

Gasgrid Finland Oy

# Terms and Conditions for Balancing Services

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<b>1</b>	<b>Object of Contract</b> .....	<b>2</b>
<b>2</b>	<b>Formation of System Balancing Framework Agreement incorporating Terms and Conditions for Balancing Services</b> .....	<b>2</b>
<b>3</b>	<b>Tendering and Contract Award Process</b> .....	<b>3</b>
<b>4</b>	<b>Notice Obligations</b> .....	<b>8</b>
<b>5</b>	<b>Charges and Invoicing</b> .....	<b>8</b>
<b>6</b>	<b>Confidentiality</b> .....	<b>9</b>
<b>7</b>	<b>Force Majeure</b> .....	<b>10</b>
<b>8</b>	<b>Liability</b> .....	<b>11</b>
<b>9</b>	<b>Provision of Security</b> .....	<b>11</b>
<b>10</b>	<b>Term and Termination</b> .....	<b>14</b>
<b>11</b>	<b>Amendment of Terms and Conditions for Balancing Services</b> .....	<b>15</b>
<b>12</b>	<b>Assignment</b> .....	<b>15</b>
<b>13</b>	<b>Severability</b> .....	<b>16</b>
<b>14</b>	<b>Changes in Circumstances</b> .....	<b>16</b>
<b>15</b>	<b>Requirements for Written Form and Authoritative Version of Contract</b> .....	<b>17</b>
<b>16</b>	<b>Jurisdiction and Governing Law</b> .....	<b>17</b>

## Terms and Conditions for Balancing Services

agreed by and between Provider (hereinafter referred to as **Provider**) and the Transmission System Operator with system responsibility (hereinafter referred to as the Transmission System Operator):

- Provider and the Transmission System Operator hereinafter also referred to individually as a **Party** or collectively as the **Parties**

### 1 Object of Contract

- 1.1 The **Terms and Conditions for Balancing Services** set out herein, including the annex **Balancing Product Description** (Annex 1), set out the detailed provisions governing the business relationship between the Transmission System Operator and the Provider and provide the contractual framework for all individual contracts (each a “**Balancing Transaction Agreement**”) to be entered into by the Transmission System Operator and the Provider in relation to any **External System Balancing Action** taken by the Transmission System Operator using products described in the Balancing Product Description (Annex 1).
- 1.2 In the event of any discrepancy between the Balancing Product Description (Annex 1) to these Terms and Conditions for Balancing Services set out herein, the provision set out in the Balancing Product Description shall prevail. Save where expressly agreed otherwise between the relevant parties, any and all other contracts in place between the Transmission System Operator and the Provider shall remain unaffected.

### 2 Formation of System Balancing Framework Agreement incorporating Terms and Conditions for Balancing Services

- 2.1 The Transmission System Operator will only enter into a framework contract with a Provider for the provision of balancing gas or balancing services to the Transmission System Operator (“**System Balancing Framework Agreement**”) on the basis of the Terms and Conditions for Balancing Services set out herein if the following conditions are met:
  - The provider has entered into a separate Shipper’s Framework Contract with the Transmission System Operator, registering as a shipper to the Finnish gas system so that gas quantities supplied to or received from the Transmission System Operator under any Balancing Transaction Agreement can be registered to the balancing account of the balancing group of the shipper.
  - The Provider shall confirm its acceptance of the System Balancing Terms & Conditions set out herein in the Provider’s offer. A System Balancing Framework Agreement is formed between the Provider and the Transmission System Operator once the Transmission System Operator signs has notified the Provider in a written form via email of the approval of the original signed version of the Provider’s offer.

### 3 Tendering and Contract Award Process

Sections 3.1 to 3.5 below set out the general rules for the tendering and contract award process for the procurement of Balancing Products. The specific rules governing the tendering and contract award process are defined in the Balancing Product Description (Annex 1) as well as in each invitation to tender.

#### 3.1 Purpose of Tendering and Contract Award Process

The Transmission System Operator engages in a tendering and contract award process with the aim of entering into Balancing Transaction Agreements with market participants. Save where otherwise provided in these Terms and Conditions for Balancing Services, ~~all~~ tendering processes will be announced at the Transmission System Operator's website.

For this purpose, the Transmission System Operator publishes invitations to tender in response to which the Provider may submit bids in accordance with the requirements set out in the Balancing Product Description as well as in the relevant invitation to tender. Where a bid submitted by the Provider is accepted by the Transmission System Operator, the Provider has an obligation to the Transmission System Operator to provide the Balancing Product contracted in each case in accordance with the arrangements applicable in relation thereto.

#### 3.2 Submission of Bid and Content of Bid

1. All bids must be complete and not be subject to any other conditions or reservations than set out in the relevant invitation to tender. A bid will be deemed to be complete if it contains all the information required to be specified under the Balancing Product Description and the provisions set out in the relevant invitation to tender.
2. ~~Each~~ The Transmission System Operator will record the time of receipt for each bid that is received by the Transmission System Operator in accordance with paragraph 3 below ~~will receive a time stamp documenting the time of receipt. Subject to sentences 2 and 3 of this paragraph, once the~~ The Provider has ~~submitted a bid, the Provider shall generally remain bound by its bid up~~ the right to amend or withdraw its previously placed bid in written form via email as described in the paragraph 3 below until the end of the relevant Bidding Period. ~~Where under the rules applying to the relevant Balancing Product the Provider is granted the right to subsequently withdraw a bid previously placed by the Provider, the corresponding process and deadlines are~~ defined in the Balancing Product Description relevant invitation to tender. Once the deadline for the withdrawal of a bid has expired, the bid will be legally binding on the Provider.

3. Providers may submit, amend and withdraw their bids by sending an email to [info@kaasumarkkina.fi](mailto:info@kaasumarkkina.fi); the email address(es) defined in the relevant Bid Form for the Bidding Period in question.
4. Any and all costs incurred by the Provider in the course of preparing and/or submitting a bid shall be borne by the Provider.
5. The Provider shall be fully and solely responsible for the correctness and completeness of any and all information specified in any bid. Any bid which is not in accordance with the requirements set out in these Terms and Conditions for Balancing Services (including the Balancing Product Description set out in Annex 1 hereto) or the relevant invitation to tender, or which is subject to a condition or reservation, incomplete or unclear, will be deemed not to have been submitted.

### 3.3 Tendering Process and Contract Award

When inviting tenders for a Balancing Product, the Transmission System Operator will create and maintain an ordered list of all bids received for that Balancing Product ("**Merit Order List**"). The detailed rules for the arrangement of bids in each Merit Order List and the order in which they are accepted are set out in the Balancing Product Description.

### 3.4 Formation of Balancing Transaction Agreements

1. A Balancing Transaction Agreement placing an obligation on the Provider to ensure its availability to supply and/or receive (as the case may be) the gas quantity offered by the Provider in a bid will be created between the Transmission System Operator and the Provider once the Provider receives notice of acceptance of such Bid from the Transmission System Operator by email. Providers whose Bids have not been accepted by the Transmission System Operator will be notified thereof by email.
2. The Transmission System Operator will instruct ("**Call Order**") the Provider to supply and/or receive (as the case may be) the contracted gas quantity (in full or part of according to the Call Order) in accordance with the provisions applying to the Balancing Transaction Agreement.
3. The Transmission System Operator will issue a Call Order by sending an email to the email address specified by the Provider to the Transmission System Operator. After each Call Order received from the Transmission System Operator the Provider shall confirm the relevant Call Order to the Transmission System Operator by ~~telephone by calling the Transmission System Operator's service number on the Transmission System Operator's website or by~~ sending an email to the Transmission System Operator's dispatching center email address, from which the Call Order in question was activated. This confirmation is required for verification purposes only; the validity of the Balancing Transaction Agreement concerned shall remain unaffected.

### 3.5 Supply / Receipt of Gas at Specified Entry or Exit Points

1. In each invitation to tender the Transmission System Operator ~~will~~may specify either the individual physical entry/exit point(s) or exit zone at which Providers are to supply and/or receive gas under a Balancing Product.
2. On receiving a Call Order from the Transmission System Operator, the Provider shall supply (System Buy) and/or receive (System Sell) the instructed Balancing Product in accordance with the Balancing Product Description at the entry/exit point(s) or exit zone specified in the ~~course of the corresponding tendering process~~Providers Bid Form which has been accepted by the Transmission System Operator.
3. All entry and/or exit capacity rights required by the Provider (“**Delivery Location**”) in order to be able to supply and/or receive gas under a Balancing Product must be procured by the Provider ~~for the duration of the entire Contract Period~~ at the Provider’s cost. ~~No interruptible entry capacity may be used for this purpose.~~
4. The title to any gas supplied or received under a Call Order, and the risk of loss or damage relating to any such gas, shall pass between the Transmission System Operator and the Provider at the virtual trading point of the Finnish market area (“VTP”).
5. In relation to each Call Order, the Transmission System Operator shall perform its obligation to make or take (as the case may be) delivery of the instructed gas quantity by giving a trade notification on a gas quantity for delivery to or offtake from (as the case may be) the balancing group used by the Provider that is equal to the gas quantity stated in the corresponding Call Order.
6. Where the Provider has agreed to supply (System Buy) or receive (System Sell) gas at a specified entry/exit point, it shall cause the required physical effect via its balancing group:
  - by way of making corresponding nominations or renominations in respect of a relevant physical entry point or exit point so as to initiate the corresponding physical inputs or offtakes of gas. In so doing the Provider shall ensure
    - that it causes gas to be physically delivered and/or physical offtakes of gas reduced where it has agreed to supply gas to the Transmission System Operator.
    - that it causes gas to be physically offtaken and/or physical inputs of gas to be reduced where it has agreed to receive gas from the Transmission System Operator.

The relevant physical ~~input~~ nominations ~~or~~, renominations or adjustments to demand, as the case may be, shall be purposefully made with a view to causing the required effect. ~~As regards nominations or renominations at Balticconnector~~ Before sending the Call Order, the Transmission System Operator ~~guarantees~~ shall take into account the availability of available capacity for Contracted Bids in all situations, when there is no need to exclude Balticconnector ~~the related entry/ or exit from point.~~ If the Merit Order list.

- ~~(as an alternative to paragraph (a) above) by securing that an end user, who receives gas at an entry or exit point is or will likely be congested, and the respective delivery relationship is registered to~~ thus the balancing group of the Provider,
  - ~~reduces its demand accordingly where~~ service provider is or will likely be unable to fully meet the ~~Provider has agreed to supply gas to~~ Call Order, the Transmission System Operator, ~~or~~
  - ~~increases its demand accordingly where~~ will not issue a call order for the Provider has agreed to receive gas from the Transmission System Operator.

7. entry or exit point in question. A condition for exit points in the exit zone to participate in demand response is that the participating exit points are measured on an hourly basis with a remotely read meter. In exit points connected to distribution networks, there is also a condition that the Provider offering demand response has a contract with the retail supplier of the exit points in question for the provision of demand response services. Throughout the relevant Call Period the Provider shall then procure that the physical offtakes made at one or several such exit points in the exit zone belonging to the Provider's balancing group are reduced ("**Demand Reduction**") or increased ("**Demand Increase**") by an amount equal to the bid size agreed in each case (the "**Demand Response Rate**"). The Demand Reduction or Demand Increase (as the case may be) to be delivered in each case will be measured in relation to the rate at which gas was offtaken at the relevant exit point(s) in the hour in which the Transmission System Operator issued the relevant Call Order (the "**Demand Response Reference Rate**"). The rate at which gas is offtaken at the relevant exit point(s) must not exceed (in the case of an instructed Demand Reduction) the difference between the Demand Response Reference Rate and the Demand Response Rate instructed in the corresponding Call Order. If during any Call Period another Call Order for a Demand Reduction or Demand Increase is issued in respect of the time period immediately following the relevant Call Period, the relevant Demand Response Reference Rate will remain unchanged, i.e. the Demand Response Reference Rate applicable in the following Call Period will be equal to the Demand Response Reference Rate applicable in the preceding Call Period. In each hour of a Call Period the Provider shall continue to make corresponding gas deliveries equal to the instructed Demand Response Rate to its balancing group by nominating inputs

for delivery at the VTP and/or physically delivering gas to the market area. In no case shall the Provider reduce these gas deliveries.

8. Where the Provider receives a request for evidence from the Transmission System Operator, the Provider shall prove in a suitable manner that the relevant change in demand was purposefully effected as a result of the Provider's entering into the trade transaction for delivery of the relevant Balancing Product subject to specific physical delivery restrictions and that the relevant change in demand had not already been prompted prior to receipt of the corresponding Call Order. Without limitation, evidence may be established based on confirmations of nominations or renominations made at physical points, allocation data and/or measured offtake data confirming that a certain demand level has been met by a relevant end user.

## 4 Notice Obligations

- 4.1 If the Provider is unable to perform any of its obligations arising under or in connection with any Balancing Transaction Agreement, or restricted in its ability to do so, the Provider shall notify the Transmission System Operator thereof without undue delay. The Provider shall give such notification to the Transmission System Operator by ~~telephone~~ email by ~~calling the service number published on~~ sending an email to the Transmission System Operator's ~~website and a~~ email address(es) defined in the relevant Bid Form for the ~~same time also by email by sending an email to the Transmission System Operator's dispatching center~~ Balancing Period in question. Any such notification will not release the Provider from any of its contractual obligations.
- 4.2 Each Party shall notify the other Party in a written form, giving advance notice of at least ten (10) business days, of any change in any of the following contact details: the contact details of the Transmission System Operator as specified in the foregoing paragraph and the contact details of the Provider's contacts as specified by the Provider when contracting with the Transmission System Operator as a provider of balancing gas and/or balancing services.

## 5 Charges and Invoicing

- 5.1 For all gas quantities supplied (System Buy) and/or received (System Sell) under a Balancing Transaction Agreement of a Balancing Product and the fee agreed under the relevant Balancing Transaction Agreement shall be paid in accordance with the rules set out below.
- 5.2 Where the Provider has supplied gas to the Transmission System Operator (System Buy), the commodity fee payable under the relevant Balancing Transaction Agreement in respect of each relevant gas day shall be calculated by multiplying the gas quantity ~~instructed to be~~ supplied under that Balancing Transaction Agreement on that gas day by the applicable commodity charge agreed between the Parties for the supply of gas by the Provider (System Buy) under that Balancing Transaction Agreement.
- 5.3 Where the Provider has received gas from the Transmission System Operator (System Sell), the commodity fee payable under the relevant Balancing Transaction Agreement in respect of each relevant gas day shall be calculated by multiplying the gas quantity ~~instructed to be~~ received under that Balancing Transaction Agreement on that gas day by the applicable commodity charge agreed between the Parties for the receipt of gas by the Provider (System Sell) under that Balancing Transaction Agreement.
- 5.4 If on any gas day gas more than one Balancing Transaction Agreement for a Balancing Product was supplied or received between the Parties, the Transmission System Operator may aggregate all fees payable pursuant to sections 5.1 and 5.2 above and show them as a single item.

- 5.5 All fees and charges shall be invoiced on a monthly basis. ~~On~~At latest on the sixth ~~calendar~~business day after the end of each gas month ~~during which~~. ~~If~~ gas was ~~supplied or~~ received by the Provider from the Transmission System Operator, the Transmission System Operator shall ~~raise~~issue an invoice for all gas days of the relevant gas month and provide such invoice to the Provider and if gas was supplied by the Provider to the Transmission System Operator, the Provider shall issue an invoice for all gas days of the relevant gas month and provide such invoice to the Transmission System Operator. The Transmission System Operator shall always issue a credit note to the Provider for the Capacity Charge for the relevant gas month. All payments to be made by either Party to the other Party shall be effected within 14 calendar days following the issuance of the relevant invoice.
- 5.6 Any and all applicable taxes and/or other public charges shall be added to each invoice by the Transmission System Operator.
- 5.7 Payment will only be deemed to have been made once the amount payable has been credited to the receiving Party's account as agreed between the Provider and the Transmission System Operator.

## 6 Confidentiality

- 6.1 The Parties shall treat as confidential all provisions set out in each Balancing Transaction Agreement as well as all information and data in whatsoever form they are obtained in connection with the performance of such Balancing Transaction Agreement (hereinafter referred to as "**Confidential Information**"), and – save as otherwise provided in paragraph (3) below – shall neither disclose such Confidential Information nor make it available to any third party without the prior written consent of the Party affected.
- 6.2 The Parties shall treat as confidential all information and data in whatsoever form they are obtained in connection with the Provider's offer or System Balancing Framework Agreement (hereinafter referred to as "Confidential Information"), and – save as otherwise provided in paragraph (3) below – shall neither disclose such Confidential Information nor make it available to any third party without the prior written consent of the Party affected.
- 6.3 Each Party shall be entitled to disclose any Confidential Information it has obtained from the other Party without the written consent of the other Party to the extent that such Confidential Information:
- was legitimately known to the receiving Party prior to receiving such Confidential Information from the other Party,
  - was already in the public domain or becomes publicly available other than through an act or omission of the receiving Party; or

- where the disclosing Party is required to publish or disclose such Confidential Information under any statutory provision or a court or official order or a request received from a regulatory authority.

The confidentiality requirement set out in paragraphs (1), (2) and (3) of this section 6 shall expire two (2) years after the relevant Balancing Transaction Agreement comes to an end.

## **7 Force Majeure**

- 7.1 Either Party shall be released from its contractual obligations where and to the extent that it is prevented from performing such obligations due to an Event of Force Majeure as defined in paragraph (2) of this section ~~7.7~~. To the extent and for such time as that Party is prevented from performing its obligations due to an Event of Force Majeure, the other Party shall be released from its corresponding obligations.
- 7.2 For the purposes of this contract, an Event of Force Majeure means any unforeseeable external circumstance which the Party affected could not have been expected to prevent or could not have prevented in good time even by applying reasonable care and taking such measures as would have been technically feasible and commercially reasonable. Such events include, without limitation, natural disasters, terrorist attacks, power failures, telecommunications failures, strikes, lawful lockouts, legal requirements and government, court or official orders (regardless of their legality).
- 7.3 The Party affected in each case shall inform the other Party without undue delay that it is unable to perform its obligations due to an Event of Force Majeure by providing notice to the other Party in accordance with section 4.1 of these Terms and Conditions for Balancing Services. In its notice the notifying Party shall state the reasons for the occurrence of the Event of Force Majeure and indicate for how long it expects to be unable to perform its obligations as a result thereof. The Party prevented from performing its obligations due to the Event of Force Majeure shall take action to ensure that it can resume the performance of its obligations without undue delay.
- 7.4 Where a Party makes use of services by a third party to perform its contractual obligations, an event that would constitute an Event of Force Majeure for that third party as defined in paragraph (2) above shall also constitute an Event of Force Majeure for that Party.

## 8 Liability

8.1 The Transmission System Operator shall only be liable for loss or damage which was incurred or suffered as a result of a breach of a material contractual obligation, i.e. any contractual obligation breach of which places at risk the achievement of the relevant contract's purpose or any contractual obligation the performance of which is absolutely essential to the proper execution of the relevant contract and compliance with which the Provider may reasonably rely on; in any such case the Transmission System Operator's liability shall, however, be limited to such foreseeable loss or damage as is typical for the relevant type of contract. The foregoing limitation of liability shall not apply

- a) where the loss or damage in question was caused by willful act or gross negligence,
- b) in the case of death, injury to the body or damage to health, or
- c) where a guarantee was given.

8.2 The Transmission System Operator shall not be liable where the circumstances giving rise to a claim against the Transmission System Operator

- a) were the result of an extraordinary and unforeseeable event which was outside the control of the Transmission System Operator and the consequences of which could not have been prevented even by applying due care, or
- b) were brought about by the Transmission System Operator acting in compliance with a statutory obligation.

8.3 Moreover, the Transmission System Operator shall not be liable for any failure of or disturbance on any technical infrastructure operation of which is outside the Transmission System Operator's responsibility (Force Majeure).

8.4 The above shall be without prejudice to any liability the Transmission System Operator may have under mandatory statutory provisions.

## 9 Provision of Security

9.1 The Transmission System Operator may in justified cases require the Provider to provide reasonable security or to make reasonable advance payment for the purpose of securing any and all claims that may arise under the System Balancing Transaction Agreements made between the Transmission System Operator and the Provider (the "**Business Relationship**"). In any such case the Transmission System Operator shall give notice to the Provider in Text Form to explain its reasons for requiring such security or advance payment.

- 9.2 Without limitation, a justified case within the meaning of paragraph (1) above shall be deemed to be established
- a) where the Provider has defaulted to a significant extent on any obligation to the Transmission System Operator which was due to be performed and which is still capable of being performed (especially, without limitation, where the Provider has defaulted on any payment), and where, despite the Transmission System Operator having submitted an express demand for performance to the Provider, this continues to be the case five (5) business days after the Provider has received such demand for performance (with payments required to be received in the account of the Transmission System Operator by this deadline),
  - b) where to a significant extent the Provider has failed to perform, or not duly complied with, any obligation to the Transmission System Operator which was due to be performed and which is no longer capable of being performed (e.g. where energy is to be supplied or received at a particular point in time),
  - c) where the Provider has applied to have insolvency proceedings initiated against its assets,
  - d) where a third party has applied to have insolvency proceedings initiated against the Provider's assets,
  - e) where the Transmission System Operator has reasonable grounds for believing, based on a report provided by a generally recognized credit reporting agency or based on any other factual circumstances, that the Provider will not meet its obligations to the Transmission System Operator under the Business Relationship.
- 9.3 The Transmission System Operator shall in its request for security fully disclose to the Provider the data and the essential content of the information on which the Transmission System Operator based its assessment that a justified case is established.
- 9.4 The amount to be secured in each case shall be determined on the basis of the Transmission System Operator's potential risk exposure in the event of a default (the "Default Risk"). This shall be equivalent to the financial disadvantage the Transmission System Operator may suffer in the event that the Provider fails to comply with its obligations under any Balancing Transaction Agreement made between the Transmission System Operator and the Provider in the course of the Business Relationship. The Transmission System Operator's Default Risk shall comprise the risk borne by the Transmission System Operator in the event that the Provider fails to comply with its payment obligations as well as the risk borne by the Transmission System Operator in the event that the Provider fails to comply with any other contractual obligation to be performed by the Provider.

- 9.5 The types of security that may be provided include on-demand guarantees of an A-rated (Moody's or Standard & Poors) financial institution registered in an EU Member State and deposits of cash into a bank account designated by the Transmission System Operator. The Provider shall have the right to decide what type of security to provide in each case.
- 9.6 The Provider shall have the right to avoid any obligation to provide security by making advance payments. In order to avoid its obligation to provide security, the Provider shall within five (5) business days of receiving a request for security from the Transmission System Operator submit a written statement (Text Form) to the Transmission System Operator declaring that it will make advance payments instead of providing security.
- 9.7 The Provider shall provide security, or pay the advance payment amount where the Provider has chosen to make advance payment in lieu of providing security, to the Transmission System Operator no later than seven (7) business days after it receives the latter's request for security.
- 9.8 The Transmission System Operator shall have the right to realise any security provided where (i) it has issued a payment reminder to the Provider on occurrence of a payment default setting a reasonable deadline for payment and (ii) the deadline stated in the payment reminder has expired without payment being made. On realising any security provided by a Provider, the Transmission System Operator shall have the right to demand that the Provider re-provide the proportion of security that has been used, provided the grounds for requiring the Provider to provide security as set out in paragraphs (1) to (4) above continue to apply. The Provider shall then provide the proportion of security to be re-provided within the time limit set out in paragraph (7) above.
- 9.9 Any security provided must be released without undue delay once the conditions for its being requested are no longer satisfied. The Transmission System Operator shall review every six months whether the grounds for the provision of security by the Provider as set out in paragraphs (1) to (3) above continue to apply and whether the secured amount as determined pursuant to paragraph (4) above continues to be appropriate. Where the aforementioned review reveals that the realisable value of all security provided significantly exceeds the value to be applied pursuant to paragraph (4) above, the Transmission System Operator shall release the proportion of the security that exceeds a reasonable amount as determined pursuant to paragraph (4) above to the Provider. Where the realisable value of all security provided is significantly lower than the value to be applied pursuant to paragraph (4) above, the Transmission System Operator shall be entitled to require the Provider to provide additional security.

## 10 Term and Termination

- 10.1 Either Party shall have the right to terminate the System Balancing Framework Agreement in place between the Parties for convenience with effect from the end of any given month by giving at least one (1) months' prior notice. Once the terminating Party's notice of termination has been received by the other Party, the Parties may only enter into Balancing Transaction Agreements for terms ending on or before the date on which the System Balancing Framework Agreement comes to an end. Where the System Balancing Framework Agreement is terminated in accordance with the foregoing provisions, the Parties shall in any case continue to be bound by their obligations thereunder until the Balancing Transaction Agreements in place between the Parties at the time the terminating Party's notice of termination was received by the other Party come to an end.
- 10.2 Save as provided above, both the System Balancing Framework Agreement as well as any Balancing Transaction Agreement may only be terminated for cause, in which case the relevant contract will be terminated with immediate effect. Due cause shall in particular, without limitation, be given where:
- the Provider fails to meet any specifications and/or representations relevant for obtaining prequalification by the Provider according to section 2.1,
  - either Party has breached a material contractual obligation under the System Balancing Framework Agreement or any Balancing Transaction Agreement, i.e. any contractual obligation breach of which places at risk the achievement of the relevant contract's purpose,
  - an application has been made to have insolvency proceedings initiated against the Provider's assets and initiation has been refused for a lack of assets,
  - insolvency proceedings have been initiated against the Provider's assets and the responsible administrator fails to declare a continuation of business activities, despite having been called on to do so.
- 10.3 Notice of termination must be given in writing and signed by the terminating Party.

## 11 Amendment of Terms and Conditions for Balancing Services

11.1 The Transmission System Operator shall have the right to amend the Terms and Conditions for Balancing Services set out herein insofar as the Provider can reasonably be expected to accept such amendment, giving due consideration to the interests of the Transmission System Operator. In particular, without limitation, an amendment shall be deemed to be reasonable within the meaning of the foregoing sentence where it is required to ensure compliance with changed statutory and/or other legal requirements. The Transmission System Operator shall notify the Provider of any such amendment to the Terms and Conditions for Balancing Services by giving notice to the Provider in text form (each such notice an “**Amendment Notice**”); ~~save where a~~). The Transmission System Operator shall submit the Amendment Notice to the Provider no later ~~date is expressly stated in each case,~~ than four (4) weeks before the relevant ~~amendment will come~~ Amendment comes into effect ~~four (4) weeks after the Provider has received such Amendment Notice.~~

11.2 The Provider shall have the right to terminate the System Balancing Framework Agreement as well as any Balancing Transaction Agreement affected by any such amendment on grounds of exceptional circumstances with effect from the date on which such amendment to the Terms and Conditions for Balancing Services is to come into effect by giving notice to the Transmission System Operator in writing within four weeks from the date on which the Provider received the relevant Amendment Notice. If the Provider does not exercise this exceptional termination right, the Provider will be deemed to have accepted the relevant amendment to the Terms and Conditions for Balancing Services. In its Amendment Notice, the Transmission System Operator shall inform the Provider of its right to terminate the aforementioned contracts on grounds of exceptional circumstances and shall alert the Provider to the fact that the amendment in question will come into effect unless the Provider exercises its exceptional termination right within the applicable deadline.

## 12 Assignment

12.1 Neither Party shall transfer any right and/or obligation arising under these Terms and Conditions for Balancing Services and/or under any Balancing Transaction Agreement, whether in whole or in part, to any third party unless the other Party hereto has given its prior consent to such transfer. Consent may only be withheld for due cause.

12.2 Any transfer pursuant to paragraph (1) above to an affiliated entity shall not require prior consent but shall be notified to the other Party in writing.

### **13 Severability**

13.1 If any provision set out in these Terms and Conditions for Balancing Services or in any Balancing Transaction Agreement is, becomes or is held to be invalid, unenforceable or incomplete, it shall not serve to invalidate or affect the completeness of the remaining provisions set out in these Terms and Conditions for Balancing Services or in the relevant Balancing Transaction Agreement, which shall remain in full force and effect as if such provision had not originally been contained therein and shall be deemed to be otherwise complete.

13.2 The Parties hereby undertake to replace any such invalid, unenforceable or incomplete provision by a valid, enforceable and complete provision having as far as reasonably possible the commercial and legal effect intended under these Terms and Conditions for Balancing Services and reflecting as closely as reasonably possible the intentions of the Parties.

### **14 Changes in Circumstances**

14.1 Where during the term of these Terms and Conditions for Balancing Services unforeseen circumstances should arise in respect of which no provision has been made under a Balancing Transaction Agreement, or which the Parties failed to take into account when entering into that Balancing Transaction Agreement, and where such circumstances have such significant commercial, technical or legal impact on the relevant Balancing Transaction Agreement so as to render any provision of that contract untenable for either Party, the affected Party shall have the right to require its counterparty to agree to a corresponding amendment of the contract's terms that duly reflects any such changed circumstances whilst having regard to all commercial, technical and legal implications this would have for the counterparty.

14.2 Where a Party pleads circumstances falling within the scope of paragraph (1) above, that Party shall be required to specify and prove the facts on which it has based its amendment request.

14.3 If the conditions for amending the relevant contract as set out in the foregoing paragraphs are satisfied, the pleading Party's right to have the contract amended shall arise at the first time that Party raises a demand to amend the contract's terms on the grounds of changed circumstances. The pleading Party's right to have the contract amended shall also apply retrospectively if, and only going back for such time as, the pleading Party could not reasonably have been expected to raise its demand for amendment of the relevant contract at an earlier time.

## **15 Requirements for Written Form and Authoritative Version of Contract**

15.1 The Parties have not entered into any oral agreements on the subject of these Terms and Conditions for Balancing Services. Except as otherwise provided in these Terms and Conditions for Balancing Services, any and all amendments or additions to the System Balancing Framework Agreement and/or to any Balancing Transaction Agreement as well as the termination or revocation thereof shall be invalid unless made in writing and signed by the Parties. This shall also apply with respect to any agreement made with respect to this requirement for the written form.

15.2 Only the English language version of these Terms and Conditions for Balancing Services shall be legally binding.

## **16 Jurisdiction and Governing Law**

16.1 The Parties shall make efforts to settle any dispute, controversy or claim arising between the Parties out of or in connection with these Terms and Conditions for Balancing Services and/or any Balancing Transaction Agreement or the performance or validity thereof by negotiation. Should agreement not be reached by negotiation, any dispute, controversy or claim arising out of or relating to this Framework Agreement shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be three. The seat of arbitration shall be Helsinki, Finland, and the language of the arbitration shall be English, unless otherwise agreed by the Parties.

16.2 These Terms and Conditions for Balancing Services shall be governed by, and construed and interpreted in accordance with, the law of the Republic of Finland.