

Trading Appendix 2c

Spot Market Regulations

N2EX Physical Market

Issued by Nord Pool Spot AS

SPOT MARKET REGULATIONS

1. INTRODUCTION

- 1.1.1 The Spot Market is a market for continuous Trading of Products with Delivery normally taking place within the next 48 hour period where Transactions are matched automatically when concurring Orders are registered in the ETS.
- 1.1.2 These Spot Market Regulations contain detailed provisions on Orders and Transactions in the Spot Market are part of the Trading Rules.
- 1.1.3 The Products tradable in the Spot Market and their applicable Trading Hours are listed in the Product Specifications.

2. ORDERING

2.1 Quoting

- 2.1.1 Orders may only be of the Order Types allowed by the Product Specifications, and must relate to a specified Product.
- 2.1.2 The Order Prices shall denote the price in GBP per MWh. For example, an Order quoting 22.60 means that the Order Price is GBP 22.60 per MWh.
- 2.1.3 An Order shall specify the following in order to be valid:
 - a. The Participant making the Order;
 - b. The Trading Portfolio to which the Transaction shall be allocated if the Order is matched;
 - c. Whether the Order is a Bid or an Offer;
 - d. The applicable Order Type;
 - e. The applicable Contract Code;
 - f. The applicable Energy Volume Limit (in MW);
 - g. The applicable Order Price Limit (in GBP/MWh); and
 - h. If applicable and/or desirable: Any additional information as mandated and/or allowed by (i) the Trading Rules (including the Market Conduct Rules) and/or (ii) the prevailing functionality of the ETS.
- 2.1.4 An Order shall be valid from the time of registration in accordance with this Section 2, and until it is matched, cancelled or amended as specified in Sections 2.3 or 3, or has expired as specified in the Order.

2.2 Ranking of Orders

- 2.2.1 Orders are ranked as follows:
 - a. Orders are ranked in order of Order Price.
 - b. Orders with the same Order Price are ranked based on which Order was registered first in ETS.

2.3 Registration of Orders and Matching

- 2.3.1 Orders shall be submitted to NPS through the ETS. Transactions are matched automatically as soon as concurring Orders are registered in ETS. Transactions resulting from Orders being matched in the ETS are automatically and mandatory registered for Clearing.

- 2.3.2 Amendments to or cancellations of an Order in the ETS becomes effective when registered in ETS, provided that the Order has not been matched in accordance with Section 2.3.1 by the time of registration of the amendment or cancellation.
- 2.3.3 In situations where ETS is not working properly or is not accessible to the Participants, NPS may in its sole discretion approve that the Participant may call in its Orders, or changes to or cancellations of Orders to the MTS as further set out in the General Terms of these Trading Rules.
- 2.3.4 In the case of a general suspension of Trading, all Orders in ETS will automatically be inactivated. In the case of an individual Participant's loss of connection to the ETS or suspension from Trading, the Participant's Orders will automatically be inactivated. With the return to normal operations, Participants will have to re-activate all orders from their inactive state.
- 2.3.5 The ETS will not be available for registration or matching of Orders during the Maintenance Period. Orders registered in the ETS at the start of the Maintenance Period will automatically be inactivated for the duration of the Maintenance Period, but will remain stored in the ETS to the extent this is technically possible applying commercially reasonable efforts.

3. TRADING ERRORS

- 3.1.1 Participants must in respect of claims for Trading Errors in Transactions in the Spot Market make a complaint to NPS as soon as possible and no later than five (5) minutes after Contract Time for the relevant Transaction. Complaints shall notified to the MTS by the end of the five (5) minute period.
- 3.1.2 No claim of a Trading Error can be invoked in relation to a Transaction and any claims for a Trading Error shall be void
 - a. if the claim is made later than the deadline set out in Section 3.1.1;
 - b. if the claim is made later than twenty (20) minutes prior to end of Trading for the applicable Product; or
 - c. if the Trading Error Amount is less than GBP 5,000 (five thousand).
- 3.1.3 Upon receipt of a complaint in accordance with Section 3.1.1, the following procedures shall apply:
 - a. NPS will on a best effort basis determine a reasonable market price Spread for the relevant Product Series at Contract Time of the relevant Transaction. The Spread shall be determined based on information available to NPS, including (i) the Orders registered in the ETS; (ii) volatility; and (iii) the price in Transactions concluded close to Contract Time of the relevant Transaction.
 - b. From the Spread determined by NPS in accordance with letter (a) above, NPS will calculate Deviation Margins by adding a +/- 30% (thirty per cent) margin to the best Offer price and best Bid price in such Spread.
 - c. If the Contract Price in the relevant Transaction is outside of the Deviation Margins, the relevant Transaction will be cancelled by NPS, and NPS shall immediately notify the market through the ETS that the relevant Transaction has been cancelled.
 - d. If the Contract Price in the relevant Transaction is inside of the Deviation Margins, NPS shall immediately notify the market through the ETS that the relevant Transaction is disputed, and contact the other Participant who is party to the relevant Transaction to sort out whether the relevant Transaction shall be cancelled or not. If the parties do not agree within ten (10) minutes from the time of notification from NPS, the Transaction will be conclusive and binding on the parties.

- 3.1.4 NPS may, if it is of the opinion that a Contract Price of a Transaction is outside the Deviation Margin, initiate a consultation process with the parties involved. Section 4.1.3 applies accordingly to such proceedings.
- 3.1.5 The parties to the relevant Transaction will remain anonymous to each other during discussions as set out in this Section 3.
- 3.1.6 NPS shall within ten (10) minutes from the registration of a Transaction in ETS cancel all Transactions which are discovered to include registration errors of NPS, whether by negligence or otherwise. NPS shall immediately notify the market through the ETS that the Transaction has been cancelled, and register a new Transaction on the correct terms.

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