

**SECTION UUU - CONTRACT RULES: ICE FUTURES UK NBP NATURAL GAS DAILY FUTURES
CONTRACT**

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¹ Amended 3 September 2014, 1 October 2015, 14 November 2022

UUU.1 CONTRACTS FOR THE TRANSFER OF RIGHTS IN RESPECT OF NATURAL GAS AT THE NATIONAL BALANCING POINT

- (a) The provisions of this Section UUU and Sections I and VVV are applicable to Contracts for the trading of rights in respect of Natural Gas at the National Balancing Point.
- (b) A Contract shall be for the sale and transfer by the Seller to the Buyer of rights in respect of Natural Gas at the National Balancing Point on the Delivery Day specified in the Contract. The transfer of rights in respect of Natural Gas at the National Balancing Point under a Contract shall be made in accordance with, or pursuant to, these Contract Rules, the Administrative Procedures and the Clearing House procedures.
- (c) The Exchange may offer contracts for trading on the Market or otherwise pursuant to the Regulations for the sale and purchase of rights in respect of Natural Gas at the National Balancing Point during a Delivery Day as the Directors may determine from time to time ("Individual Day Contracts"). The Exchange may permit groups of Individual Day Contracts, consisting of two or more Individual Day Contracts, to be traded on the Market or otherwise pursuant to the Regulations in accordance with procedures determined by the Directors from time to time. For the avoidance of doubt, each Individual Day Contract comprised in a group of Individual Day Contracts shall remain a separate Contract.

UUU.2 QUANTITY

Contracts shall be for rights in respect of one or more lots of Natural Gas of 1,000 Therms (for conversion to kWh) for transfer on the Delivery Day specified in the Contract. The Directors may, in their absolute discretion, determine from time to time that Contracts shall be traded and rights in respect of Natural Gas shall be transferred in a minimum number of lots or multiples thereof. Conversions made by the Clearing House of quantities of Natural Gas expressed in Therms into quantities of Natural Gas expressed in kWh shall be made in the manner prescribed in the Clearing House procedures.

UUU.3 OTHER DEFINITIONS²

In these Contract Rules and the Administrative Procedures the following terms shall bear the meanings set out opposite them, if not inconsistent with the subject or context:

"Acquiring Trade Nomination"	means a nomination submitted, in the manner required by the National Grid Rules and otherwise in accordance with these Contract Rules, the Administrative Procedures and the Clearing House procedures, by the Transferee to acquire rights in respect of one or more lots of Natural Gas at the National Balancing Point;
"Balance of Month"	means a strip of two or more Daily Contracts, tradeable on a Business Day ("the Trade Day") in a contract month, starting two Business Days forward from such Trade Day continuing through to the end of the contract month. In the event that the first and/or second day(s) subsequent to the Trade Day is a non-Business Day, then the first such non-Business Day is counted as a Business Day for the purposes of establishing when the strip of Daily Contracts that constitute the Balance of Month for that Trade Day starts;
"Gemini"	means that part of the UK Link which enables, inter alia, a user to submit a Trade Nomination to National Grid and to access information concerning the user's Trade Nominations;
"National Grid"	means the operator of the Transmission System known as National Grid, or any successor thereto;

² Amended 3 September 2014, 1 October 2015, Amended 14 November 2022

"Clearing House procedures"	means the "Procedures" of the Clearing House from time to time in force as prescribed under the Clearing House Rules;
"Daily Contract"	means a contract which is deliverable on a specified day;
"D-" or "D+"	means, in respect of a Contract, in the case of "D-" the number of Business Days immediately before, and in the case of "D+" the number of Business Days immediately after, the day on which the Delivery Day specified in the Contract commences;
"Delivery Day"	means the period beginning at 05:00 hours on a day on which the transfer of rights in respect of Natural Gas is due to be made under a Contract in accordance with the terms of these Contract Rules, the Administrative Procedures and the Clearing House procedures and ending at 05:00 hours on the following day;
"Disposing Trade Nomination"	means a nomination submitted, in the manner required by the National Grid Rules and otherwise in accordance with these Contract Rules, the Administrative Procedures and the Clearing House procedures, by the Transferor to dispose of rights in respect of one or more lots of Natural Gas at the National Balancing Point;
"Exchange Delivery Settlement Price" ("EDSP")	means, in respect of a Contract, the settlement price determined by the Directors in accordance with the Administrative Procedures;
"kilowatt hour" ("kWh")	means 3,600,000 joules where "joule" is as defined in ISO 1000:1992(E) or any standard replacing the same as nominated by the Exchange;
"M+"	means, in respect of a Contract, the number of Business Days immediately following the last day of the month in which the Delivery Day specified in the Contract commenced;
"National Balancing Point" or "NBP"	means, in respect of a Contract, a notional point within the Transmission System at which the balancing of the amounts of Natural Gas delivered into and out of the Transmission System takes place for the purposes of the Network Code;
"National Grid Rules"	means the Network Code and any manuals, procedures, practices or directions of National Grid which support the operation of the Network Code, as amended from time to time;
"Natural Gas"	means any hydrocarbons or mixture of hydrocarbons and other gases consisting predominantly of methane which at a temperature of 15 degrees Celsius and at an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state where "degree Celsius" and "bar" are as defined in ISO 1000:1992(E) or any standard replacing the same as nominated by the Exchange;
"Network Code"	means the document, as amended from time to time, setting out National Grid's arrangements for transportation of Natural Gas pursuant to its public gas transporter's licence under the Gas Act, 1986;
"Therm"	means 29.3071 kWh;
"Trade Nomination"	means in respect of a Contract either a Disposing Trade Nomination or an Acquiring Trade Nomination, as the case may be;

"Trade Nomination Quantity"	means the quantity of Natural Gas nominated in a Trade Nomination;
"Transferee"	means a person nominated by the Buyer pursuant to Rule UUU.10(a)(i) to whom the transfer of rights in respect of Natural Gas is to be made under a Contract;
"Transferor"	means a person nominated by the Seller pursuant to Rule UUU.9(a)(i) to transfer rights in respect of Natural Gas under a Contract;
"Transmission System"	means the onshore transmission pipeline system owned and operated by National Grid as may be enlarged, extended or altered from time to time;
"UK Link"	means the computer system for the electronic transfer of information between National Grid and users of such system managed and operated by National Grid, or any agent appointed by National Grid, and any system from time to time replacing the same.

UUU.4 PRICE

- (a) The Contract price shall be in Sterling and pence per Therm and Contracts may be traded with minimum fluctuations of 0.01 pence per Therm. EFPs and EFSs can be registered with minimum fluctuations of 0.001 pence per Therm.
- (b) The Contract price shall be exclusive of any charges payable to National Grid by either the Buyer (or its Transferee) or the Seller (or its Transferor) under the National Grid Rules.
- (c) The Contract shall be exclusive of any Value Added Tax or any other duty that may be or become payable on the sale or transfer of rights in respect of Natural Gas under a Contract and any such taxes or duties shall be borne by the Buyer.

UUU.5 TRADE NOMINATIONS

In respect of each Contract:

- (a) subject to (c) below the Seller shall submit, or shall procure that its Transferor submits, a Disposing Trade Nomination in respect of the Delivery Day to National Grid in accordance with Rule VVV.7, or otherwise in accordance with the Clearing House's directions, for a Trade Nomination Quantity which is equal to the number of lots of Natural Gas specified in the Contract, such number of lots converted in to kWh as specified by the Clearing House;
- (b) subject to (c) below the Buyer shall submit, or shall procure that its Transferee submits, an Acquiring Trade Nomination in respect of the Delivery Day to National Grid in accordance with Rule VVV.7, or otherwise in accordance with the Clearing House's directions, for a Trade Nomination Quantity which is equal to the number of lots of Natural Gas specified in the Contract, such number of lots converted into kWh as specified by the Clearing House;
- (c) where a Seller (or its Transferor) or a Buyer (or its Transferee) has for a delivery day(s) obligations to submit nominations to National Grid to dispose of or acquire rights to Natural Gas both under an Exchange Contract and under one or more contracts other than an Exchange Contract for which the Clearing House is submitting Disposing and/or Acquiring Trade Nominations, the number of kWh contained in a nomination submitted pursuant to (a) or (b) above shall, in order to comply with the National Grid Rules and UK Link/Gemini procedures, comprise of kWh in respect of all such obligations; such number shall be as specified by the Clearing House; and

- (d) a Seller (or its Transferor) and a Buyer (or its Transferee) shall not, without the written consent of the Clearing House, amend or withdraw its Trade Nomination after the time specified in Rules VVV.7 (a) and (b) or by such other time as the Clearing House may direct.

UUU.6 TRANSFER OF RIGHTS IN RESPECT OF NATURAL GAS

- (a) The transfer of rights in respect of Natural Gas under a Contract to which the Clearing House is party as Buyer shall be effected by:
 - (i) National Grid accepting, in accordance with the National Grid Rules, the Disposing Trade Nomination submitted by or on behalf of the Seller in accordance with Rule UUU.5(a) in respect of the Delivery Day specified in the Contract and the Acquiring Trade Nomination submitted by the Clearing House in respect of such Contract; and
 - (ii) National Grid taking into account the Acquiring Trade Nomination given by the Clearing House in determining whether the Clearing House has a "Daily Imbalance", as defined in the Network Code, for such Delivery Day.
- (b) The transfer of rights in respect of Natural Gas under a Contract to which the Clearing House is party as Seller shall be effected by:
 - (i) National Grid accepting, in accordance with the National Grid Rules, the Acquiring Trade Nomination given by or on behalf of the Buyer in accordance with Rule UUU.5(b) in respect of the Delivery Day specified in the Contract, with the Disposing Trade Nomination given by the Clearing House in respect of such Contract; and
 - (ii) National Grid taking into account the Disposing Trade Nomination made by the Clearing House in determining whether the Clearing House has a "Daily Imbalance", as defined in the Network Code, for such Delivery Day.

UUU.7 EXCLUSION OF LIABILITY IN RESPECT OF UK LINK AND THE TRANSMISSION SYSTEM

- (a) The Exchange and the Clearing House are not responsible for and shall have no liability whatsoever for:
 - (i) the condition or operation of the Transmission System;
 - (ii) the availability, or suitability, or unavailability or malfunction of UK Link or any part thereof;
 - (iii) the performance or non-performance of National Grid; or
 - (iv) the performance or non-performance of any operator of UK Link or any part thereof.
- (b) Persons transferring or required to transfer or taking or required to take a transfer of rights in respect of Natural Gas at the National Balancing Point shall have no claim against the Exchange or the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the condition or operation of the Transmission System, the unavailability or malfunction of UK Link or any part thereof or the performance or non-performance of National Grid or any operation of UK Link or any part thereof except as otherwise expressly provided for in these Contract Rules and the Administrative Procedures.

UUU.8 PAYMENT UNDER A CONTRACT

- (a) Without prejudice to paragraph (b) of this Rule, the Buyer shall pay the EDSP per each Therm of Natural Gas specified in the Contract. Payment will be made by the time referred to in and in accordance with the Administrative Procedures.
- (b) Any difference between the EDSP with respect to the Contract and the Contract price shall be accounted for between the parties to the Contract in accordance with the Clearing House procedures.

UUU.9 SELLER'S OBLIGATIONS

- (a) The Seller shall in respect of a Contract to which it is a party:
 - (i) nominate a Transferor to transfer rights in respect of Natural Gas under the Contract (who may be the Seller itself,) who must be entitled under the National Grid Rules to submit Trade Nominations, and must have access to and use of UK Link (to include, without limit, Gemini);
 - (ii) give the Clearing House details of the Transferor who will transfer rights in respect of Natural Gas under the Contract in accordance with the Administrative Procedures and any other details required by the Clearing House as specified in the Administrative Procedures or the Clearing House procedures from time to time;
 - (iii) make or procure the transfer of rights in respect of Natural Gas in accordance with these Contract Rules, the Administrative Procedures, the Clearing House procedures;
 - (iv) make payment in pounds Sterling in London of any amounts due and payable pursuant to these Contract Rules, the Administrative Procedures or the Clearing House procedures; and
 - (v) perform all other obligations imposed on the Seller under these Contract Rules, the Administrative Procedures and the Clearing House procedures.
- (b) The Seller shall be responsible for the performance of all of its obligations under the Contract, including those which are to be performed by the Transferor (if a different person) on its behalf and shall perform such obligations in a timely manner. Full performance of the obligations of the Seller under a Contract by the Transferor in accordance with these Contract Rules shall constitute performance of those obligations of the Seller under such Contract.
- (c) Any obligation upon the Seller to pay any costs, charges or expenses of any form shall not be borne by the Exchange.

UUU.10 BUYER'S OBLIGATIONS

- (a) The Buyer shall in respect of a Contract to which it is a party:
 - (i) nominate a Transferee to take a transfer of rights in respect of Natural Gas under the Contract (who may be the Buyer itself,) who must be entitled under the National Grid Rules to submit Trade Nominations, and must have access to and use of UK Link (to include, without limit, Gemini);
 - (ii) give the Clearing House details of the Transferee who will take a transfer of rights in respect of Natural Gas under the Contract in accordance with the Administrative Procedures and any other details required by the Clearing House as specified in the Administrative Procedures or the Clearing House procedures from time to time;
 - (iii) accept or procure the acceptance by the Transferee of rights in respect of Natural Gas transferred under the Contract in accordance with these Contract Rules, the Administrative Procedures, the Clearing House procedures;
 - (iv) make payment in pounds Sterling in London of any amounts due and payable pursuant to these Contract Rules, the Administrative Procedures or the Clearing House procedures; and
 - (v) perform all other obligations imposed on the Buyer under these Contract Rules, the Administrative Procedures and the Clearing House procedures.
- (b) The Buyer shall be responsible for the performance of all of its obligations under the Contract, including those which are to be performed by the Transferee (if a different person) on its behalf and shall perform such obligations in a timely manner. Full performance of the obligations of the Buyer

under a Contract by the Transferee in accordance with these Contract Rules shall constitute due performance of those obligations of the Buyer under such Contract.

- (c) Any obligation upon the Buyer to pay costs, charges or expenses of any form shall not be borne by the Exchange.

UUU.11 BUYER'S AND SELLER'S SECURITY

The Buyer and the Seller may be required to put up such security as the Clearing House may from time to time require pursuant to the Clearing House Rules and such security may be in the form of a bank guarantee or cash or such other form as the Clearing House may accept. Any interest payable by the Clearing House on such cash security will be paid in accordance with the Clearing House procedures.

UUU.12 FAILURE TO PERFORM OBLIGATIONS UNDER A CONTRACT

Without prejudice to the provisions of these Contract Rules and any other steps or sanctions which may be taken or applied under the Regulations (including, without limitation, the provisions of Sections D and E) or the Clearing House Rules:

- (a) if the Seller does not comply with its obligations under a Contract, the Clearing House may, at its sole discretion, seek to acquire rights in respect of Natural Gas from any person in order to reduce or extinguish any liability it may incur or suffer under the National Grid Rules as applicable as a result of the Seller's failure to perform such obligations. The Seller shall, without prejudice to paragraph (c), indemnify the Clearing House in respect of any losses, costs, damages and expenses suffered or incurred by the Clearing House as a result of taking steps to acquire or acquiring such rights in respect of Natural Gas and shall remain fully liable to the Clearing House in respect of its obligations under the Contract;
- (b) if the Buyer does not comply with its obligations under a Contract, the Clearing House may, at its sole discretion, seek to sell any of its rights in respect of Natural Gas acquired from a Seller under a Contract in order to reduce or extinguish any liability it may incur or suffer under the National Grid Rules as applicable as a result of the Buyer's failure to perform such obligations. The Buyer shall, without prejudice to paragraph (c), indemnify the Clearing House in respect of any losses, costs, damages and expenses suffered or incurred by the Clearing House as a result of taking such steps to dispose of such rights in the Natural Gas and shall remain fully liable to the Clearing House in respect of its obligations under the Contract; and
- (c) in addition to any liability which a Seller or a Buyer may have under the provisions of Rule UUU.12(a) or (b), a Seller or a Buyer in default ("Defaulting Party") shall indemnify a Buyer or a Seller who is the non-defaulting party ("Non-Defaulting Party") for any costs and expenses, including any charges or fees levied by National Grid, which the Non-Defaulting Party suffers or incurs directly as a result of a failure of the Defaulting Party to comply with its obligations under a Contract. The right to be indemnified under this Rule UUU.12 shall be the Non-Defaulting Party's sole remedy in respect of any failure by the Defaulting Party to comply with its obligations under the Contract, including, without limit, failure to submit a Trade Nomination in accordance with Rule VVV.7.

UUU.13 FORCE MAJEURE

- (a) Subject to Rule UUU.13(e), neither party to a Contract shall be liable for any failure to transfer or take a transfer of rights in respect of Natural Gas under the Contract if performance of such obligation is prevented by Force Majeure. In such case neither party shall be held to be in default under such Contract and no payment shall be made under Rules UUU.8(a) or UUU.12.
- (b) Force Majeure shall mean the occurrence of any event (including an event under Rule UUU.13(c)), except those listed in Rule UUU.13(d), which is outside the reasonable control of the Buyer (or its Transferee) or the Seller (or its Transferor), as the case may be, which totally prevents a Trade Nomination from being submitted by or on behalf of a party to National Grid or from being received and taken into account by National Grid in determining a party's "Daily Imbalance" and thereby prevents a transfer of rights in respect of Natural Gas from being made on the Delivery Day.

- (c) An event of Force Majeure shall include, without limit, National Grid suspending the submission of Trade Nominations under the National Grid Rules or ceasing to take into account a Trade Nomination when calculating a "Daily Imbalance" under the Network Code.
- (d) Subject to Rule UUU.13(c), the occurrence of the following events shall not give rise to Force Majeure:
 - (i) the failure of the Transmission System to accept or transport Natural Gas;
 - (ii) the failure for whatever reason of National Grid to accept a Trade Nomination submitted by a Seller (or its Transferor) or a Buyer (or its Transferee) to National Grid pursuant to Rules UUU.5 or UUU.6; or
 - (iii) the declaration by National Grid of the application of a code contingency under the National Grid Rules for a user or group of users.
- (e) A party to a Contract shall not be entitled to relief through the occurrence of Force Majeure under this Rule UUU.13 unless such party has notified the Clearing House and the Exchange as soon as reasonably practicable after such party has become aware (or after it ought reasonably to have become aware) of such Force Majeure, and has continued to seek to perform its obligations in accordance with the Contract (in which event it shall be entitled to such relief with effect from the commencement of such Force Majeure event).
- (f) Upon request by the Clearing House and/or the Exchange, a party seeking Force Majeure relief under this Rule UUU.13 shall provide all information required by the Clearing House and/or the Exchange as soon as practicable to assist the Directors in determining whether an event of Force Majeure has occurred.
- (g) If Force Majeure prevents the affected party from performing its obligations under a Contract the Contract shall be invoiced back by the Clearing House, in accordance with the Clearing House procedures, at a price to be fixed by the Directors in their absolute discretion. Such price shall be binding on the parties and no dispute as to such price may be referred to arbitration but completion of invoicing back shall be without prejudice to the right of either party to refer the question of the existence, extent or duration of the Force Majeure or any default or related dispute to arbitration under the Arbitration Rules.