



Nordic Imbalance Settlement

**Agreement on Pledge and
Right of Disposal of Cash Account**

between

Company

and

eSett Oy

and

[name of Settlement Bank]

based on agreement template dated 20 February 2020

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- 1) Company name (business ID xxxxx), Address, postal code, city, country("BRP") (the "Account Holder");
- 2) Settlement Bank _____,
Address _____,
reg. no _____ (the "Settlement Bank");
and
- 3) eSett Oy, Läkkipäntie 23, 00620 Helsinki, business ID 2582499-7 ("eSett")

hereinafter collectively referred to as the "Parties" and each a "Party".

1 Introduction

- 1.1 This Pledged Cash Account Agreement relates to the agreement entered into between eSett and the Account Holder regarding imbalance settlement in the Nordic electricity market, including any and all of its appendices, as amended from time to time (the "Imbalance Settlement Agreement"). According to the Imbalance Settlement Agreement, the Account Holder shall, inter alia, be responsible for the financial settlement against eSett of payable amounts arising in the Nordic Imbalance Settlement, and post collateral as security for its obligations towards eSett under the said agreement.
- 1.2 The Account Holder has set up a cash account with the Settlement Bank with
 - the IBAN account number _____ and
 - BIC code _____,hereinafter referred to as the "Pledged Cash Account".
- 1.3 The Pledged Cash Account may be used for posting collateral in the form of cash to fulfil the Account Holder's collateral requirement under the Imbalance Settlement Agreement ("Collateral Requirement"). In addition, the Pledged Cash Account may be used for the settlement of payable amounts between eSett and the Account Holder arising in the Nordic Imbalance Settlement.

The currency of this Pledged Cash Account is
 - DKK
 - EUR
 - NOK
 - SEK
- 1.4 The Settlement Bank and the Account Holder may agree on the terms and conditions of the Pledged Cash Account separately. However, the terms and conditions of the Pledged Cash Account agreed between the Settlement Bank and the Account Holder shall not be in discrepancy with the terms and conditions of this Pledged Cash Account Agreement and the terms and conditions of the latter shall prevail in case of any discrepancy.
- 1.5 A copy of the Settlement Bank Agreement between the Settlement Bank and eSett is enclosed as Appendix 1 to this Agreement only for the information of the Account Holder.

2 Pledge in favour of eSett

- 2.1 The Account Holder hereby irrevocably and unconditionally, on the terms and conditions set out herein, grants a security interest in and pledges to eSett, all rights and interests in and to the Pledged Cash Account including both present and future credit balances and any interest accrued but not yet capitalised.
- 2.2 The pledge shall serve as collateral securing any claim eSett has or may have against the Account Holder in connection with performance of obligations of the Account Holder under the Imbalance Settlement Agreement, including but not limited to, charges and fees (both internal and external) related to Imbalance Settlement, interest and delay interest, and all costs and expenses in connection with the protection, preservation and enforcement of eSett's rights against the Account Holder under the Imbalance Settlement Agreement and this Agreement (the "Secured Obligations").
- 2.3 The pledge is established pursuant to the law of the state where the entity (Settlement Bank or its branch) with which the cash is deposited is located, i.e. where the Pledged Cash Account is located. 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 applicable law.
- 2.4 Enforcement of Security

(i) Full enforcement

Upon the occurrence of a default of a payment or any other obligation of the Account Holder under the Imbalance Settlement Agreement, and for as long as the same is continuing, eSett may enforce the pledge and have the right to debit the balance on the Pledged Cash Account to cover any claims secured under Section 2.2. For this purpose eSett may instruct the Settlement Bank to transfer the funds, in whole or in part, from the Pledged Cash Account to any bank account designated by eSett and/or to apply any proceeds of such enforcement towards payment of the Secured Obligations in accordance with Section 2.4 (iii) (Application of funds). Prior consent of the Account Holder or any advance notice by eSett to the Account Holder is not needed, nor is it necessary for eSett to take any legal or other steps in order to verify or confirm eSett's entitlements (including a judgment or a decision of a competent court) or in order for eSett to exercise any and all of its rights hereunder.

For the purpose of enforcing the pledge created by this Pledged Cash Account Agreement, the Account Holder hereby irrevocably authorises eSett to act in the name of the Account Holder and on behalf of the Account Holder to take any necessary or appropriate steps in respect of the enforcement of rights of pledge granted hereunder. This power of attorney shall remain in full force and effect throughout the validity of this Pledged Cash Account Agreement.

(ii) Waiver of statutory restrictions

The provisions of non-mandatory statutory restrictions shall not be applied in case they are in discrepancy to the terms and conditions of this Agreement. For example, Chapter 10 Section 2 of the Finnish Commercial Code (Fi: Kauppakaari, 3/1734, as amended from time to time), including the requirement to give an advance notice to the Account Holder, shall not apply to the pledge under this Agreement and eSett is hereby authorized to enforce the pledge in any manner it deems appropriate.

(iii) Application of funds

eSett shall be entitled to apply the funds on the Pledged Cash Account (or, as the case may be, funds on such other bank account to which the funds from the Pledged Cash Bank Account have been transferred pursuant to Section 2.4. (i) (Full enforcement)) in or towards payment of the Secured Obligations as is then due and payable in the manner and order determined by eSett and in accordance with the Imbalance Settlement Agreement. Upon the expiry of the validity of this Pledged Cash Account Agreement, the surplus (if any) of such funds shall be promptly released or paid to the Account Holder upon the instructions given by eSett, subject to Section 2.6 and the terms of the Imbalance Settlement Agreement and its Appendix 2.

(iv) In addition, eSett shall be entitled to do all other things in relation to the Pledged Cash Account permitted by applicable law.

- 2.5 The Account Holder shall not be entitled to dispose of any of its rights in respect of the Pledged Cash Account, withdraw funds standing to the credit thereof, or otherwise give any instructions in respect of the Pledged Cash Account without the prior written consent of eSett.
- 2.6 The security constituted by this Pledged Cash Account Agreement shall be a continuing security and shall extend to the ultimate balance of the Secured Obligations and shall continue to be in full force and effect notwithstanding any intermediate payment or discharge in whole or in part of the Secured Obligations and shall be effective until eSett has confirmed in writing that all Secured Obligations have been settled in full and the Balance Obligation of the BRP (as defined in the Imbalance Settlement Agreement) has ceased. The security constituted by this Pledged Cash Account Agreement remains valid even if the terms and conditions of the Imbalance Settlement Agreement were amended at any time.
- 2.7 If the amount standing to the credit of the Pledged Cash Account is higher than what is necessary (as determined by eSett in its full discretion) for the Account Holder to meet the Collateral Requirement and any other requirement specified by eSett in accordance with the Imbalance Settlement Agreement, the Account Holder shall be entitled, subject to confirmation by eSett, to receive the balance on the account that stands in excess of the aforementioned requirements ("Excess Funds"). Accordingly, eSett shall instruct the Settlement Bank about the Excess Funds to be released and, upon the receipt of such instruction, the Settlement Bank shall make the Excess Funds available to the Account Holder.

3 Right of Disposal

- 3.1 The Account Holder hereby grants eSett an unconditional and exclusive right of disposal over the balance on the Pledged Cash Account, to be utilised in accordance with the Imbalance Settlement Agreement (with its Appendices).
- 3.2 The Account Holder irrevocably instructs and authorises, without any further permission from the Account Holder, the Settlement Bank to comply with the terms of any written notice or instruction relating to the Pledged Cash Account issued by eSett.
- 3.3 The Settlement Bank may not oppose such notice or instruction or conduct any investigations regarding the validity of such notices or instructions save for a customary check that the instructions are given by an authorised party and, if applicable, any other checks required by applicable mandatory law, including but not limited to know-your-customer checks.
- 3.4 The right of disposal under Section 3.1 may not be revoked or amended by the Account Holder and shall remain in effect until eSett has confirmed in writing that the account is no longer required for the Nordic Imbalance Settlement and the right of disposal can be revoked.
- 3.5 The Account Holder may not pledge the Pledged Cash Account to third parties even with priority after eSett.

4 Information Disclosure

- 4.1 The Account Holder irrevocably authorises the Settlement Bank to inform eSett of the balance on the Pledged Cash Account and of in- and outgoing transactions whenever requested by eSett, regardless of any duty of confidentiality. The Account Holder furthermore consents to any exemptions from the Settlement Bank's duty of confidentiality which follow from the Settlement Bank Agreement.

5 Interest

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

6 Governing law and Dispute resolution

- 6.1 This Pledged Cash Account Agreement (including any dispute relating to the relationship between the Account Holder and eSett) is governed by and shall be construed in accordance with the laws of Finland, excluding its conflict of law principles.
- 6.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The arbitration proceedings shall be conducted in Helsinki, Finland, in the English language.

7 Changes to the Agreement

- 7.1 Amendments to this Agreement require a written agreement between all the Parties.

8 Term of agreement

8.1 This agreement shall continue in force until eSett submits a written statement to the Settlement Bank and the Account Holder on release of the pledge under this Agreement.

IN WITNESS WHEREOF, 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) identical original counterparts, 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 eSett Oy

Signature

Minnakaisa Ahonen, CEO

Name and title (printed letters)

Date:

Appendix 1 Settlement Bank Agreement