

# **Pledged Settlement Account Agreement**

**The Netherlands**

**Nord Pool AS**

**NORD  
POOL**

This Pledged Settlement Account Agreement (the “Agreement”) is made the day of \_\_\_\_\_20[ ]

**BETWEEN:**

**[Insert Name of MEMBER]**, a company incorporated under the laws of *[insert state]*, having its registered office at *[insert registered address]*, registered in the *[insert name of register]* with the number *[insert registration number]*, (the “**Account Holder**”);

**[Insert Name of SETTLEMENT BANK]**, a company incorporated under the laws of *[insert state]*, having its registered office at *[insert registered address]*, registered in the *[insert name of register]* with the number *[insert registration number]* (the “**Settlement Bank**”);

and

**NORD POOL AS**, a company incorporated under the laws of Norway having its registered office at Vollsveien 17B, Postboks 121, 1325 Lysaker, Norway and registered in the Register of Business Enterprises with the number 984 058 098 (“**Nord Pool**”)

each a “**Party**” and together the “**Parties**”.

## 1. INTRODUCTION

- 1.1 The Account Holder has set up a Pledged Settlement Account with the Settlement Bank with the account number **[insert account number/IBAN account number/SWIFT code]**, hereinafter referred to as the “**Pledged Settlement Account**”. The Pledged Settlement Account corresponds with the settlement account that the Account Holder has opened with Nord Pool for registration of electricity Transactions, hereinafter referred to as the “**Settlement Account**”.
- 1.2 The Pledged Settlement Account shall be used for Settlement Transactions registered in the Settlement Account, and for the part of the Collateral Call to be covered by cash deposits for registered and future Transactions.
- 1.3 The currency of this Pledged Settlement Account is **[insert currency NOK/DKK/SEK/EUR]**.
- 1.4 A copy of the Settlement Bank Agreement between the Settlement Bank and Nord Pool is enclosed as Appendix 1 to this Agreement, and constitutes a part of this Agreement.
- 1.5 This Agreement is further supplemented by the Rulebook issued by Nord Pool. Terms defined in the Rulebook shall have the same meaning in this Agreement.

## 2. PLEDGE IN FAVOUR OF NORD POOL

- 2.1 The Parties hereby agree that the Account Holder shall grant, on the terms and conditions set out herein, a first priority security interest in and pledge to Nord Pool, all right, title and interest in and to the Pledged Settlement Account (including both present and future rights and credit

balances, any interest accrued thereon and commission payable thereon) (hereinafter collectively referred to as the “**Rights**” and each individually as a “**Right**”).

- 2.2 The Account Holder hereby irrevocably and unconditionally, on the terms and conditions set out herein, grants a first priority security interest in and pledges to Nord Pool, the Rights, (the “**Pledge**”).
- 2.3 The Pledge shall serve as Collateral securing any claim Nord Pool has or may acquire against the Account Holder in connection with Transactions registered in the Settlement Account as well as any other claim Nord Pool has or may acquire against the Account Holder (the “**Secured Liabilities**”).
- 2.4 The Pledge is established pursuant to the law of [ *the state where the Pledged Settlement Account is held to be inserted*]. The perfection acts required to provide validity, enforceability and third party protection for the security interests granted herein shall be established in accordance with such laws of [ *the state where the Pledged Settlement Account is held to be inserted*].
- 2.5 The security constituted by this Agreement shall be a continuing security and shall extend to the ultimate balance of the Secured Liabilities and shall continue to be in full force and effect notwithstanding any intermediate payment or discharge in whole or in part of the Secured Liabilities and shall be effective until Nord Pool has confirmed in writing that all Secured Liabilities have been settled in full.
- 2.6 Upon confirmation from Nord Pool that all Secured Liabilities have been settled in full, Nord Pool shall, at the request and cost of the Account Holder, release to the Account Holder all right, title and interest of Nord Pool in or to the Pledged Settlement Account, or any part thereof. Nord Pool shall also (at the request and cost of the Account Holder) notify the Settlement Bank that the pledge over the Pledged Settlement Account has been released and give such other instructions and directions as the Account Holder may require (acting reasonably) in order to perfect such release.

### **3. ENFORCEMENT OF SECURITY**

- 3.1 The security created by this Agreement will become immediately enforceable upon any failure in the proper performance of the Secured Liabilities when due (each an “**Enforcement Event**”).
- 3.2 After the Pledge has become enforceable in accordance with Section 3.1, Nord Pool may immediately, in its absolute discretion, exercise any right under applicable law or this Agreement, to enforce all or any part of the security in respect of any Right in any manner it sees fit.
- 3.3 In particular, without any further consent or authority on the part of the Account Holder and irrespective of any direction given by it, Nord Pool may, after the Pledge has become enforceable in accordance with Section 3.1, to the extent permitted by applicable law:
  - 3.3.1 deliver a notice to the Settlement Bank in connection with enforcing the Pledge;
  - 3.3.2 seize, collect or claim all amounts payable in relation to the Pledged Settlement Account or exercise any of its rights in respect of any Right; and/or

3.3.3 enforce any Right by way of proceedings or otherwise.

## 4. REPRESENTATIONS

4.1 The Account Holder makes the representations and warranties set out in this Section 4 to Nord Pool:

4.1.1 the Account Holder has the power to create, and has taken all necessary action to authorise the creation of, the Pledge; and

4.1.2 the Rights are not encumbered with limited rights or subject to any right of set off or similar right (save for the Pledge or as expressly permitted pursuant to this Agreement).

4.2 The representations and warranties in this Section 4 are made by the Account Holder on the date of this Agreement and on each following date until the Pledge is terminated or released in connection with Section **Error! Reference source not found.** or Section **Error! Reference source not found.**

## 5. RIGHTS OF NORD POOL

5.1 The Account Holder hereby grants Nord Pool unconditional right of disposal over the balance in the Pledged Settlement Account, to be utilised in accordance with the Rulebook.

5.2 The Settlement Bank may not oppose such instruction or conduct any investigations regarding the validity of such instructions.

5.3 The right of disposal under Section 5.1 may not be revoked by the Account Holder as long as any Secured Liabilities are outstanding. In other cases, the Account Holder may, with 14 days' written notice to Nord Pool, request that the right of disposal be revoked. However, the right of disposal shall remain in effect until Nord Pool has confirmed in writing to the Settlement Bank that the right of disposal is revoked.

5.4 The Account Holder may dispose of any excess balance in the Pledged Settlement Account only after meeting all Collateral Calls from Nord Pool and all Settlement amounts owed to Nord Pool from time to time. The Account Holder may grant a third party a similar right of disposal, and pledge the Pledged Settlement Account to third parties with priority after Nord Pool.

5.5 Nord Pool shall be notified if a third party is granted rights as provided for in Section 5.4, and may suspend the right of disposal for the Account Holder or any third party.

5.6 The Settlement Bank and the Account Holder may agree upon further restrictions for the Account Holder's disposal of excess balance or granting of rights in the Pledged Settlement Account.

## 6. INFORMATION DISCLOSURE

6.1 The Settlement Bank may inform Nord Pool of whether the balance in the Pledged Settlement Account is sufficient to cover Nord Pool's Collateral Calls and Settlement amounts, and may inform Nord Pool of the balance, in- and outgoing transactions whenever requested by Nord Pool, regardless of any duty of confidentiality.

- 6.2 Further exemptions from the Settlement Banks' duty of confidentiality may follow from the Settlement Bank Agreement.

## **7. INTEREST**

- 7.1 Interest on the amounts standing to the credit of the Pledged Settlement Account shall accrue in accordance with a separate agreement between the Account Holder and the Settlement Bank.
- 7.2 Interest accrued is included in the Pledge granted herein regardless of whether it has been credited to the Pledged Settlement Account.

## **8. CHOICE OF LAW AND LEGAL VENUE**

- 8.1 This Agreement shall be governed by and construed in accordance with the laws of [*the State where the Pledged Settlement Account is held to be filled in*].
- 8.2 The Norwegian courts shall have exclusive jurisdiction to settle any claim, dispute or difference that may arise out of or in connection with this Agreement, including any question as to its existence, validity or termination.
- 8.3 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the Norwegian courts and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any proceedings brought before the Norwegian courts shall be conclusive and binding on such Party and may be enforced in the courts of any other jurisdiction in accordance with the enforcement rules of that jurisdiction.

## **9. CHANGES TO THE AGREEMENT**

- 9.1 Amendments to this Agreement require the written agreement of all Parties.
- 9.2 Notwithstanding Section 9.1, Nord Pool may amend the Rulebook in accordance with the provisions in the Rulebook.

## **10. TERM OF AGREEMENT**

- 10.1 This Agreement shall remain in effect until further notice, and may be terminated by a Party in the event of a material breach of contract by any other Party or upon three months' written notice to the other Parties.
- 10.2 Regardless of what is stated in Section 10.1, termination of this Agreement shall only take effect if Nord Pool no longer has claims that are secured by the Pledge on the Pledged Settlement Account. The Pledge shall be discharged by a written release statement from Nord Pool to the Settlement Bank.

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IN WITNESS OF THEIR AGREEMENT, each Party has caused its authorised representative to execute this Agreement effective as of the date of signature by all Parties. This Agreement is executed in three (3) copies, one for each Party.

**For and on behalf of the Account Holder**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

**For and on behalf of the Settlement Bank**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

**For and on behalf of Nord Pool AS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and title (printed letters)

Date:

**Annex 1: Settlement Bank Agreement**