

EXPLANATORY GUIDE TO DOCUMENTS

1. Overview

As part of the trial stage of the BiTraDER project, we have prepared three draft documents (**Documents**): (i) the proposed Contract Structure; (ii) a set of skeleton terms and conditions that the Market Operator may want to have in place with the participant in BiTraDER; and (iii) an addendum to the skeleton terms and conditions dealing with the specific DNO aspects (with regards to supplementing the participant's connection agreement) that will need to be in place directly between the DNO and the participant.

You will also see various colour coding:

Aspects in Purple are general drafting notes for the reader

Aspects in Yellow appear in the skeleton terms and are general explanations of what the particular section will need to cover

Aspects in Blue appear in the skeleton terms and indicate where elements involve the DNO and also where they may need to be covered in an agreement between the DNO and the Market Operator

Aspects in Green appear in the skeleton terms and indicate where elements may need to be covered in the end user licence agreement (EULA) between the Platform Operator and the BiTraDER participant

Please note that buyer-to-buyer and seller-to-seller trades have been excluded from the BiTraDER trial, but we have not excluded these from the scope of the Documents.

2. What the Documents Cover

The proposed Contract Structure sets out all the contractual relationships that we contemplate being required as part of any business as usual roll out of BiTraDER. It may appear complex, but in short we consider that there will need to be: (i) a contract between the DNO and the Market Operator and a contract between the Platform Operator and the Market Operator; (ii) terms and conditions between the Market Operator and the BiTraDER participant; (iii) an addendum that supplements the participant's connection agreement between the DNO and the BiTraDER participant; and (iv) perhaps a EULA between the Platform Operator and the BiTraDER participant.

The skeleton terms and conditions are explained in more detail within the general drafting notes on the first page of this document. These terms and conditions would, we propose, be entered into between the Market Operator and the BiTraDER participant via a click acceptance mechanism within an online portal.

Again, the addendum is explained within the general drafting notes on the first page of this document. Fundamentally, this addendum acts to supplement the participant's connection agreement with the applicable DNO to allow the trades via BiTraDER to operate correctly in accordance with the applicable connection agreement. It is important to note that, when giving instructions or notifications to the participant, the DNO will not be contacting the participant directly as such. Instead, the functionality of the BiTraDER platform will need to enable the DNO to issue these instructions or notifications to the participant via the BiTraDER platform, which can be covered in the contract between the DNO and the Market Operator.

3. What the Documents Do Not Cover

As you will see from the proposed Contract Summary, not all contractual elements contemplated are included within the Documents. We have not included drafts of any agreement between the DNO and the Market Operator, the platform licence agreement between the Platform Operator and the Market Operator or the EULA between the Platform Operator and the participant in BiTraDER. In terms of the agreement between the Platform Operator and the Market Operator, we have included within the skeleton terms and conditions some elements in blue highlight that we consider may be relevant to this agreement. The last two of the documents we have not prepared (the platform licence agreement and the EULA) would, we propose, be prepared by the relevant Platform Operator (although some pointers are in green highlight within the skeleton terms and conditions).

4. Who to Contact

The Documents are in draft form. Therefore, we would appreciate your thoughts and comments. Please provide your feedback to [INSERT] and if you have any queries in the interim please contact [INSERT].