

Unofficial translation

**YEARLY MARKET AGREEMENT 2020
FOR FREQUENCY CONTAINMENT RESERVES
BALANCING SERVICE PROVIDER OY
and
FINGRID OYJ**

1 PURPOSE OF AGREEMENT

XXXXXX, business identity number YYYYYYY-Y (hereinafter Balancing Service Provider), and Fingrid Oyj, business identity number 1072894-3 (hereinafter Fingrid), have made the following agreement (hereinafter Yearly Market Agreement) concerning Balancing Service Provider's contribution to the maintaining of Frequency Containment Reserves.

2 VALIDITY OF AGREEMENT

This Agreement will enter into force once both parties have signed it.

The application of this Agreement shall begin on 1 January 2020.

The Agreement shall be valid until 31 December 2020.

3 REQUIREMENTS IMPOSED ON RESERVE CAPACITY AND MAINTAINING OF RESERVE

In their operations covered by this Agreement, the contracting parties shall follow the below valid appendices of this Agreement.

- 1) Reserve capacity and control properties
- 2) Terms and conditions for providers of Frequency Containment Reserves (FCR)
- 3) The technical requirements and the prequalification process of Frequency Containment Reserves (FCR)
- 4) Fingrid's Supplier Code of Conduct

The control properties of reserve capacity verified by means of prequalification tests are presented in Appendix 1. Fingrid has a right to replace Appendix 1 with an electronic data system.

Fingrid has the right to amend the terms of the appendices. Fingrid shall notify of the changes in writing no later than one (1) month before the change takes effect.

4 RESERVE CAPACITY COVERED BY THE AGREEMENT

The volume of the Frequency Containment Reserve for Normal Operation covered by this Agreement is XX MW.

The volume of the Frequency Containment Reserve for Disturbances covered by this Agreement is XX MW.

Balancing Service Provider shall maintain the above volumes of reserves by means of the reserve capacity specified in Appendix 1.

5 EXECUTION OF MAINTAINING OF RESERVES

Balancing Service Provider shall always maintain the Frequency Containment Reserve for Normal Operation and Frequency Containment Reserve for

Disturbances specified above under item 4 within the available capacity using those reserve-generating power plant machineries or loads that are connected to the electricity system. Balancing Service Provider can choose which capacity specified in Appendix 1 is used for maintaining the reserve at any given time.

During the Agreement period, Balancing Service Provider has no right to change the control properties presented in Appendix 1 unless Balancing Service Provider and Fingrid agree on this separately in advance. Changes to the control properties require the re-performance of the prequalification tests.

For a specific reason, Balancing Service Provider can temporarily, for example during flooding, change the control properties presented in Appendix 1 without re-performing the prequalification tests, by agreeing on this with Fingrid two days in advance.

6 FEES

Fingrid shall pay a fee to Balancing Service Provider for Balancing Service Provider's contribution to the maintaining of the Frequency Containment Reserve for Normal Operation and Frequency Containment Reserve for Disturbances. Fingrid shall pay the fees on the basis of the verified volumes; however, at the most for the volume specified above under item 4.

6.1 Frequency Containment Reserve for Normal Operation

6.1.1 Capacity fee

The capacity fee is 13.20 euros/MW,h, which shall be paid by Fingrid in accordance with the principles stated in Appendix 2.

6.1.2 Energy fee

Fingrid shall pay an energy fee to Balancing Service Provider's balance responsible party for the reserve electricity purchased by Fingrid. This energy fee is calculated in accordance with Appendix 2 by multiplying the calculatory energy in the production balance or consumption balance caused by the Frequency Containment Reserve for Normal Operation during each hour by the upward balancing price for each hour.

Fingrid charges an energy fee from Balancing Service Provider's balance responsible party for the reserve electricity sold by Fingrid. This energy fee is calculated in accordance with Appendix 2 by multiplying the calculatory energy in the production balance or consumption balance caused by the Frequency Containment Reserve for Normal Operation during each hour by the downward balancing price for each hour.

6.2 Frequency Containment Reserve for Disturbances

6.2.1 Capacity fee

The capacity fee is 1.90 euros/MW,h, which shall be paid by Fingrid in accordance with the principles stated in Appendix 2.

7 TERMS OF PAYMENT

7.1 Capacity fee

Balancing Service Provider shall send Fingrid an invoice concerning the maintaining of reserves in the previous month on the 10th day of each month or on the following

first weekday. The due date of an invoice shall be 14 days from the date of the invoice. The date of the invoice is the sending date of the invoice, which shall be indicated on the invoice.

7.2 Energy fee

The energy fee is taken into account monthly in the imbalance settlement of Balancing Service Provider's balance responsible party, in conjunction with balancing energy invoicing. Fingrid shall inform Balancing Service Provider of the amount of the energy fee.

7.3 Complaints

A contracting party shall make complaints regarding the invoice in writing. The other party shall inspect the invoice and send the necessary correction invoice without delay. The complaint does not exempt a party from the payment obligation by the due date unless otherwise agreed upon in each case.

7.4 Interest on arrears

If a payment to be made by a contracting party is delayed, the party in question shall pay the annual penalty interest stated on the invoice from the due date to the date of receipt of the payment. The annual penalty interest is in accordance with the valid Interest Act.

7.5 Value-added tax

In addition to the fees specified in this Agreement, Fingrid shall pay Balancing Service Provider the value-added tax valid at any given time.

8 FORCE MAJEURE

In the event of force majeure, the contracting parties have the right to restrict the maintaining of reserves or to interrupt it entirely.

Force majeure is considered to be an event beyond the control of a contracting party which was not known to the contracting parties when this Agreement was being concluded and which could not have been prevented by a contracting party or the effects of which could not have been avoided by reasonable measures and which make the maintaining of the reserves in accordance with the Agreement impossible, complicate it essentially or make it otherwise unreasonable.

Cases of force majeure include war, country's internal unrest, mischief, sabotage, explosion, fire, long-term fault at a power plant, storm or other exceptional weather conditions, general interruption in traffic, strike or stoppage of a key employee group, lock-out ordered by an employer organisation, measures by authorities, or other reason with as significant and unusual consequences.

Balancing Service Provider shall inform Fingrid of the occurrence of force majeure, its estimated duration as well as of its end without delay. For this period, Fingrid shall not be obliged to pay the fees specified in this Agreement to Balancing Service Provider.

9 DAMAGES

The contracting parties are not liable for damage or loss which is the result of performances or neglect covered by this Agreement unless the damage or loss is indicated to have been caused by wilful conduct or more than slight negligence of a contracting party or person(s) employed by it. The contracting parties are not liable to each other for indirect or consequential damage or loss, such as unreceived profit, loss of production, damaged raw material, restarting of production, or damage or loss caused by a contracting party to a third party.

10 ELIMINATION OF DISPARITY

If reasons beyond the contracting parties lead to an evident disparity in the performance of the contractual obligations, the parties shall negotiate on the adjustment of the fees or other terms of the Agreement and agree on a solution to eliminate the disparity. Such reasons include changes in financial or commercial circumstances, changes taking place in legislation, measures by authorities, or other reasons which could not have reasonably been taken into account when preparing this Agreement.

11 TRANSFER, AMENDMENT AND CANCELLATION OF AGREEMENT

11.1 Transferring the Agreement

A contracting party is allowed to transfer this Agreement to a third party through the written consent of the other contracting party.

11.2 Amending the Agreement

Wherever possible, the contracting parties shall agree in advance on the impacts of significant changes in the properties of the reserve capacity on the volume of reserves maintained. All amendments shall be made in writing in two original copies, provided with the appropriate signatures.

If the use of the reserve capacity covered by this Agreement finishes or changes essentially as a result of changes taking place in the reserve unit in question, it shall be omitted from the maintaining of reserves. Balancing Service Provider shall agree on the omission of the reserve capacity from the scope of the Agreement with Fingrid well in advance.

This Agreement can also be supplemented by a supplementary agreement between Balancing Service Provider and Fingrid if the scope or terms of the service covered by this Agreement do not fulfil the changes in the maintaining of reserves caused by orders issued by authorities, changes to the rules for the maintaining of reserves in the Nordic electricity system or other similar reason. In the event that an agreement conforming to the new regulations or rules is not achieved in negotiations between the contracting parties, Fingrid has a right to terminate this Agreement at a period of notice of three months.

11.3 Cancelling the Agreement

A contracting party has the right to cancel this Agreement if the other party has essentially breached this Agreement. Essential breaches include neglecting the maintaining of reserves, conscious changing of control settings so that the control

properties are changed significantly, and neglecting to provide the account conforming to the terms concerning control capability.

12 DISPUTES

Any potential disputes caused by this Agreement, which cannot be solved through mutual negotiations, are to be solved by the Helsinki District Court as the first instance if the contracting parties do not agree in writing on another procedure.

13 CONFIDENTIALITY

A contracting party is allowed to surrender confidential information related to this Agreement to a third party only through the written consent of the other party. However, Fingrid may, without a separate consent given by the Balancing Service Provider, surrender confidential information relating to the Agreement to a third party for a research study commissioned by Fingrid, concerning the functioning or development of the reserve market. In this case, Fingrid shall sign a non-disclosure agreement with the third party, in which agreement the third party agrees not to forward party-specific information during or after the research study. The other contracting party shall be informed in advance of the surrender of information for the above-mentioned research purposes.

Notwithstanding the above, a contracting party shall be entitled, without prejudice to this Agreement, to disclose confidential information on the basis of law, decree, order issued by authorities or court decision. In this case, a contracting party shall endeavour to ensure that confidential information is kept in secret as completely as possible.

14 OTHER TERMS OF AGREEMENT

Each party shall contribute to the implementation of this Agreement. The contracting parties shall provide each other without delay with the necessary information required by the application of this Agreement, aiming at as automatic data transfer as possible.

Balancing Service Provider shall inform the balance responsible party of the reserve unit of the existence of this Agreement.

This Agreement has been drawn up and signed in two identical copies, one copy for each party.

_____ dd Mmmmm Year
Place and date

BALANCING SERVICE PROVIDER OY

_____ dd Mmmmm Year
Place and date

FINGRID OYJ

Appendices:

1. Reserve capacity and control properties
2. Terms and conditions for providers of Frequency Containment Reserves (FCR)
3. The technical requirements and the prequalification process of Frequency Containment Reserves (FCR)
4. Fingrid's Supplier Code of Conduct