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## FINANCIAL AGREEMENT

between

Joint Allocation Office S.A., a Luxembourg public limited company (*société anonyme*), with its registered office at 2, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Registry (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 142282

hereinafter referred to as the “**Allocation Platform**”

and

Company name
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Registered company address
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hereinafter referred to as the “**Registered Participant**”,

referred to individually as a “**Party**” or together as the “**Parties.**”

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### WHEREAS

- (A) The TSOs have appointed the Allocation Platform to be in charge of the allocation of Transmission Rights, by Auctions, in accordance with the relevant Allocation Rules and/or Additional Rules.
- (B) The Allocation Platform prepares and conducts the long term (e.g. yearly, non-calendar yearly, seasonal, quarterly, monthly, weekly and weekend) and as the case may be, short-term (daily, intraday) Auctions, manages registration of transfer and return of Long Term Transmission Rights, provides necessary information to the market parties and collects and/or settle payments in accordance with the relevant Allocation Rules and/or Additional Rules.
- (C) The Registered Participant has signed the Participation Agreement published on the website of the Allocation Platform which would allow him, when entering into force, to

participate in Auctions.

- (D) The Allocation Platform shall secure payments by the Registered Participant in accordance with relevant Allocation Rules and/or Additional Rules.
- (E) The Parties now intend to enter into this Agreement in order to specify, *inter alia*, the conditions and modalities of the assignment for security purpose to, and the utilisation, by the Allocation Platform of the amounts transferred to the dedicated Business Account by the Registered Participant.
- (F) Under this Agreement and in relation to the Allocation Platform's assignments described under items (A) and (B) and (D), the Allocation Platform acts on behalf of the TSOs but in its own name.

## IT IS AGREED AS FOLLOWS:

### 1. INTERPRETATION

#### 1.1. Recitals

Recitals (A) to and including (F) above are an integral part of this Agreement.

#### 1.2. Definitions

- (a) In this Agreement (including its recitals), unless the contrary intention appears or the context otherwise requires:

**Account Bank** means ING LUXEMBOURG S.A.

**Agreement** means this Financial Agreement.

**Blocked Amounts** has the meaning ascribed to such term in Clause 4(d).

**Business Account** means the sub-account n°

IBAN \_\_\_\_\_

Swift code CELLLULL held by the Allocation Platform with the Account Bank.

**Collateral** means all present and future amounts, which are transferred by the Registered Participant to the Business Account, and all present and future interest accrued on the Business Account (other than any Blocked Amounts standing on the Business Accounts), and all (if any) of the Registered Participant's Bank Guarantees accepted by the Allocation Platform in accordance with the relevant Allocation Rules and/or Additional Rules.

**Collateral Law** means the Luxembourg law of August 5, 2005 on financial collateral arrangements, as amended from time to time.

**Corporate Account** means the private bank account held by the Registered Participant. Corporate account details are provided by the Registered Participant to the Allocation Platform during the registration process.

**Event of Default** means for purpose of this Agreement a case of payment incident, any breach of Clause 6 of this Agreement and/or any other situation specified by the relevant Allocation Rules and/or Additional Rules giving a right to the Allocation Platform to call upon Collaterals of the Registered Participant.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Registered Participant** means any entity defined as a Registered Participant under the relevant

Allocations Rules and the Participation Agreement including the Registered Participant as defined under this Agreement.

**Secured Liabilities** means all monies and liabilities now or hereafter due, owing or incurred by the Registered Participant to the Allocation Platform under or pursuant to this Agreement, the relevant Allocation Rules and the Participation Agreement in connection with the acquisition, the allocation and the purchase of the Transmission Rights, as well as any obligations undertaken or liabilities incurred by the Registered Participant to the Allocation Platform pursuant to this Agreement, the relevant Allocation Rules, the relevant Additional Rules and the Participation Agreement, all such obligations in Euros or any other currencies, whether present or future, actual or contingent, together with all interest accruing thereon and all costs, charges and expenses payable in connection therewith, as well as any indemnities due thereunder by the Registered Participant.

**Security Assignment** means the assignment of the Collateral by way of security (*transfert de propriété à titre de garantie*) in accordance with the Collateral Law and made from the Registered Participant to the Allocation Platform pursuant to this Agreement.

**Transmission Rights** means either a Physical Transmission Right or a Financial Transmission Right Option acquired in the Auction.

**Working Day** means any day except Saturday, Sunday and except any day which shall be in Luxembourg a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

- (b) Clause headings are inserted for convenience of reference only and shall be ignored in construing this Agreement.
- (c) A reference to a person in this Agreement includes its successors, transferees and assignees or novated parties.
- (d) Words importing the singular shall include the plural and vice-versa.
- (e) Capitalized terms defined in the Allocation Rules, the Additional Rules and/or the Participation Agreement and used in this Agreement shall have the meaning ascribed to them in the relevant Allocation Rules, relevant Additional Rules and/or in the Participation Agreement unless otherwise defined herein.

- (f) Any reference in this Agreement to any agreement or instrument is a reference to such agreement or instrument as amended, novated, supplemented, extended or restated.
- (g) The Agreement may be signed with the qualified electronic signature. If the Registered Participant will not sign with the qualified electronic signature, the Agreement may be executed in any number of counterparts by handwritten signature and provided that two original hardcopies will be sent to the Allocation Platform by post mail.

## **2. BANK GUARANTEE**

- (a) The relevant Allocation Rules and/or Additional Rules provide requirements with regard to delivery and content of a Bank Guarantee, which is one of the accepted forms of Collateral.
- (b) The Bank Guarantee shall be provided using the template available on the Allocation Platform's website, which may be updated from time to time, or in a form that substantially follows the template. The Bank Guarantee may alternatively be submitted with handwritten signature(s), qualified electronic signature(s) (QES) from the issuing bank, or authenticated SWIFT (Society for Worldwide Interbank Financial Telecommunication or any successor provider of such telecommunication services) message from the issuing bank. Any costs related to the authenticated SWIFT shall be exclusively borne by the Registered Participant and shall be settled via the Registered Participant's Business Account.

## **3. BUSINESS ACCOUNT**

- (a) The Business Account has been opened by the Allocation Platform with the Account Bank. The Business Account shall be managed, controlled and operated exclusively by the Allocation Platform.
- (b) The Business Account is a special dedicated account to which the Registered Participant shall pay all the amounts required under the Allocation Rules and/or Additional Rules and all the payments for the allocated Transmission Rights acquired or to be acquired by the Registered Participant in accordance with the Allocation Rules and/or the Additional Rules. The Registered Participant shall pay all the amounts and payments to the Business Account from an account in its name with a credit institution based in the European Union, United Kingdom, European Economic Area or a country in which the Allocation Platform performs cross border auction services. The Registered Participant is obliged to select a credit institution which is subject to customer due diligence standards that are not less than those laid down in Directive (EU) 2015/849 (as amended from time to time) and which complies with them accordingly.
- (c) For the avoidance of doubt, the Allocation Platform will pay to the bank account of the Registered Participant notified to the Allocation Platform in the Attachment 1 of the Participation Agreement, all remunerations and compensations to be paid by the Allocation Platform to the Registered Participant in accordance with the Allocation Rules and/or the Additional Rules. A single executed payment (and also underlying invoice/self-bill) will include all transactions irrespectively to which Allocation Rules or

Additional Rules are ascribed.

- (d) Neither any transfer of funds to the Business Account, nor performance of any transaction in relation to this Agreement will be done, until the Allocation Platform has explicitly confirmed in writing that the Business Account has been fully activated.
- (e) For the avoidance of doubt, the other sub-accounts of the account n° IBAN LU63 0141 9445 0571 0000 are dedicated to other Registered Participants and such sub-accounts are not subject to the provisions of this Agreement.

#### 4. OPERATION OF THE BUSINESS ACCOUNT

- (a) At all times, the Registered Participant shall transfer to the Business Account sufficient funds in order to ensure that the Business Account contains a disposable balance equal to or higher than zero.
- (b) Information on payments received is processed – as a basic principle – until 08:00 CET/CEST on the Working Day following the day payment was credited to the Business Account. Registered

Participants can view their transactions processing of their payments through Account Bank's online viewing service (the **E-banking Platform**).

The Registered Participant is allowed to register up to two users for the E-banking Platform. Access and removal rights of the authorized person to the E-banking Platform shall be updated

by submitting to the Allocation Platform a dedicated form (the **Inside Business User Access Form** or the **Inside Business User Termination Form**) as published on the Allocation Platform website.

- (c) The Allocation Platform shall calculate and continuously update the Credit Limit of each Registered Participant in respect of each subsequent Auction. The Credit Limit shall be equal to the amount of the Collaterals in place minus any outstanding payment obligations. In case of Cash Collateral, the Registered Participant shall ensure that its Credit Limit is sufficient and visible on the Allocation Platform before the closure of the Bidding Period (as defined in the Allocation Rules) in which the Registered Participant wants to participate. In case of a Bank Guarantee such Bank Guarantee shall only be considered if the requirements related to its validity for the respective Auction are fulfilled. If the Registered Participant deems that the amount of the Credit Limit as presented in the Auction Tool is incorrect, the Registered Participant shall immediately inform the Allocation Platform thereof.
- (d) The Allocation Platform will block the amounts standing on the Business Account corresponding with the outstanding payment obligations (the **Blocked Amounts**). All the Blocked Amounts constitute final and irrevocable payment for the allocated Transmission Rights attributed to the Registered Participant and constitute payment, or in relation to Long Term Transmission Rights, partial payment, of the purchase price for the Transmission Rights. The Registered Participant does not have any right or

claim whatsoever in respect of such Blocked Amounts. In particular, the Blocked Amounts are not subject to any obligation of re-assignment or restitution to the Registered Participant.

- (e) In the absence of an Event of Default, if there are amounts standing on the Business Account,
  - (i) which are not Blocked Amounts or (ii) which are not applied for the payment of the Invoices or any other amounts due to the Allocation Platform or (iii) which are in addition secured by the Bank Guarantee (the **Available Amounts**), the Registered Participant may require the restitution of such Available Amounts by means of a wire transfer (the **Available Amounts Withdrawal**) via the Inside Business Payment module provided by E-banking Platform (the **Inside Business Payments**).
- (f) The Registered Participant shall ensure that the list of the authorized person (a minimum of one and a maximum of two users are required) entitled to proceed with the Available Amounts Withdrawal through the Inside Business Payments is up-to-date and must promptly notify the Allocation Platform of any change. Access and removal rights of the authorized person to the Inside Business Payments shall be updated by submitting to the Allocation Platform a dedicated form (the **Inside Business Payments User Access Form** or the **Inside Business Payments User Termination Form**) as published on the Allocation Platform website.

Notwithstanding the above, the Allocation Platform reserves the right to periodically review the access rights to ensure that the designated authorized person (s) listed in the Inside Business Payment User Access Form are still valid. If the designated person (s) fail (s) to confirm their rights during the review, the Allocation Platform may revoke their access rights.

- (g) The Allocation Platform may close the Business Account after 15 months of inactivity, with prior notice to the Registered Participant, in order to avoid incurring fees from the Account Bank. In the event of such closure, any remaining funds in the Business Account will be transferred to the Corporate Account shared by the Registered Participant as outlined in the Participation Agreement

A new Business Account may be opened upon request by the Registered Participant. The closure of the Business Account following this Clause 6(g) shall not affect the duration or validity of the Participation Agreement or the Financial Agreement.

- (h) The Allocation Platform may close the Business Account with prior written notice if the two cumulative conditions below are met:
  - (i) The Registered Participant is in default of its obligation to provide sufficient funds to cover the bank fees according to Article 65(15) of the Allocation Rules for a period of two consecutive months; and
  - (ii) For more than two consecutive months the Registered Participant does not communicate to the Allocation Platform a reasonable justification for the breach of their obligation to cover for bank fees, and/or does not provide a proof of the fulfilment of their payment obligation.

After the abovementioned closure, the Registered Participant may request the opening of a new Business Account, provided it produces the necessary documentation for it.

## **5. SECURITY ASSIGNMENT**

- (a) All the Collateral transferred in form of cash to the Business Account is assigned for collateral purpose by the Registered Participant to, and in favour of, the Allocation Platform as continuing security for the due and full payment and discharge of the Secured Liabilities. The Security Assignment constitutes an assignment for collateral purposes (*transfert de propriété à titre de garantie*), as provided for in the Collateral Law, over such Collateral.
- (b) The Security Assignment shall take effect as between the Parties and as against third parties from the date of this Agreement pursuant to Article 14 (2) of the Collateral Law.
- (c) To the extent any future Collateral in form of cash arise and/or is credited to the Business Account, the transfer of ownership for the collateral purposes will also take effect between the Parties and as against third parties as of the date, on which such Collateral is credited to the Business Account, or to the extent legally possible, on the date of this Agreement.
- (d) Upon the occurrence and during the continuance of an Event of Default, the Allocation Platform shall forthwith (and without any prior notice) be fully released from its obligation to re-assign to the Registered Participant the Collateral on the Business Account then outstanding and/or be entitled to exercise all rights in respect of the Collateral on the Business Account and in particular:
  - (i) execute and do all such acts, deeds and things as the Allocation Platform may consider reasonably necessary or proper for, or in relation to, any of the purposes set out above; or
  - (ii) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to any Collateral on the Business Account which the Allocation Platform may consider appropriate; or
  - (iii) apply the sums of money received or recovered by the Allocation Platform in the exercise of its rights under this Agreement to the Secured Liabilities; or
  - (iv) apply the amounts received or recovered by the Allocation Platform in the exercise of its rights under this Agreement by way of set-off to the discharge of the Secured Liabilities.
- (e) On the date on which the Allocation Platform is satisfied that the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and that there is no possibility for further Secured Liabilities, the Allocation Platform shall take any action which is necessary to re-assign the outstanding Collateral on the Business Account to the Registered Participant.
- (f) The Security Assignment will not affect the right of the Allocation Platform to block any

amount pursuant to Clause 4(d) above, to debit any amounts from the Business Account for the payment of any debt due by the Registered Participant and any costs and expenses borne by the Registered Participant, and appropriate definitively such amounts;

- (g) The Security Assignment will not affect the right of the Allocation Platform to call upon Collaterals of a Registered Participant in the form of Bank Guarantee, if available.
- (h) The Registered Participant shall restore its Collaterals after a payment incident or collaterals incident in accordance with the relevant Allocation Rules and/or Additional Rules. After a payment incident, the Registered Participant shall make use of the Business Account as detailed under Clause 3 and 4 of the Agreement.
- (i) This Clause shall not in any form limit the rights and obligations ascribed to the Parties by the relevant Allocation Rules and/or Additional Rules arisen out of the occurrence of an Event of Default.

## **6. SET-OFF**

In addition to the Security Assignment provided for in Clause 5 of this Agreement, and for as long as the Secured Liabilities are outstanding in full or in part, the Registered Participant hereby irrevocably grants to the Allocation Platform the right to, at any time upon the occurrence and during the continuance of an Event of Default and in accordance with Articles 18 and following of the Collateral Law, exercise a right of set-off by applying all or part of the Collateral against any outstanding Secured Liabilities.

## **7. REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **7.1. Representations and Warranties**

In addition to Article 10 of the Allocation Rules the Registered Participant hereby represents and warrants to the Allocation Platform that:

- (a) It is duly incorporated and validly existing and is duly authorized and qualified to conduct and  
  
transact any and all business contemplated to be conducted and transacted by it under this Agreement;
- (b) This Agreement constitutes the legal, valid and binding obligations of the Registered Participant, enforceable in accordance with its terms;
- (c) Its execution and delivery of this Agreement, the consummation of the transactions contemplated on its part herein and the fulfilment of or compliance with the terms of this Agreement will not (i) result in a material breach of any term or provision of its constitutional documents, (ii) materially conflict with, result in a material breach, violation or acceleration of, or result in a default under, the terms of any other agreement or instrument to which it is a party or by which it may be bound, which would have a material adverse effect on this Agreement, or (iii) materially conflict with or result in a material breach, violation or contravention of any law, rule or regulation applicable to it;



- (d) It has not commenced any proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;
- (e) No insolvency, bankruptcy or other similar legal proceeding affecting creditors' rights have been commenced in relation to the Registered Participant;
- (f) No winding-up or liquidation proceedings have been commenced with regard to the Registered Participant;
- (g) It has full power, legal right and lawful authority to execute and perform, and to enter into and consummate the transactions contemplated by, this Agreement in the manner and form hereof and has duly authorized by all necessary corporate and other action on its part the execution, delivery and performance of this Agreement;
- (h) On the date of this Agreement no Event of Default has occurred;
- (i) The funds to be transferred to the Business Account do not come from drugs traffic nor from any of the infractions mentioned in Article 506-1 of the Luxembourg code of criminal law and will provide all documentation required by the Allocation Platform and/or required by the Account Bank to provide comfort on this and further Know Your Customer requirements. The representations and warranties set out in this Clause 5.1. are made on the date of this Agreement and are deemed to be repeated each time when the Registered Participant provide a Bid to the Auction with reference to the facts and circumstances then existing.

## **7.2. Covenants**

The Registered Participant hereby covenants that unless the Allocation Platform otherwise consents in writing:

- (a) It will take any action that is necessary or desirable from time to time to maintain and ensure the validity of the arrangements created hereunder and not take or omit to take any action, which act or omission would directly or indirectly adversely affect the validity and enforceability of this Agreement;
- (b) It will not do or cause or permit to be done anything which will, or could reasonably be expected to, materially adversely affect the rights of the Allocation Platform thereunder;
- (c) It will not take any other action that is inconsistent or conflicts with its obligations under this Agreement;
- (d) It shall promptly upon the request of the Allocation Platform supply, or procure the supply of, such documentation and other evidence as is reasonably required by the Allocation Platform and/or as required by the Account Bank in order for the Allocation Platform or, as the case may be, the Account Bank to carry out and be satisfied with the results of all necessary "know your customer", anti-money laundering or other checks in relation to any person that it is required to carry out pursuant to the

transactions contemplated in the relevant Allocation Rules and/or Additional Rules and this Agreement.

## **8. WAIVERS, REMEDIES CUMULATIVE**

No waiver of any of the terms hereof shall be effective unless in writing signed by the Parties. No delay in or non-exercise of any right by a Party shall constitute a waiver. Any waiver may be on such terms as a Party sees fit. The rights, powers and discretions of the Allocation Platform herein are additional to and not exclusive of those provided by law, by any agreement with or security in favour of the Allocation Platform.

## **9. MISCELLANEOUS**

- (a) All the interest accrued on the Business Account shall be paid by the Allocation Platform to the Registered Participant (subject to the deduction of any costs, fees and expenses relating to the Business Accounts). Should the interest be not sufficient for the payment of such costs, fees and expenses, such costs, fees and expenses shall be borne exclusively by the Registered Participant.
- (b) The method for calculation of interest rate applied by the Account Bank, information on bank fees and how/when they are debited by the Account Bank from the Business Account are published on the website of the Allocation Platform. Any change in the above-mentioned information will be published and communicated by the Allocation Platform to the Registered Participant without undue delay.
- (c) Any amounts, which have to be transferred back to the Registered Participant pursuant to Clause 4(e) and any accrued interest which has to be transferred to the Registered Participant pursuant to Clause 9(a) will be made only to the bank account of the Registered Participant notified to the Allocation Platform in the Attachment 1 of the Participation Agreement.
- (d) Bank fees of the payer's bank shall be covered by the payer. Bank fees of the receiving bank shall be covered by the beneficiary. Bank fees of any intermediary bank shall be covered by the Registered Participant.
- (e) Any fees not regulated by Clause 9(d) and any taxes relating to any transfers shall be borne exclusively by the Registered Participant.

## **10. LIABILITY**

- (a) In case of a breach of any provision of this Agreement, the liability of the Parties shall be assessed according to the terms set out in the relevant Allocation Rules and/or Additional Rules.
- (b) Notwithstanding Clause 10(a) above, the Allocation Platform shall not be liable for any losses of any amounts held by the Account Bank, including the Collateral, arising in connection with the exercise or the non-exercise of any of its rights, powers and discretions hereunder or in the event of bankruptcy of the Account Bank, save for

liabilities arising from its gross negligence  
(*faute lourde*) or willful misconduct (*faute dolosive*).

## **11. EFFECTIVENESS AND DURATION**

- (a) This Agreement will be effective between the Parties as of the date of the last signature.
  - (i) This Agreement shall terminate on the earlier of the following events or dates:
  - (ii) the date the termination of the Participation Agreement becomes effective; or
  - (iii) the date of termination agreed in written by the Parties.
- (b) The terms of this Agreement shall continue to bind the Parties after termination to such extent and for so long as may be necessary to give effect to the rights and obligations embodied in it. If there are any outstanding Secured Liabilities, such termination will not affect the Security Assignment and the rights of the Allocation Platform against the Registered Participant arising under this Agreement and the relevant Allocation Rules and/or Additional Rules.

## **12. ASSIGNMENT**

The Registered Participant may not transfer any of its rights and/or obligations under this Agreement without the prior written consent of the Allocation Platform.

## **13. SEVERABILITY**

- (a) The Registered Participant may not transfer any of its rights and/or obligations under this Agreement without the prior written consent of the Allocation Platform.
- (b) If any provision of this Agreement is or becomes prohibited, unenforceable or void in any jurisdiction, this shall not affect the legality, validity or enforceability of any other provisions hereof nor affect the legality, validity or enforceability of such provision in any other jurisdiction.

## **14. AMENDMENT**

The Allocation Platform may amend the terms and conditions of this Agreement at any time by reasonable notice, including without limitation by posting revised terms on its website at [www.jao.eu](http://www.jao.eu) and the amended terms and conditions will be binding for the Registered Participant.

## **15. GOVERNING LAW AND ARBITRATION**

Subject to any mandatory Luxembourg legal provisions and rules of interpretation, the provisions of the relevant Allocation Rules (Article 77 and Article 70 of the Allocation Rules)

and/or Additional Rules shall apply in respect of this Agreement with regard to the governing law and to the dispute resolution.

## **16. GENERAL DATA PROTECTION REGULATION (GDPR)**

Any personal data exchange between the Allocation Platform and the Registered Participant in the context of this Agreement is processed in accordance with any applicable mandatory

(including public policy) legislation or regulation or any mandatory decision of a competent authority, including the terms, conditions and methodologies as required under such legislation or regulation, and also including in particular but not limited to GDPR, and only for the purpose of this Agreement, including managing the contractual relationship amongst the Allocation Platform and the Registered Participant.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the day and year first above written.

The Registered Participant	The Allocation Platform
Name: <input type="text"/>	Name: <input type="text"/>
Date: <input type="text"/>	Date: <input type="text"/>
Place: <input type="text"/>	Place: Luxembourg
Signature: _____	Signature: _____
Name: <input type="text"/>	Name: <input type="text"/>
Date: <input type="text"/>	Date: <input type="text"/>
Place: <input type="text"/>	Place: Luxembourg
Signature: _____	Signature: _____