

DEMAND GUARANTEE

SINCE:

- (A) [*Name of Balance Responsible Player*] (“**Balance Responsible Player**”) and Statnett SF (“**Statnett**”) have entered into an agreement on trading in the regulated power market (“**The Balance Agreement**”);
- (B) In accordance with the Balance Agreement the Balance Responsible Player shall provide collateral for his/her trading in the regulated power market;
- (C) The undersigned [*the name of the financial institution*] (“**The Guarantor**”) has agreed to provide a guarantee vis-à-vis Statnett;

THE GUARANTOR DECLARES THE FOLLOWING:

1. The Guarantor guarantees as guarantor of payment demands vis-à-vis Statnett for the Balance Responsible Player’s timely fulfilment of his/her payment obligations in accordance with the Balance Agreement for an amount limited upwards to NOK [] (Norwegian kroner []).
2. Under the guarantee the Guarantor is obliged to pay on Statnett’s first demand, and at the latest within [three] banking days from the date Statnett’s demand for payment has been received by the Guarantor. Statnett’s demand to the Guarantor shall be submitted in writing in the form of a letter or a telefax. The demand needs not be substantiated in any other way than that the actual amount has become due for payment.
3. The underlying relationship between Statnett and the Balance Responsible Player is of no consequence to the Guarantor, and any objections to Statnett’s demands may not be validly appealed.
4. Payment of the amount sought to be covered under this guarantee may not be put on hold on the grounds that the Guarantor is awaiting a negotiated settlement, an arbitration award or a legally binding judgment, in case of any disputes between the parties in the Balance Agreement.
5. Any payment reduces the guarantee’s nominal value correspondingly, though in such a way that it continues to run for the remaining amount.
6. The guarantee will continue to run until further notice, but may be terminated by the Guarantor with three months’ notice to Statnett. Such a notice must be submitted by registered post.
7. After the expiry date, the guarantee will continue to secure the obligations the Balance Responsible Player has incurred before the expiry date, and which are notified to the Guarantor at the latest one month after the expiry date.

[*place*], [*date*]

Guarantor