under the Clearing Rules, provided that NPS shall use reasonable endeavours to mitigate such costs, claims, damages and expenses without prejudice to its obligations to other Members and its right to protect the integrity of any Physical Market.

### **13. PUBLICITY**

- 13.1.1 NPS shall be entitled to use, copy, adapt, sub-license, supply, distribute, sell, assign, transfer, rent, lease, charge or otherwise deal with Transaction Information and other information regarding technical and financial matters, free from any duty of confidentiality to any Member, so long as such information does not identify any individual Member. Members shall have no right of remuneration in relation to such activities.
- 13.1.2 NPS may pass on information to public authorities and Transmission System Operators if so required by Applicable Law or regulation. NPS will inform the Member of such provision of information, to the extent it is permitted to do so under Applicable Law or regulation.
- 13.1.3 The market supervision body at the Transmission System Operators may, in connection with the investigations relating to its markets, make requests to NPS and collect information regarding Members physical trading at NPG Physical Markets.

### **14. COMMUNICATIONS**

- 14.1.1 Written communications between Members and NPS shall be in English if NPS so requires.
- 14.1.2 Any notice to be given under the Clearing Rules shall be in writing and shall be delivered or sent by letter or email to NPS at the addresses and numbers specified on its website at any time (if addressed to NPS) or to the relevant address or telephone number or e-mail address specified in its Clearing Agreement or as otherwise changed by confirmed notice to and from NPS (if addressed to a Member). NPS may also communicate generally to Members via the website [www.nordpoolspot.com](http://www.nordpoolspot.com).
- 14.1.3 Notices shall be deemed to have been given (in the case of email communication) on the date on which they are sent or (in the case of other communications) on the date of delivery to the appropriate address.
- 14.1.4 NPS shall be entitled to act and otherwise rely upon any communication (whether or not in writing) which purports and which NPS believes in good faith:
- a. to be issued by or on behalf of the Member; or
  - b. to have been approved by an individual who is authorised by that Member, and which (in the case of an electronic communication) satisfies the requirements of any applicable requirements of NPS in relation to the security and integrity of information which is transmitted electronically.

### **15. AMENDMENTS**

- 15.1.1 The Clearing Rules may be amended by NPS and made public with minimum fourteen (14) days notice.
- 15.1.2 Notwithstanding Sections 15.1.1 amendments to the Clearing Rules may be implemented with immediate effect following notice to affected Members:
- a. If so required by Applicable Law;
  - b. If such amendments in the opinion of NPS are necessary for either the continued Clearing operations or the integrity of the NPG Physical Market;
  - c. If so required in order to facilitate the launch of one or more new Products, provided that such amendments do not directly affect Clearing of other Products;
  - d. If such amendments are necessary to correct errors in the Clearing Rules; or
  - e. If such amendments are of editorial nature only and do not entail any substantive changes to the Clearing Rules, including clarifications and changes in layout etc.

**16. MISCELLANEOUS**

**16.1 Transfer of Rights**

The rights of a Member under the Clearing Rules are not assignable or otherwise transferable without the prior written consent of NPS.

**16.2 Severability**

If at any time any provision of the Clearing Rules becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Clearing Rules nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

**16.3 Non-Waiver of Rights**

No failure of a party to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under the Clearing Rules shall operate as a waiver of the party's rights or remedies upon that or any subsequent occasion.

**17. GOVERNING LAW AND DISPUTE RESOLUTION**

17.1.1 These Clearing Rules, all Transactions, Settlement and Clearing effected under them, and all non-contractual obligations arising out of or in connection with them, shall be governed by and construed in accordance with Norwegian law.

17.1.2 The Norwegian courts shall have exclusive jurisdiction to settle any claim, dispute or difference which may arise out of or in connection with these Clearing Rules, including any question as to their existence, validity or termination.

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

17.1.4 Each Member and NPS irrevocably waives any right to claim that service of process in any proceedings has not been properly effected where such service of process has been effected by delivery to the address last notified NPS in accordance with Section 14.

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