

All NEMO Intraday Operational Agreement (ANIDOA)

ANNEX 3

Financial modalities / budget / invoicing modalities

I. General

This Annex 3 is divided into the following three Sections which detail, pursuant to Article 26 (Financial Provisions) of the Agreement:

- a. the process in which SIDC NEMOs-Only Common Costs incurred as of the month following the month of Initial Go-Live, will be handled, budgeted, categorised, reported and calculated (including determination of the sharing key) for the purpose of sharing between Member States and third countries and invoicing between NEMOs, as well as the way in which the invoicing and settlement of these costs will be done;
- b. The specific process for resettlement of SIDC NEMOs-Only Common Costs incurred under the PCA among all Parties for the period between 14 February 2017 until end of month of Initial Go-Live; and
- c. Specific arrangements related to hosting and maintenance costs of the XBID System Service Provider which are handled under IDOA

For the purpose of this Annex 3, all capitalized terms not expressly defined herein shall have the meaning attributed to them in Annex 1 (Definition list).

Reference to provisions of this Annex 3 are made using the term “Section” (while references to provisions of the Agreement are made using “Article”).

II. Process for SIDC NEMOs-Only Common Costs incurred as of the month following the month of Initial Go-Live

1. General principles

Costs resulting from activities made to the benefit of all NEMOs or all Operational NEMOs (as the case may be) participating in the SIDC shall be considered as SIDC NEMOs-Only Common Costs if approved as such by the NEMO ID SC.

The SIDC NEMOs-Only Common Costs incurred by one or more NEMOs for the benefit of other NEMOs shall be recorded and shared amongst other NEMOs as provided by the CACM Regulation and in particular articles 75, 76 and 80 of the CACM Regulation. The following principles shall be followed:

1. The Parties shall ensure that all SIDC NEMOs-Only Common Costs shall be, insofar as such costs are time costs, appropriately and fairly recorded in timesheets and, insofar as such costs are other expenses, supported by documentary evidence for the purposes of ensuring compliance with the requirements of the CACM Regulation.
2. SIDC NEMOs-Only Common Costs must be either: (i) within an approved yearly budget or (ii) the subject of an approved increase in the relevant yearly budget, or (iii) subject to a specific prior approval by the NEMO ID SC, the expenditure of each of which must be specifically pre-approved by the NEMO ID SC consistently with the terms of Article 8 (Governance) of the Agreement.
3. All input data for the calculation of the sharing key between Member States and third countries, as updated at least on a yearly basis (in quarter 1 of a given calendar year) based on the all NRA(s) guidelines, is attached as annex 1 to exhibit 12 of the IDOA for reference purpose.
4. If a respective NRA(s) would require changes with regard to the sharing in a Member State or third country in the course of a given calendar year these changes will be implemented with regard to that Member State or third country in accordance with such NRA’s decision.
5. The necessary input for the yearly report to the NRAs shall, in due time, be provided, with the level of detail required by article 80 of the CACM Regulation, by the NEMO ID SC reporting designee to the person responsible for consolidating this information as indicated by the NEMOs.
6. If requested by the NRAs, relevant NEMOs shall provide, within three (3) months or according to the deadline specified by the NRA(s), the information necessary to facilitate the assessment of the costs incurred.
7. Costs shall be reported and settled excluding VAT unless not permitted under Applicable Law.

2. SIDC NEMOs-Only Common Costs categorization

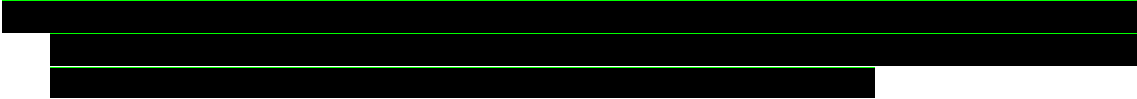
1. SIDC NEMOs-Only Common Costs are categorised as follows:
 - a. SIDC NEMOs-Only Common Costs of establishing or amending the SIDC, or
 - b. SIDC NEMOs-Only Common Costs of operating the SIDC.
2. SIDC NEMOs-Only Common Costs of establishing or amending the SIDC consist of the following categories:
 - a. Costs of adaptations or further developments of Identical NEMO Components other than those covered by exhibit 12 of the IDOA that comply with Annex 11 (NEMO Change Control Procedure);
 - b. Costs resulting from an amendment of the Agreement of which the modalities are specified in Article 34 (Amendment) of the Agreement;
 - c. Costs resulting from governance activities under the ANIDOA by the NEMO ID SC or subcommittees, working groups or task forces created by the NEMO ID SC related to this category, to the benefit of all NEMOs participating in the SIDC, that are in line with Article 8 (Governance) of the Agreement and approved as such by the NEMO ID SC;
 - d. Costs related to the joint selection of service providers providing services which are falling under the Agreement and are not covered by exhibit 12 of the IDOA; and
 - e. Any other costs element that is, after a decision of the NEMO ID SC, classified as a SIDC NEMOs-Only Common Costs of establishing or amending the SIDC.
3. SIDC NEMOs-Only Common Costs of operating the SIDC consist of the following categories:
 - b. Costs associated to the MPLS Network Service Provider;
 - c. Costs resulting from governance activities under the ANIDOA by the NEMO ID SC or subcommittees, working groups or task forces created by the NEMO ID SC related to this category, to the benefit of all Operational NEMOs, that are in line with Article 8 (Governance) of the Agreement and approved as such by the NEMO ID SC; and
 - d. Any other costs element that is, after a decision of the NEMO ID SC, classified as a SIDC NEMOs-Only Common Costs of operating the SIDC.
4. For the avoidance of any doubt, the following tasks shall not be regarded as SIDC NEMOs-Only Common Costs:
 - a. Tasks that must be performed in the same manner by all Parties, including e.g.:
 - i) The time spent and expenses incurred in attending all-Party meetings either in person or via any kind of electronic communications equipment;
 - ii) The necessary ‘review’ of the deliverables before their approval; and
 - iii) Any other tasks as may be determined by the NEMO ID SC as not for the benefit of all Operational NEMOs or all Parties.
 - b. The travel time spent and the travel or other expenses incurred by the Parties in attending meetings either in person or via any kind of electronic communications equipment unless explicitly stipulated otherwise by the NEMO ID SC.

3. Budgeting

1. The yearly budgets of SIDC NEMOs-Only Common Costs shall be prepared by the NEMO ID SC and be subject to the approval of the NEMO Committee. No expenditure in excess of the applicable yearly budget

(including any available contingencies) is permitted, unless such additional expenditure is expressly approved by the NEMO Committee.

2. The initial budget for the first period after the entry into force of the Agreement until the end of the calendar year is the budget approved by the NEMO Committee as attached to this Annex 3 as Attachment 1.
3. The NEMO Committee shall approve on a yearly basis and by no later than the 31st October of each year the overall yearly budget (including the resources needed to comply with this budget) for the following calendar year as well as a high level road map for the coming three (3) years taking into account the following principles unless otherwise specified in the Agreement:



It is acknowledged by the Parties that any individual, company or other firm retained by any Party to provide professional services (each a “consultant”) shall be regarded as that Party’s own “internal” resources for the purposes of this Agreement.

- b. Costs related to external contractors or advisors that provide services to the benefit of all Parties or to all Operational NEMOs, as the case may be, shall be taken into account at cost, provided these costs are in compliance with the requirements herein.

In accordance with section 1.2.1 of exhibit 12 to the IDOA, the NEMOs shall provide the approved yearly budget and the high level roadmap mentioned under Section II.3.3 to BM WG by no later than 1 November of a given calendar year.

4. The standard daily rate may be updated on a yearly basis after approval by the NEMO ID SC, prior to preparation of the budget by NEMO ID SC decision.
5. In accordance with section 1.2.1 of exhibit 12 to the IDOA, all NEMOs shall report on the 15th Business Day of a month in which a Quarterly Report is due, a report of encountered NEMOs-Only Common Costs for tracking of budget fulfilment.

4. Handling of all SIDC NEMOs-Only Common Costs

1. Each Party shall complete and submit the timesheets and documentary evidence for costs classified as SIDC NEMOs-Only Common Costs to the NEMO ID SC Secretary by no later than the 10th Business Day of the month following the month in which work has been performed.

The Parties shall provide for the appropriate requirements in contracts with service providers to be able to comply with the foregoing, except if otherwise agreed by the NEMO ID SC.

Such timesheets shall include:

- a. The costs or time spent (including description of the related activity or service) per Third Party provider during the previous month, the agreed rate per Third Party provider and the costs per related activity or service during the previous month;
 - b. the time spent (including description of the related activity) per internal resources during the previous month; and
 - c. reasonable documentary evidence (including without limitation invoices) relating to the expenses incurred by external and internal resources during the previous month in performing their duties.
2. In absence of delivery of the necessary timesheets and/or documentary evidence for costs classified as SIDC NEMOs-Only Common Costs, these costs will not be considered as eligible for settlement between the Parties until delivery of the necessary timesheets and documentary evidence.
 3. By exception, in the event that any one or more Party fails for whatever reason to submit any relevant timesheet(s) and/or documentary evidence for costs classified as SIDC NEMOs-Only Common Costs by the 10th Business Day of the month following the month respectively quarter in which work has been

performed, such Party may only submit such timesheet(s) and/or documentary evidence for costs classified as SIDC NEMOs-Only Common Costs for inclusion in the next month’s report, provided that such report shall clearly identify such late-reported items. In any event, all timesheet(s) and/or documentary evidence for costs classified as SIDC NEMOs-Only Common Costs and that result from a Party or from a Third Party service provider for which the Parties could negotiate the following reporting condition have to be reported within reporting of the same calendar year (until 10th Business Day in January of the following calendar year) in which work has been performed and the later reporting of any relevant timesheet(s) will not be taken into account, except if otherwise agreed by the NEMO ID SC.

- 4. Travel and accommodation expenses by external and internal contractors for activity and service classified as SIDC NEMOs-Only Common Costs shall be invoiced at actual cost, and subject to compliance with the following guidelines:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A deviation of these guidelines for travel and accommodation expenses by external and internal resources for activity and service classified as SIDC NEMOs-Only Common Costs is allowed if based on an NEMO ID SC decision.

- 5. Monthly reporting for internal follow-up: save in respect of each month falling at the end of a Calendar Quarter, the NEMO ID SC Secretary shall process the information received in connection with paragraphs 1 to 3 above and shall prepare and submit on 20th Business Day of each month following the month in which work has been performed an overview of the previous month’s costs (the “**Monthly Report**”) to the NEMO ID SC for approval.
- 6. Quarterly reporting for CACM reporting requirements and invoicing purpose: each month falling after a Calendar Quarter, the NEMO ID SC Secretary shall process the information received in connection with paragraphs 1 to 3 above and shall prepare and submit on the 20th Business Day of such month a Quarterly Report to the NEMO ID SC for final approval as further detailed under Section II.4.2. Such Quarterly Report shall contain an overview of the costs of the last month of the previous Calendar Quarter together with details of the already validated Monthly Reports in respect of such Calendar Quarter. The information in the overview of the last month of the previous Calendar Quarter shall at least be as detailed as the Monthly Report.
- 7. The NEMO ID SC Secretary shall ensure that all timesheets and documentary evidence for costs classified as SIDC NEMOs-Only Common Costs provided to it and all documentary evidence with respect to expenses provided to it are made available on the (common) online storage location referred to in Article 37.9 of the Agreement, prior to the approval of such costs.

5. SIDC NEMOs-Only Common Costs sharing key

- 1. SIDC NEMOs-Only Common Costs shall be broken down into the categories described in the Section II.2 and the sharing key set forth in this Section II.5 shall be applied for each category separately.
- 2. For the calculation of the contribution of Member State and third countries to SIDC NEMOs-Only Common Costs the following formula will be applied in accordance article 80(3) of the CACM Regulation for each settlement period¹:

$$\frac{1}{8} \frac{1}{MS} + \frac{5}{8} \frac{C_x}{TC} + \frac{2}{8} \frac{TV_x}{TTV}$$

¹ Currently defined as Calendar Quarter

The consumption as specified in the Eurostat report 105a is used as a basis for the calculation of the TV and TTV until the NRAs indicate otherwise.

Where:

- a. For sharing of SIDC NEMOs-Only Common Costs of establishing or amending the SIDC as set forth in Section II.2.2, the following values shall be used:
 - MS: the number of Member States and third countries participating in the SIDC;
 - Cx: latest available value included in the Eurostat report 105a of consumption of each Member State or third country;
 - TC: sum of latest available values included in the Eurostat report 105a of consumption in all Member States and third countries;
 - TVx: traded volume in each Member State or third country calculated as the sum across all products effectively traded and for each trading period in each NEMO active in the Member State or third country (either designated or passporting):
 - o $(\text{Purchase Traded Volume [MWh]} + \text{Sale Traded Volume [MWh]}) / 2$;
 - TTV: sum of traded volume across all Member States and third countries.
- b. For sharing of SIDC NEMOs-Only Common Costs of operating the SIDC as set forth in Section II.2.3, the following values shall be used:
 - MS: the number of Member States and third countries where at least one Operational NEMO uses the SIDC;
 - Cx: latest available value included in the Eurostat report 105a of consumption of each Member State or third country in operation where at least one Operational NEMO uses the SIDC;
 - TC: sum of latest available values included in the Eurostat report 105a of consumption in all Member States and third countries where at least one Operational NEMO uses the SIDC;
 - TVx: traded volume in each Member State or third country where at least one Operational NEMO uses the SIDC calculated as the sum across all products effectively traded and for each trading period in each NEMO active in the Member State/ or third country (either designated or passporting):
 - o $(\text{Purchase Traded Volume [MWh]} + \text{Sale Traded Volume [MWh]}) / 2$;
 - TTV: sum of traded volumes across all Member States and third countries where at least one Operational NEMO uses the SIDC.

The SIDC NEMOs-Only Common Costs of operating the SIDC shall only be shared between the Operational NEMOs.

3. For calculation of each NEMO share (irrespective of whether such NEMO is a Party to the Agreement) to SIDC NEMOs-Only Common Costs in each Member State or third country according to the CACM Regulation, the contribution share attributable to a given Member State or third country (as a result of computation included in Section II.5) shall be multiplied using the percentage sharing key amongst NEMOs active in such Member State or third country as defined and provided by the competent NRA(s). The outcome of this calculation shall be provided to the NEMO ID SC for validation and shall be and made available to all Parties and stored in the common (online) storage location referred to in [Article 37.9](#) of the Agreement.
4. The percentage sharing keys amongst NEMOs active in each Member State or third country, as may be updated, are listed in the annex 3 to exhibit 12 of the IDOA . In case following a decision of the competent NRA(s) a different sharing key for sharing NEMOs-Only Common Costs than those indicated in annex 3 to exhibit 12 would apply, then the percentage sharing keys will be attached to this annex by NEMO ID SC decision
5. As long as not all NEMOs of all Member States or third countries have signed the Agreement, an additional calculation specified in paragraph **Error! Reference source not found.** is needed to ensure that the financial impact of this is distributed proportionally among the Parties. This additional calculation will be done by the NEMO ID SC Secretary per settlement period where the condition is not fulfilled and this calculation will be approved by NEMO ID SC. These calculations will be stored in the common (online) storage location referred to in [Article 37.9](#) of the Agreement. The settlement as described in Section II.6 will be done between Parties based on the end result of the calculation specified in this Section II.5 as long as all parties of the Member State or third country that need to sign the Agreement have not done this.

6. For the calculation of each Party's share of SIDC NEMOs-Only Common Costs for establishing and amending the SIDC to be paid according to the Agreement, the following formula shall be used:

$$\text{Share of Party } (P) = \sum_{x \in MS} \text{share of } P \text{ in } MS(x) \times \frac{1}{TSP}$$

Where:

- P refers to a Party of the Agreement;
 - X refers to a particular Member State or third country;
 - MS refers to set of all Member States and third countries according to the CACM Regulation; and
 - TSP refers to sum of shares of all NEMOs who are Parties to the Agreement
7. For the calculation of each Party's share of the SIDC NEMOs-Only Common Costs for operating the SIDC to be paid according to the Agreement, the total amount to be shared shall be multiplied by the share calculated according to paragraphs 2 and **Error! Reference source not found.** of this Section.
8. The results of computation included in this Section II.5 shall be approved by NEMO ID SC and distributed in writing to all Parties via email.

6. Cost approval and invoicing mechanism

1. From the first day of the month which follows Initial Go-Live, all relevant Parties shall bear their respective share of the SIDC NEMOs-Only Common Costs calculated according to Section II.5.
2. The invoicing and payment thereof shall be performed separately for SIDC NEMOs-Only Common Costs of establishing or amending the SIDC and the SIDC NEMOs-Only Common Costs of operating the SIDC on a calendar quarterly basis (or such other frequency as the NEMO ID SC determines) according to the following procedure:
 - a. By no later than twenty (20) Business Days after the end of each Calendar Quarter, the NEMO ID SC Secretary will send via e-mail to each NEMO ID SC member, a report (the "**Quarterly Report**") as provided under Section II.3.4.6. The report will also be stored in the common (online) storage location referred to in [Article 37.9](#) of the Agreement. The report shall detail the following:
 - i) in respect of such Calendar Quarter, a clear identification, expressed in euro, of the various incurred SIDC NEMOs-Only Common Costs based on the tariffs set out under Section II.3 and the relevant timesheets as submitted to the NEMO ID SC Secretary in accordance with the provisions of Section II.3;
 - ii) A link to the common (online) storage location referred to in [Article 37.9](#) of the Agreement where the timesheets and documentary evidence for costs classified as SIDC NEMOs-Only Common Costs can be found;
 - iii) A short summary of important issues detected by NEMO ID SC Secretary during the establishment of the report;
 - iv) Details of the cumulative SIDC NEMOs-Only Common Costs incurred from 1st January of the relevant year; and
 - v) Any other relevant matters as the NEMO ID SC Secretary shall determine as reasonable for the purposes of the Quarterly Report,
 - b. together with a document (the "**Quarterly Account**") prepared by the NEMO ID SC Secretary which shall detail separately for the SIDC NEMOs-Only Common Costs of establishing or amending the SIDC and the SIDC NEMOs-Only Common Costs of operating the SIDC the following:
 - i) A clear identification of the various SIDC NEMOs-Only Common Costs items to be made subject to an invoice by those Party(ies) having incurred SIDC NEMOs-Only Common Costs in respect of such Calendar Quarter;

- ii) Details of the relevant amounts calculated according to Section II.5, expressed in EUR, which shall be subject to invoices to be paid by the Parties who did not incur such costs.
- iii) Details of the invoicing between each Claiming Party towards one or more Paying Parties according to principles provided under letter c. and d. below.

The NEMO ID SC will review the settlement process set forth under letter c) and d) below following 2 quarters of operation and shall decide based on this review whether the settlement process shall be adapted.

- c. Performed separately for SIDC NEMOs-Only Common Costs of establishing or amending the SIDC and SIDC NEMOs-Only Common Costs of operating the SIDC, if the share of a Party of total SIDC NEMOs-Only Common Costs in respect of such Calendar Quarter and given category as calculated according to letter b.ii) above is higher than SIDC NEMOs-Only Common Costs incurred by such Party in given Calendar Quarter and given category, such Party (the “**Paying Party**”) shall be subject to invoice by Party(ies) whose share of total SIDC NEMOs-Only Common Costs in respect of such Calendar Quarter and given category as calculated according to letter b.ii) above is lower than SIDC NEMOs-Only Common Costs incurred by such Party (the “**Claiming Party**”) in respect of such Calendar Quarter and given category.
- d. The following mechanism shall be used in order to identify which Paying Party(ies) shall be invoiced by each Claiming Party:
 - i) Parties are sorted according to net amount resulting from letter c and a comparison of SIDC NEMOs-Only Common Costs incurred by Party and share of total SIDC NEMOs-Only Common Costs calculated according to letter b.ii) for individual Party as follows:
 - For the Claiming Party, with the highest claim to the lowest;
 - For the Paying Party, with the lowest to the highest amount to be paid; and
 - If two Parties do have the same outcome of the net amount, they are sorted based on alphabetical order.
 - ii) The claim of the first Claiming Party on the list is paired with the remaining net amount of the last Paying Party.
 - iii) If the claim of first Claiming Party on the list is fully covered by the last Paying Party, then:
 - the first Claiming Party is supposed to invoice the last Paying Party for the whole amount of Claiming Party’s claim;
 - the remaining net amount of the last Paying Party is reduced by the invoiced amount;
 - this Claiming Party is removed from the list; and
 - the process is repeated from step ii) onwards, with the second Claiming Party on the list becoming the first Claiming Party on the list.
 - iv) If the claim of first Claiming Party on the list is not fully covered by the remaining net amount of the last Paying Party, then:
 - the first Claiming Party is supposed to invoice the last Paying Party for Paying Party’s remaining net amount;
 - the claim of the first Claiming Party is reduced by such invoiced amount;
 - this last Paying Party is removed from the list; and
 - the process is repeated from step ii) onwards, with the last but one Paying Party on the list becoming the last Paying Party on the list.
 - v) The mechanism shall stop with the invoice between last Claiming Party and first Paying Party on the original list. It is recognised that in view of the process, a Claiming Party may need to invoice more than one Paying party.

If no objection is raised by any of the NEMO ID SC members within five (5) Business Days after receipt by them of the Quarterly Report and the Quarterly Account, the Quarterly Report and the Quarterly Account will be deemed approved by the NEMO ID SC. The NEMO ID SC shall also expressly record the relevant

Quarterly Report and Quarterly Account at the next scheduled meeting of the NEMO ID SC or at an ad-hoc meeting of the NEMO ID SC. If a timely objection is raised it will be discussed in the NEMO ID SC.

3. Irrespective whether the Quarterly Report and the Quarterly Account are approved at a meeting (either scheduled or ad-hoc) of the NEMO ID SC or by deemed approval, the NEMO ID SC Secretary shall, by no later than the 3rd Business Day following the date of such approval, provide the Parties with signed copies (in PDF or other suitable electronic format) of such approved Quarterly Report and Quarterly Account based on which respective Claiming Parties shall issue the invoices towards specified Paying Parties and in specified amounts according to Section II.7.

7. Invoicing and Payments

1. Each invoice issued according to the Agreement shall be sent by email, but at request of a Party also a paper version shall be provided. The approved Quarterly Report referred to in Section II.6.3 shall be attached to all invoices issued. Each invoice shall include at least the following items:
 - a. Full name and address of both invoicing and invoiced Party;
 - b. VAT number of both invoicing and invoiced Party;
 - c. Invoice amount, valued in euro;
 - d. Bank account and bank address (including IBAN and BIC) on which the relevant payment shall be made;
 - e. Invoice number;
 - f. Invoice issue date;
 - g. Settlement period;
 - h. Designation of the service on the invoice (including the reference to the Quarterly Report and the Quarterly Account that is used as basis for issuing the invoice and whether the invoice is related to SIDC NEMO-Only Common Costs for establishing and amending the SIDC or SIDC NEMO-Only Common Costs for operating the SIDC); in case of resettlement the invoice should refer to the resettlement. For resettlement no specific timeframe will be mentioned;
 - i. Tax rate and tax amount separately, if any;
 - j. Specific constraint for invoicing, required by the article 226 of the Directive 2006/112/CE, if any, e.g. indication of the reference to the applicable provision of the Directive 2006/112/CE where the supply of services are subject to the VAT reverse charge procedure;
 - k. Reference if required by the invoiced Party; and
 - l. Payment term in accordance with paragraph 2) hereafter.
2. Each Party shall pay the invoiced amount within thirty (30) calendar days from the end of the month of the receipt of the respective invoice (the “**Due Date**”). All payment(s) shall be made by wire transfer to the bank account indicated in the invoice(s).
3. Default interest on any amounts not paid by the Due Date, shall accrue at the legal interest rate as specified in the Belgian Law of 02/08/2002 on combating late payment in commercial transactions, as modified by the Law of 22 November 2013, implementing Directive 2011/7/EU).
4. A Party whose invoice(s) is (are) not paid within (ninety) 90 days of the Due Date by another Party(ies) is entitled to claim to socialize these costs among the relevant Parties (i.e. all Parties or Operational NEMOs, according to the relevant cost category, and to the exception of the Party failing to pay its invoice (hereafter the “**Socialising Parties**”), if the Party failing to pay its invoices indicates it will not pay these invoice(s). The Socialising Parties shall pay their contribution to the unpaid invoice to the original invoicing Party based on the sharing key provided in Section II.5, excluding the Party that has not paid the invoice, and following the further modalities to be determined by the NEMO ID SC.

If the invoice of the Party failing to pay its invoice is, in the end, paid by that Party, the received amount shall be retributed to the Socialising Parties pro rata their contribution, following the settlement process set forth under Section II.6, c) and d).

In respect of the Party that is failing to pay its invoice(s) the following applies:

- a. For the avoidance of doubt, the foregoing shall not release the Party failing to pay its invoice(s), to pay this invoice(s);
 - b. The NEMO ID SC will, upon receipt of the claim to socialize the unpaid invoice, assess the next steps towards the Party failing to pay its invoice(s);
 - c. The original invoicing Party shall take all necessary measures to recover payment by the Party that is failing to pay and will inform the Socialising Parties as soon as it receives payment;
 - d. The Socialising Parties shall use their Best Efforts to receive from the relevant NRA(s) assistance to recover the unpaid invoice.
5. All or any part of an invoice can only be contested based on a calculation or process error. In such case the contesting Party shall inform the NEMO ID SC Secretary (who shall inform the NEMO ID SC) as soon as possible and in any event within ten (10) Business Days of the date of the invoice of the disputed amount and the basis for disputing such invoice, together with any appropriate information supporting its position. The undisputed part of the invoiced amount shall remain payable as provided herein. Any contestation by a Party of all or any part of an invoice will, if not solved, be subject to the Dispute resolution procedure set out in Article 36 (Dispute settlement and jurisdiction). Notwithstanding the existence of any Dispute relating to all or any part of an invoice, the Disputing Party shall remain for all purposes (other than payment of the contested part of such invoice pending resolution of such Dispute) subject to all its obligations under the Agreement.

Payment by either Party of the invoice, wholly or in part, shall not itself, in case of a Dispute regarding such invoice, be considered as an acceptance or validation of the activities performed which are subject of such a Dispute.

III. SIDC NEMOs-Only Common Costs prior the Initial Go-Live and other SIDC NEMOs-Only Common Costs

1. Process for resettlement amongst all NEMOs of the SIDC NEMOs-Only Common Costs pre-financed by EPEX, OMIE, GME and Nord Pool incurred in the period from 14th February 2017 until Initial Go-Live

1. For the period from 14th February 2017 until last day of the month of Initial Go-Live, the SIDC NEMOs-Only Common Costs will be initially shared by the PCA parties (EPEX, OMIE, GME and Nord Pool) and shall therefore be shared amongst all NEMOs participating in the SIDC as soon as possible after Initial Go-Live in accordance with the CACM Regulation and competent NRAs decisions. If such process cannot be organised within six (6) months after Initial Go-Live possible mitigation measures need to be discussed at NEMO ID SC level.
2. Costs of the PMO, the MPLS Network Service Provider common line and of any other jointly contracted services related to Identical NEMO Components pursuant to Article 13.1 of the Agreement, starting with 14th February 2017 until the last day of the month of Initial Go-Live which are reasonable, proportionate, clearly and separately identified and auditable shall be considered as SIDC NEMOs-Only Common Costs of establishing and amending of the SDIC and shall be shared in accordance with the sharing key as detailed in Section II.4 above and in accordance with the following process:
 - a. By no later than thirty (30) Business Days after the end of the month of the Initial Go-Live, the NEMO ID SC Secretary shall send via e-mail to each NEMO ID SC member, a report covering the period between 14 February 2017 until end of the month of the Initial Go-Live which shall detail the following:
 - i) in respect of such period, a clear identification, expressed in euro, of the various incurred SIDC NEMOs-Only Common Costs;

- ii) Cumulative amount of SIDC NEMOs-Only Common Costs incurred during this period; and
 - iii) Any other relevant matters as the NEMO ID SC Secretary or NEMO ID SC shall determine as reasonable for such purpose.
 - b. After approval of the abovementioned report by the NEMO ID SC within a period of thirty (30) Business Days after provision of the report, the process described in Section II.4 shall be used in order to calculate the share of each NEMO in each Member State or third country according to the CACM Regulation and to calculate the share of each Party to the Agreement. If the NRAs provide a different settlement for the period or a subset of the period then this will be taken into account. An overview of possible deviations can be found in annex 3 to exhibit 12 of the IDOA (or in case different sharing keys would apply for sharing SIDC NEMOs-Only Common Costs in the attachment to be added by the NEMO ID SC) . Outcome of this calculation together with the clear identification of the costs shares already incurred by the parties to the PCA during the period between 14 February 2017 until end of the month of the Initial Go-Live shall be subject to the NEMO ID SC approval.
 - c. The net difference between each Party's share of SIDC NEMOs-Only Common Costs during the period between 14 February 2017 until end of the month of the Initial Go-Live (as calculated according to point b) above) and the SIDC NEMOs-Only Common Costs already incurred by such Party during this period shall be invoiced between the Parties based on the mechanism described in Section II.6 within twenty (20) Business Days after approval of the calculation and incurred cost shares according to point ii) above by the NEMO ID SC.
 - d. Invoices shall be issued and payments shall be made in accordance with conditions described in Section II.7.
3. Any NEMO adhering to the Agreement after the last day of the month of Initial Go-Live shall pay its share of SIDC NEMOs-Only Common Costs for the period from 14 February 2017 until last day of the month of Initial Go-Live together with its share of all SIDC NEMOs-Only Common Costs for the period from the last day of the month of Initial Go-Live until its adherence as further specified in Section III.3.

2. Exit Plan and other costs

1. The cost of an exit as determined in the Exit Plan according to Article 32.4 of the Agreement shall be allocated and settled as proposed by the NEMO ID SC and as consented by the Voluntary Exit Party or Forced Exit Party.
2. As soon as the NEMO ID SC and the Voluntary Exit Party or Forced Exit Party have agreed upon the costs of an exit and the modalities how these will be settled, all Parties shall follow such instructions and issue respective invoices according to Section II.7.
3. Should the NEMO ID SC identify other costs than the one specified in this Annex 3 that are up for settlement, the NEMO ID SC will validate the conditions for the settlement of these costs as well as the classification of these costs.

3. Process for accession of a new Party

1. As soon as a Party accedes to the Agreement, the NEMO ID SC Secretary will assess for this Party the amount to be paid by this Party covering:
 - a. The share of the new Party of SIDC NEMOs-Only Common Costs from 14 February 2017 till moment of its adherence; and
 - b. The costs associated to the recalculations and preparations needed for the process of resettlement being estimated as follows: the fee of one Business Day (standard rate for an internal resource) per settlement period after the Initial Go-Live that needs to be assessed.

2. These costs as calculated according to Section II.5 will be included in the Accession Declaration form, as specified in Annex 10 (Accession Declaration form), as historical costs.
3. During the settlement period following the signature of the Accession Declaration form by the adhering Party after end of month after Initial Go-Live, the share of total SIDC NEMOs-Only Common Costs of the adhering Party will be increased by the amount of historical costs included in paragraph 1 above, while the share of total SIDC NEMOs-Only Common Costs of other Parties will be reduced by a share of the amount of historical costs included in paragraph 1 of the adhering Party calculated by the NEMO ID SC Secretary proportionally to the share they pre-financed by application of the sharing rules set forth in Section II.5 for the costs related to letter a) and b) of paragraph 1 of this Section III.3.3.