

SCHEDULE B

PROPOSED ANNEX 3.2.5 TO PROPOSAL

1. PROCESS FOR EXCLUSION OF STATNETT AS SHAREHOLDER

1.1 Triggering Event. The process for exclusion is triggered by one of the following events (each an "**Exclusion Event**"):

- (i) applicable Norwegian legislation or regulation that entail restrictions to or otherwise affect Statnett's ability to participate as a shareholder in the Nordic RCC on the same terms as the other shareholders;
- (ii) conditions in Statnett's licenses that entail restrictions to or otherwise affect Statnett's ability to participate as a shareholder in the Nordic RCC on the same terms as the other shareholders; or
- (iii) applicable EU legislation or amendments to EU legislation that entail restrictions to or otherwise affect Statnett's ability to participate as a shareholder in the Nordic RCC on the same terms as the other shareholders.
- (iv) any other event that entails restrictions to or otherwise affect Statnett's ability to participate as a shareholder in the Nordic RCC on the same terms as the other shareholders

1.2 Triggering Parties. The following parties (each a "**Triggering Party**") shall be entitled to initiate the process for exclusion of Statnett as shareholder in the Nordic RCC upon the occurrence of an Exclusion Event:

- (i) the Nordic SOR NRAs (i.e. the Danish Utility Regulator (Forsyningstilsynet), the Finnish Energy Authority (Energiavirasto), the Swedish Energy Markets Inspectorate (EI) and the Åland Energy Authority (Ålands Energimyndighet))
- (ii) the relevant Norwegian Authority
- (iii) each of the Nordic SOR TSOs (i.e. Energinet, Fingrid, Svenska kraftnät and Kraftnät Åland)
- (iv) Statnett and
- (v) the Nordic RCC.

The parties listed in items (i)-(ii) are referred to as "**NRA Triggering Parties**" and the parties listed in items (iii)-(v) are referred to "**TSO Triggering Parties**".

1.3 Exclusion Process. The overall process for the potential exclusion of Statnett is envisaged to include the following steps, subject to the following limitations: The Triggering Parties (i), (iii), and (v) can initiate the process following one of the Exclusion Events (iii) or (iv). The Triggering Parties (ii), and (iv) can initiate the process following one of the Exclusion Events (i), (ii), or (iv)

- (i) Upon the occurrence of an Exclusion Event, each TSO Triggering Party is entitled to initiate the exclusion process by giving written notice to the other TSO Triggering Parties (an "**Exclusion Notice**"). The Nordic TSOs assume that an NRA Triggering Party will similarly inform and initiate a consultation with the Nordic RCC and/or the relevant Nordic TSOs, as applicable. Subject to applicable law, the process set out in this Schedule 3.2.5 shall apply *mutatis mutandis* in case it is an NRA Triggering Party that initiates an exclusion process.
- (ii) Upon receipt of such Exclusion Notice, the Nordic TSOs shall without undue delay form a joint response on the potential exclusion of Statnett as a shareholder in the Nordic RCC. The joint response shall be

submitted to the Nordic SOR NRAs and the relevant Norwegian Authority and shall be taken into consideration by the Nordic SOR NRAs or the Norwegian NRA or any other relevant Norwegian authority who shall assess and decide on the ability for Statnett to participate in the Nordic RCC as a shareholder, as applicable.

- (iii) Upon receipt of the Exclusion Notice, if deemed relevant by the Nordic TSOs, an auditor or other advisor shall be engaged to advise on the optimal structure for the redemption or transfer of Statnett's shares and/or to advise on the repayment or transfer of any shareholder loans (if any) in order to be able to complete such redemption or transfer of shares and repurchase or transfer of shareholder loans (if any) as soon as possible upon receipt of a final decision by either the Nordic SOR NRAs or the relevant Norwegian Authority, as applicable, on Statnett's ability to participate in the Nordic RCC as a shareholder.
- (iv) Upon final decision by the Nordic SOR NRAs that Statnett shall no longer participate in the Nordic RCC as a shareholder, the Nordic TSOs shall cause that Statnett's shares in the Nordic RCC is transferred to the other Nordic TSOs who hold shares in the Nordic RCC or is otherwise redeemed and that any shareholder loans are repaid or otherwise transferred to the other Nordic TSOs who hold shares in the Nordic RCC as further specified in section 1.4 below. Pending completion of such transfers of shares, shareholder loans etc., Statnett waives its governance rights as shareholder of the Nordic RCC and can thus not vote or otherwise participate to exercise its governance rights, including voting rights in the Nordic RCC.
- (v) Upon final decision by the Nordic SOR NRAs that Statnett shall continue to participate in the Nordic RCC as a shareholder, Statnett's participation in the Nordic RCC will continue as has previously been the case.

- 1.4 Redemption of shares and repayment of shareholder loans. Upon a decision to exclude Statnett as shareholder in the Nordic RCC and subject to having obtained relevant and mandatory approvals, the Nordic TSOs shall immediately initiate a process for having Statnett's shareholding redeemed, purchased or otherwise transferred to the other Nordic TSOs in proportion to their respective shareholdings. To the extent that any shareholder loan has been granted, such loan shall be repaid or otherwise transferred to the other Nordic TSOs. To the extent it is deemed relevant by the Nordic TSOs and not already initiated (cf. above), the Nordic TSOs shall engage an auditor or other advisor to advise on the optimal structure for the redemption or transfer of Statnett's shares and/or the repayment or transfer of any shareholder loans (if any), cf. item 1.3(iii) above. The Nordic TSOs will upon request by the Nordic SOR NRAs and/or the Norwegian relevant authority keep the Nordic SOR NRAs and/or the relevant Norwegian authority informed of the process for redemption, purchase or transfer of shares and repayment or transfer of shareholder loans (if any).
- 1.5 Governance rights during exclusion process. As mentioned above, upon final decision by the Nordic SOR NRAs that Statnett shall no longer participate in the Nordic RCC as a shareholder, Statnett's governance rights as shareholder of the Nordic RCC will be suspended. This entails that (i) Statnett's rights to vote at general meetings of shareholders of the Nordic RCC will be suspended, and (ii) the member of the board of directors of the Nordic RCC appointed by Statnett will be suspended from voting at board meetings. Statnett will continue to participate in the Cooperation Committee due to the large interconnection of the transmission grid in the Nordic region.
- 1.6 Services during exclusion process. During the exclusion process, Statnett will continue to receive services from the Nordic RCC and will continue to be bound by its obligations under the service agreement to be entered into between Statnett, the other Nordic TSOs and the Nordic RCC (the "**Service Agreement**"). Accordingly, Statnett will continue to be bound to deliver information to the Nordic RCC in order for the Nordic RCC to be able to perform its tasks and issue coordinated actions and recommendations, as applicable. In case the Exclusion Event

prohibits Statnett from receiving a service or providing data in accordance with the Service Agreement, necessary changes to the Service Agreement and operational set-up will be made and implemented once the exclusion process is finalised. However, due to the large interconnection of the transmission grid in the Nordic region, no changes to the operational set-up as will be set out in the Service Agreement is anticipated.

2. INTERMEDIATE PERIOD AFTER EXCLUSION UNTIL RE-INCLUSION

2.1 No ownership rights for Statnett. In the intermediate period between a decision to exclude Statnett as shareholder in the Nordic RCC and until a re-inclusion of Statnett as shareholder in the Nordic RCC (the "**Intermediate Period**"), Statnett will not have shares in the Nordic RCC and, therefore, will not be owner of the Nordic RCC. This will have the effect that:

- (i) Statnett will no longer be party to the Shareholders' Agreement to be entered into between the shareholders of the Nordic RCC (which at incorporation of the Nordic RCC will be Statnett, Energinet, Fingrid and Svenska kraftnät) and, accordingly, will no longer be subject to the rights and obligations that will be set out therein.
- (ii) Statnett will no longer be represented at general meetings of the shareholders and, therefore, will no longer have any voting rights at such meetings.
- (iii) Statnett will no longer be entitled to appoint a member to the board of directors of the Nordic RCC and, therefore, will no longer be represented at board meetings and will not have any voting rights at board meetings.
- (iv) Statnett will continue to participate in the Cooperation Committee due to the large interconnection of the transmission grid in the Nordic region.

2.2 Ownership of Energinet, Fingrid and Svenska kraftnät continues. In the Intermediate Period, the ownership of Energinet, Fingrid and Svenska kraftnät will continue without Statnett and the Shareholders' Agreement will be updated accordingly, i.e. the Shareholders' Agreement will apply *mutatis mutandis*. This will have the effect that:

- (i) Each of Energinet, Fingrid and Svenska kraftnät will continue to be represented at general meetings where they will vote on matters to be decided on such general meetings of shareholders. The voting majority that will apply to decisions made by the shareholders (Energinet, Fingrid and Svenska kraftnät) will be 2/3 unless a stricter majority of votes is provided by mandatory law.
- (ii) Each of Energinet, Fingrid and Svenska kraftnät will continue to be entitled to appoint a member to the board of directors of the Nordic RCC. Consequently, the board of directors will consist of 3 members instead of 4 members. The voting majority that will apply to decisions made by the board of directors will be 2/3 unless a stricter majority of votes is provided by mandatory law.
- (iii) Kraftnät Åland will continue to participate at shareholder meetings and board meetings with observer rights as specified in the Proposal.
- (iv) Each of Energinet, Fingrid, Svenska kraftnät and Kraftnät Åland will continue to participate in the Cooperation Committee together with Statnett due to the large interconnection of the transmission grid in the Nordic region.

2.3 Contractual arrangements continue. The service contracts to which Statnett is party (i.e. not the Shareholders' Agreement) will continue to apply to Statnett and the other parties thereto, provided that this will not constitute a breach of the legal basis for the Exclusion Event. Accordingly, provided that it will not constitute a breach of the legal basis for the Exclusion Event, the Service Agreement (as mentioned in section 1.6 above) will continue to be in full force and effect between the parties and, accordingly, Statnett will continue to be entitled to receive services

from the Nordic RCC and be obliged to provide necessary information as required by the Nordic RCC in order for the Nordic RCC to be able to perform its services. Further, the System Operation Agreement between the Nordic Transmission System Operators (the "**Nordic SOA**") will continue to be in full force and effect between the parties thereto. As with the service contracts, the Nordic SOA is not affected by the exclusion of Statnett as shareholder of the Nordic RCC.

3. PROCESS FOR RE-INCLUSION OF STATNETT AS SHAREHOLDER

3.1 Whenever an event that has led to an exclusion of Statnett as a shareholder, cf. point 1.1. above, ceases to be relevant for such an exclusion, Statnett can be re-included as a shareholder.

3.2 Triggering Parties. The same parties as are entitled to initiate an exclusion process (each a "**Triggering Party**") are also entitled to initiate the process for re-inclusion, cf. point 3.1 above. upon the occurrence of a Re-inclusion Event, i.e.:

- (i) the Nordic SOR NRAs (i.e. the Danish Utility Regulator (Forsyningstilsynet), the Finnish Energy Authority (Energiavirasto), the Swedish Energy Markets Inspectorate (EI) and the Åland Energy Authority (Ålands Energimyndighet))
- (ii) the relevant Norwegian Authority
- (iii) each of the Nordic SOR TSOs (i.e. Energinet, Fingrid, Svenska kraftnät and Kraftnät Åland)
- (iv) Statnett and
- (v) the Nordic RCC.

The parties listed in items (i)-(ii) are referred to as "**NRA Triggering Parties**" and the parties listed in items (iii)-(v) are referred to "**TSO Triggering Parties**".

3.3 Re-inclusion Process. The overall process for the re-inclusion of Statnett is envisaged to include the following steps:

- (i) Upon the occurrence of a Re-inclusion Event, each TSO Triggering Party is entitled to initiate the re-inclusion process by giving written notice to the other Triggering Parties (a "**Re-inclusion Notice**"). The Nordic TSOs assume that an NRA Triggering Party will similarly inform and initiate a consultation with the Nordic RCC and/or the relevant Nordic TSOs, as applicable. Subject to applicable law, the process set out in this Schedule 3.2.5 shall apply *mutatis mutandis* in case it is an NRA Triggering Party that initiates a re-inclusion process.
- (ii) Upon receipt of such Re-inclusion Notice, the Nordic SOR TSOs shall in collaboration with Statnett without undue delay make a joint suggestion for carrying out such re-inclusion. The joint suggestion shall describe how Statnett will become owner of shares in the Nordic RCC (whether by subscription of new shares, purchase of existing shares, or otherwise transfer of existing shares or a combination hereof) and how Statnett will be issuing any shareholder loans (whether by issuing a new shareholder loan or having transferred part of existing shareholder loans). To the extent it is deemed relevant or to the extent the Nordic TSOs are unable to agree on the best method for Statnett's subscription, purchase or transfer of shares in the Nordic RCC and/or Statnett's issue or similar of any shareholder loans (if relevant), the Nordic TSOs shall engage an auditor or other advisor to advise on the optimal structure for the purchase, subscription or transfer of shares and/or to advise on the issue of any shareholder loans (as relevant).

- (iii) The joint suggestion shall be submitted to the Nordic SOR NRAs and the relevant Norwegian authority who shall consider the joint suggestion when making a decision whether to re-include Statnett as shareholder in the Nordic RCC.
- (iv) Upon final decision by the Nordic SOR NRAs that Statnett shall be re-included as a shareholder in the Nordic RCC, subject to having obtained any relevant and mandatory approvals, the Nordic TSOs shall cause that Statnett without undue delay subscribes for shares, purchases shares or that shares are otherwise transferred to Statnett in accordance with the decision made by the Nordic SOR NRAs and that any shareholder loans are issued or otherwise transferred by the other Nordic TSOs who hold shares in the Nordic RCC. Upon such final decision by the Nordic SOR NRAs, Statnett shall reassume its rights as shareholder and, accordingly, continue with the same governance rights etc. as was the case prior to exclusion.

3.4 Re-assumption of ownership rights. Upon the decision to re-include Statnett as a shareholder in the Nordic RCC, Statnett will become party to the Shareholders' Agreement by signing an accession statement or similar and, consequently, Statnett will have the same rights and obligations as the other Nordic TSOs who are shareholders in the Nordic RCC. The Shareholders' Agreement will be updated accordingly, i.e. the Shareholders' Agreement will apply *mutatis mutandis*. This will *inter alia* entail that:

- (i) Statnett will be entitled to participate at general meetings of the shareholders and vote at such meetings. The voting majority that applied under the Shareholders' Agreement when Statnett was a shareholder shall apply - i.e. unless a stricter majority of votes is provided by mandatory law, decisions at the general meetings are passed by 3/4 votes.
- (ii) Statnett will be entitled to appoint a member to the board of directors of the Nordic RCC who will have voting rights at board meetings. The voting majority that applied to the board of directors when Statnett had appointed a member of the board shall apply and, thus, unless a stricter majority of votes is provided by mandatory law, decisions at board meetings are passed by 3/4 votes.
- (iii) Kraftnät Åland will continue to participate at shareholder meetings and board meetings with observer rights as specified in the Proposal.
- (iv) Each of Energinet, Fingrid, Svenska kraftnät, Statnett and Kraftnät Åland will continue to participate in the Cooperation Committee due to the large interconnection of the transmission grid in the Nordic region.

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