

**PROCEDURE FOR THE ORGANIZATION AND FUNCTIONING OF THE MARKET FOR  
MEDIUM AND LONG-TERM PRODUCTS MANAGED BY THE COMPANY BURSA ROMÂNĂ DE  
MĂRFURI  
(ROMANIAN COMMODITIES EXCHANGE) S.A.**

**GENERAL PROVISIONS**

**Art. 1.** - This Procedure establishes the framework for the trade of natural gas on the Market for Standardized Medium and Long-Term Products (hereinafter referred to as the “Market”) through an electronic trading platform managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A., hereinafter referred to as the “RCE”, as a licensed operator for the management of centralized natural gas markets.

**TERMINOLOGY**

**Art. 2.**

(1) For the purposes of this Regulation, the terms used shall have the following meanings:

- **Competent Authority** – the Romanian Energy Regulatory Authority (RERA);
- **Broker** - a natural person working in a business relationship with an economic operator or with a brokerage company, having as main tasks the introduction and maintenance of orders during the trading sessions / auctions and the right to engage the liability of the economic operator it represents in relation to the RCE;
- **Participation agreement (Annex 2 of the Regulation on the framework for trading standardized products on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.)** - standard contract defined by the operator of the centralized market concluded with the participants, and which stipulates the reciprocal rights and obligations of the parties regarding the participation on the centralized Natural Gas Markets managed by the RCE;
- **The RERA standard contract** - the natural gas sale-purchase contract provided in the Annex no. 3 to the RERA Order no. 79/2020 regarding the obligation to bid natural gas on the centralized markets in Romania, with the subsequent amendments, and in the Annex no. 4 to this Procedure;
- **The Transmission and System Operator (TSO)**, in particular S.N.T.G.N. Transgaz S.A.;
- **Sale / purchase order / bid** – the bid submitted by a participant, consisting of a price-quantity pair and other specific attributes, representing the participant’s firm commitment;

- **Participant** - economic operator in the natural gas field / final customer who joins as an affiliate member or is a shareholder in the RCE and signs the Participation agreement on the Market for Medium and Long-Term Standardized Products of Natural Gas;
- **Price** - the price of the transaction, recorded and displayed within the trading system;
- **The best price** - the price of the trading order, with the highest execution priority, namely the highest purchase price, i.e. the lowest sale price of a tradable product;
- **The lowest price** - the price of the trading order with the lowest execution priority, namely the lowest purchase price, i.e. the highest sale price of a tradable product ;
- **Simple competitive trading procedure** - a set of rules and mechanisms for bidding, negotiation and trade established by this procedure. It implies the launching of the standard products tradable based on an order (bid) sent by an initiating broker that has the exclusive right of entering orders, for one of the directions (sale / purchase or only purchase, according to the specific regulations in force). The other brokers have the right to record only opposite direction orders to the order entered by the initiating broker.
- **Double competitive trading procedure** - a set of rules and mechanisms for bidding, negotiation and trade established by this procedure. It implies the release of standard tradable products by the RCE, during a trading session,
- **Standard product** - a product defined in the RCE trading system, in accordance with the "Centralized list of standardized products tradable on the natural gas market for short-term standardized products and on the market for medium and long-term standardized products" approved by the RERA Decision, whose object is the medium and long-term sale - purchase of natural gas;
- **Flexible product** - a product that can be traded within the RCE trading system, in accordance with the "Centralized list of standardized products tradable on the natural gas market for short-term standardized products, on the market for medium and long-term standardized products, as well as on the market for long-term flexible products" approved by the Decision no. 244/2019 of the RERA and in accordance with the order no. 84/2020, having as object the sale - purchase of natural gas for a period of at least 1 month;
- **Trading report** - report issued by the trading systems of the RCE to each Participant for their own transactions, containing complete data on the orders / bids entered and the transactions concluded: the report number, the trading session date, the name of the traded product, the daily traded quantity [MWh/day] and the total traded quantity [MWh], the delivery period (according to the traded product), the identification number of each transaction ("ID"), the name of the opposite direction winner, the quality of the Participants in the transaction (Seller / Buyer), the quantity traded and the award price of each transaction [lei, EUR or USD / MWh], the time stamp;

- **Transaction session** - the timeframe of the simple or double competitive trading procedure, where the sale and / or purchase orders can be entered, modified, cancelled or terminated and transactions can be concluded - if the correlation conditions established by the algorithms of the trading systems are fulfilled;
- **Trading systems** – information systems operated and managed by the RCE for the purpose of achieving transactions;
- **Holders of the bidding obligation** - natural gas producers who have the obligation to bid the sale of certain quantities of natural gas in accordance with the provisions of the RERA Order no. 79/2020 on the obligation to supply natural gas on the centralized markets in Romania, with the subsequent amendments (“Order 79/2020”).
- **Transaction** - an operation concluded in the trading system following the correlation of a sale bid with a purchase bid, according to the specific trading system algorithms;

(2) The other terms and definitions used in this Procedure have the meaning given in the “Regulation concerning the framework for trading standardized products on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.”, hereinafter referred to as the “Regulation”, as well as by the current legislation .

## **STANDARD AND FLEXIBLE PRODUCTS ADMITTED FOR TRADING**

(1) According to the “Centralized list of standardized products tradable on the natural gas market for short-term standardized products, on the market for medium and long-term standardized products, as well as on the market for long-term flexible products” approved by the Decision no. 244/2020 of the RERA, and also to the provisions of the Orders no. 79/2020 and no. 84/2020, on the market for medium and long-term products, the RCE has the right to organize and organizes trading sessions for the following standard and flexible products:

**A.** Standard products, both in terms of delivery place (VTP ), delivery profile (constant daily profile), and the duration of deliveries to be traded based on the **standard contract, Annex 2** to this procedure or on the basis of **the RERA standard contract, Annex 4** to this procedure:

- WEEK (delivery interval - week )
- MONTH (delivery interval - month )
- QUARTER (delivery interval - quarter)
- SEMESTER (delivery interval - semester)

- COLD SEASON (delivery interval – quarters IV and I)
- WARM SEASON (delivery interval – quarter II and III)
- GAS YEAR (delivery period - gas year)
- CALENDAR YEAR (delivery period - calendar year)

**B.** Standard products, both in terms of the delivery place (VTP), the delivery profile (constant daily profile), and the duration of deliveries to be traded under the **standard EFET contract / pre-agreed contracts**:

- WEEKEND (delivery interval Saturday to Sunday)
- WEEK (delivery interval - week)
- MONTH (delivery interval - month)
- QUARTER (delivery interval - quarter)
- SEMESTER (delivery interval - semester)
- COLD SEASON (delivery interval – quarters IV and I)
- WARM SEASON (delivery interval – quarters II and III)
- GAS YEAR (delivery period - gas year)
- CALENDAR YEAR (delivery period - calendar year)

**C.** Standard products, both in terms of the delivery place (VTP), the delivery profile (constant daily profile), and the duration of deliveries, which are traded on the basis of the **contract proposed by the initiating Participant** of the trading order:

- WEEK (delivery interval - week)
- MONTH (delivery interval - month)
- QUARTER (delivery interval - quarter)
- SEMESTER (delivery interval - semester)
- COLD SEASON (delivery interval – quarters IV and I)
- WARM SEASON (delivery interval – quarters II and III)
- GAS YEAR (delivery period - gas year)
- CALENDAR YEAR (delivery period - calendar year).
- MULTIPLE OF DAY GAS (delivery period - multiple of gas days).

**D.** Medium and long term flexible products, with delivery to the VTP, whose total quantity and price can be adjusted during the execution of the contract only according to the conditions of the initiating offer. These

products are tradable based on an EFET type contract / pre-agreed contract / contract proposed by the participant who initiates the trading order.

(2) The description and characteristics of each product are given in Annex 1 to this procedure.

### **SPECIFIC PARTICIPATION AND TRADING REQUIREMENTS**

(1) The economic operators that meet the following requirements are allowed to participate in transactions on the Market for Medium and Long-Term Products:

- they are holders of a valid licence granted by the RERA for the sale of natural gas and have concluded a contract for the balancing and access to the VTP with the transport and system operator;
- they are operators of the distribution systems and of the natural gas storage systems, that have concluded a contract for the balancing and access to the VTP with the transport and system operator and have the exclusive trading right for the purchasing direction;
- they are final customers who have concluded a contract for the balancing and access to the VTP with the transport and system operator, and they have the trading right for the purchasing direction; for the sale direction they have the right to sell natural gas only in order to effectively balance their own portfolio;
- it is a transport and system operator (TSO) and participates in transactions exclusively for the purpose of undertaking the physical balancing actions of the National Transmission System (NTS);

(2) The standard products presented in art. 3 paragraph (1) point A, tradable based on the standard contract (mentioned in the Annex 2), and respectively on the standard RERA contract (provided in Annex 4), have the following characteristics:

- suspensive delivery term of at least 2 (two) working days from the date of concluding the transaction. The RCE shall set the suspensive delivery term so that the requirements for signing contracts and submitting bonds can be met on a case-by-case basis;
- have as object the transfer of the ownership right at the VTP over quantities of natural gas to be delivered at the VTP, in a constant daily profile, for a period longer than one gas day;
  - the transfer is based on the trading report issued by the trading systems of the RCE;
- the object of the transaction is a standard contract or a multiple of standard contracts, and the items that may be modified by the interested parties in the trading sessions are the price per standard contract and the number of standard contracts traded;

- for the holders of the bidding obligation, acting on the basis of an order declared to be issued on the basis of the bidding obligation, the natural gas sale / purchase bids are released for trading with the specifications “Total” and “Partial”, and the other orders are released for trading with the specification “Partial”;
- the bids are of the simple pair quantity (MWh/day) - price (lei/MWh) type, with a maximum of two decimals; the quantity traded under such a contract is 1 MWh/day;
- the maximum starting price of the standardized product bids that shall be entered in the trading platform at the launch of the sale orders by the holders of the bidding obligation, according to the Order no. 79/2020, is the one established by the RERA and displayed on the website, on the last working day of the month prior to the auction session, expressed in lei, according to the provisions of the Order no. 79/2020;
- the price and number of standard contracts for a concluded transaction remain fixed during the execution of the standard contract. The price and quantity traded, as it results from the trading report issued by the RCE, shall mandatorily be stipulated in the concluded contract;
- from the moment of correlating the demand with the offer, the transaction is made after one or more time intervals  $\Delta t = 2$  minutes have passed in order to allow the other participants to send improved bids;
- the holders of the bidding obligation shall stipulate in the issued order whether or not it shall be taken into account by the RCE for the quantification of the bidding obligation, in which case the restrictions specific to the orders issued based on the bidding obligation shall apply and the bid shall mandatorily be traded based on the standard RERA contract (provided in the Annex 4). This mentions shall not be disclosed to the rest of the participants.
- In the case of orders of the holders of the bidding obligation that are not taken into account by the RCE for quantifying the bidding obligation, as well as of all other orders placed by participants, the bids shall be able to be traded either based on the standard RERA contract (provided in the Annex 4), or on the basis of the standard contract (provided in the Annex 2), according to the agreement of the parties to the transaction. If the parties to the transaction do not decide by mutual agreement on one of the two contracts, they shall be obliged to conclude the standard contract (provided in the Annex 2).

(3) The standard products referred to in Article 3 (1) points B and C have the following characteristics:

- suspensive delivery term of at least 2 (two) calendar days from the date of conclusion of the transaction;
- their object is the transfer of the ownership right at the VTP over the quantities of natural gas that cannot be changed after the conclusion of the transaction;
- the transfer is based on the trading report issued by the trading systems of the RCE;

- they shall be delivered at the VTP in a constant profile (MWh/day) as established in the Initiating Order posted and established by contract in accordance with the Initiating Order for a period of time longer than one day;
- the terms of the sale-purchase contracts cannot be changed after the transaction conclusion date.

The price is expressed in lei, EUR or USD/MWh, and the quantity traded is expressed in MWh/day, in the constant profile established by contract; these items cannot be changed after the transaction conclusion date.

The participants approved to transactions on the Market for Medium and Long-Term Products that choose to trade standard products under a pre-agreed contract (EFET or another type), have the obligation to transmit to the RCE, along with the initiating order, the following signed documents:

- the agreed contract, which shall be the basis of the transaction;
- the members of the group of participants with whom it was agreed to use the respective contract.

The list must contain at least 8 members so as to be taken into consideration;

- the changes within the group and / or in the initial form of the contract after the transmission date of the order shall lead to the corresponding postponement of the auction date.

The access to the trade of those products by issuing response orders is allowed exclusively to the participants that are on the transmitted list.

For the trade of natural gas based on contracts defined by the Participant initiating the trading order, the access to the trade of such product by issuing response orders is allowed to any participant registered on the Market for Medium and Long-Term Products meeting the conditions provided by the participation agreement signed with the RCE.

The publication of the initiating order, the associated contract and / or other documents / pieces of information necessary to carry out the clear and transparent trading process shall be made by the market operator within at least 3 (three) working days before the auction date. The initiating participant shall also be able to establish an interval  $\Delta t$ , which shall be applicable between the correlation moment of the opposite direction orders and the moment of the transaction conclusion, an interval during which the other participants may send improved bids.

Market participants shall be able to request clarifications from the initiating participant regarding the contract associated with the order no later than 24 hours before the release of the trading session. The initiating participant shall respond to the request for clarifications no later than 2 hours before the release of the trading session. All clarifications granted / contractual changes accepted by the initiating participant shall be considered an integral part of the contract associated with the initiating order.

(4) The flexible products listed in Art. 3 (1) point D have the following characteristics:

- Suspensive delivery term of at least 2 (two) working days from the transaction conclusion date;
- Their object is the transfer of the property right in the VTP on some quantities of natural gas;
- The quantity is expressed in MWh/Day, and the quantity traded under such a contract is 1 MWh/Day or an integer multiple of 1 MWh/Day;
- The delivery time is of at least 1 month;
- The transfer is made based on the trading report issued by the trading systems of the RCE;
- The quantities of natural gas are to be delivered in the VTP, with the profile established in the Initiating Order posted and established by contract;
- The total quantity and the price may be adjusted during the contract execution period only according to the conditions of the initiating offer. The price is expressed in lei, EUR or USD/MWh, and the traded quantity is expressed in MWh/day;
- The maximum limit of variation of the contracted quantity and the price adjustment formula are stipulated in the Initiating Order (Annex 3) and the contract draft sent by the initiating participant to the RCE for publication. Distinctly, the participants admitted to transactions on the Market for Medium and Long Term Products who opt for trading flexible products under a pre-agreed contract/an EFET type contract have the obligation to send to the RCE, together with the initiating order, the following documents, under signature:
  - The agreed contract the transaction will rely on;
  - The members of the group of participants with whom it was agreed to use the respective contract. The list must contain at least 8 members to be considered;
  - Changes in the structure of the group and / or in the initial form of the contract after the date of transmission of the order will lead to the corresponding postponement of the auction date.

The access to trading of the traded products based on **a pre-agreed contract/an EFET type contract** is made by issuing orders of opposite direction. Access is allowed only to participants who are on the submitted list.

The access to trading of the traded products based on **a contract proposed by the initiator of the order** is made by issuing orders of opposite direction. Access is allowed to any participant registered on the Market for Medium and Long-Term Products who meets the conditions provided in the participation agreement signed with the RCE.

The market operator shall publish the initiating order, the associated contract and / or other documents / information necessary to carry out the trading process under clear and transparent conditions at least 3 (three) working days before the auction date. The initiating participant shall also be able to establish a  $\Delta t$  interval, which



will be applicable between the moment of correlating the orders of opposite direction and the moment of concluding the transaction, a time span when the other participants can send improved offers.

Market participants shall be able to request clarification from the initiating participant regarding the contract associated with the order no later than 24 hours before the launch of the trading session. The initiating participant shall respond to clarifications no later than 2 hours before the launch of the trading session. All clarifications granted / contractual changes accepted by the initiating participant shall be considered as an integral part of the contract associated with the initiating order.

## **TRADING PROCEDURES**

**Art. 5.** The trading procedures used on the Market for Medium and Long-Term Products by the RCE are as follows:

- **the simple competitive trading procedure** - for products defined by the RCE under the Art. 3(1), points B, C and D.
- **the double competitive trading procedure** - for standard products defined under the Art. 3 (1), point A.

The trading schedule is from Monday to Friday between 10:00:00 a.m. and 3:00:00 p.m., on the working days.

The time span 15:00:00 - 15:00:10 is strictly allocated for the compliant closing of the transactions from the last  $\Delta t$ , in accordance with Art. 18, par. (7). For clarification, within this time span, order operations (introduction, modification) are not taken into account for closing a transaction.

### **A. THE SIMPLE COMPETITIVE TRADING PROCEDURE REQUIREMENTS**

#### **Art. 6.**

(1) In order to release the standard product, the participant to the centralized market sends to the RCE an initiating order according to the model in **Annex no. 3** to this procedure, with at least the following elements:

- the name of the participant initiating the order and / or of the authorized representative;
- the name of the standard product according to this procedure;
- the quantity available for trading, expressed in MWh;
- the starting price of the bid (mandatory). It can or cannot be made public at the release of the product, depending on the initiator's option; it shall be expressed in Lei, EUR or USD/MWh, with 2 decimals;
- the date when the trading session is to be organized;

- the proposed contract that shall also contain the constant delivery profile (the delivery schedule);
- any other pieces of information and / or documents deemed necessary for the unambiguity and transparency of the bidding process.

(2) The initiating order, as well as the other associated documents shall be transmitted to the RCE in electronic form (e-mail) or as an on-line form for the trading software.

(3) The RCE reserves the right not to validate those initiating orders that are so formulated that they are obviously not tradable, for example: obviously disproportionate price and / or quantity in relation to a real trading intention, reasonably appreciated by the RCE, a product with a delivery period prior to the initiation of the order, etc. In such situations the RCE shall request clarifications to the initiator of the order.

(4) The Operator of the Market for Medium and Long-Term Products shall publish the initiating order and the accompanying documents /pieces of information at least 3 working days before the date on which the auction is scheduled.

## **II. BONDS**

### **Art. 7**

(1) The participants shall make available to the RCE a bond, which is calculated automatically by the GasForward platform managed by the RCE as a product between the quantity in the order, the price entered in the platform, the percentage of 0,5% in order to be able to register an order for trading. In the case of orders traded using USD or EUR as the trading currency, the platform automatically performs the currency conversion at the NBR exchange rate on the trading day.

(2) The bond provided in paragraph (1) may be constituted in one of the following forms:

- payment order;
- letter of bank guarantee.

(3) The bond established by the participants on behalf of an order for which a transaction has been concluded shall remain at the RCE's disposal until the copy of the sale-purchase contract (electronic version) signed by the parties to the transaction is submitted to the RCE. The term for sending the sale- purchase contract (in electronic format) is at most 5 days from the date of the transaction conclusion, but not later than 2 days before the beginning of the deliveries.

(4) During the period referred to in the preceding paragraph, the bond provided on the account of the order under which a transaction was concluded may not be used to guarantee the participation in the trading of another asset.

(5) The established bonds are executed by the RCE for compensating the injured party, in the following situations:

a) the participants do not sign the sale-purchase contract for natural gas;

b) the sale-purchase contract is filled in with a quantity different from the negotiated quantity, with a price different from the negotiated price or with any other clause different from the negotiated clause during the trading session;

(6) In case the sale-purchase contract is not signed by one of the parties, the other party to the contract shall be deemed to have been prejudiced. The RCE shall transfer to the injured party the bond of the party at fault, within 15 working days from the date of the transaction conclusion.

(7) If neither of the parties to the transaction signs the sale-purchase contract or if the sale-purchase contract does not contain the elements negotiated during the auction, then the RCE shall retain the bonds of both parties in the transaction. The RCE has the right to sanction Participants who do not sign the sale contract or conclude sale-purchase contracts with elements other than those negotiated during the auction, by suspending them from trading for a period between 1 week and 6 months, depending on the severity and the repeated nature of the deviations of the respective Participant.

#### **Art. 8**

(1) After fulfilling the obligations provided in art. 7, paragraph 3, the bond shall be made available to the participant, and the RCE might also maintain it, upon the request of the participant, in order to register future orders.

(2) The repayment of the bonds shall be made within 3 (three) working days from the date of the submission of a written request, indicating, for the ones established by payment order, the account and the bank where the amounts shall be refunded.

**Art. 9.** The trading sessions are held according to the schedule announced by the RCE.

### **III. THE PHASES OF THE TRADING PROCESS.**

**Art 10.** The phases of the auction process are outlined below:

**Phase I** (duration: - 10 minutes).

(1) The initiating broker enters the order that shall be validated by the system if it fulfils cumulatively the following conditions:

- it mentions the quantity;
- it mentions the price. The price in the initiating order may not exceed by +/- 15% the average price of the last previous day in which transactions were made on the Market;
- it mentions the validity period of the order.

(2) In the opposite direction orders to the initiating order, the following elements shall be mentioned, under the sanction of invalidating the order:

- the quantity;
- the price;
- the validity period of the order.

(3) The opposite direction order to the initiating order shall be validated by the system only if the issuer of the order holds in the bonds account an available amount greater than or equal to the amount of the bond required in the case of trading the order.

**Phase II** (duration: - 10 minutes)

(1) The orders entered can be maintained by brokers as follows:

a) in the case of the initiating order:

- change of price;
- change of quantity;
- change of the validity period of the order.

b) in the case of the opposite direction order:

- price improvement (reduction in the case of sale orders, respectively increase in the case of purchase orders);
- change of quantity;
- change of the period of validity of the order.

**Phase III** (duration: 10 minutes). During this phase, only the initiating broker can keep the order.

(4) The duration of the phases described in paragraphs (1) - (3) can be set out at the request of the initiating broker before opening the trading session.

#### **IV. ORDERS CORRELATION.**

**Art. 11.** The orders correlation process is described below:

(1) For the sale orders, the sale order is correlated with a purchase order with the same price or with a higher price, for the maximum quantity determined by the competition of the quantities mentioned in the two opposite direction orders, at the sale order price. To the extent that the correlation conditions are met for more than two opposite direction bids, the correlation order is established chronologically, depending on the oldest time stamp.

(2) For the purchase orders, the purchase order is correlated with a sale order with the same price or with a higher price, for the maximum quantity determined by the competition of the quantities mentioned in the two opposite direction orders, at the price of the purchase order. To the extent that the correlation conditions are met for more than two opposite directions bids, the correlation order is established chronologically, depending on the oldest time stamp.

(3) If the initiating broker has established an interval  $\Delta t$  according to art. 4 paragraph (5), the following mechanism shall apply:

- After the correlation made according to paragraph (1) or, respectively, (2) above, the transaction is performed only after the time interval  $\Delta t$  has passed, with a prior notification sent to the participants. At the beginning of the time interval  $\Delta t$ , the RCE shall notify all trading participants, by electronic message that the correlation conditions for two bids have been met, thus offering the possibility to all those interested to improve their bids and continue the auction. The electronic message shall include the price, the quantity offered for sale and the quantity offered for purchase.
- If the price of an order changes, if the price condition mentioned in paragraph (3) (i) is met for two or more opposite direction orders, then the sequence specified in paragraph (3) (i) is executed for each of these in the order of entering / updating, starting with the oldest order, after the time interval  $\Delta t$  has passed.
- If, in the event of a change in the price of an order, the condition referred to in paragraph (3) (i) is met for two or more opposite direction orders, then the sequence specified in paragraph (3) (i) is executed from the order with the best price to the order with the lowest price, after the time interval  $\Delta t$  has passed. If among the opposite direction orders fulfilling the condition specified in paragraph (3) (i) there are two or more orders with the same price, they shall be traded in the order mentioned in paragraph (3) (ii) after the time interval  $\Delta t$  has passed.

(4) The RCE announces the participants in the trading, by electronic message, on the fact that the correlation conditions of two bids have been met. The electronic message contains the price [lei, EUR or USD / MWh] and the quantity traded [MWh/day].

(5) If, at the end of the trading session, the initiating order is not fully traded, the initiating broker may reintroduce the initiating order for the remaining uncovered quantity in a trading session at a later date.

## **V. TRADING REPORT**

### **Art. 12.**

(1) At the end of each trading session, the trading system generates a report containing the following items:

- the number of the report,
- the date of the trading session,
- the name of the traded product,
- the daily quantity [MWh/day],
- the delivery period (according to the traded product),
- the identification number of each transaction („ID”),
- the name of the opposite direction winner,
- the position of the Participants in the transaction (Seller / Buyer),
- the quantity traded,
- the award price of each transaction [lei, EUR or USD/ MWh],
- the time stamp.

(2) The trading report shall be transmitted to all brokers participating in the trading session, for the transactions made by them, in electronic format.

(3) The results of the trading session shall be published on the RCE website, in accordance with the provisions of art. 21 of the “Regulation concerning the framework for trading on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.”.

## **B. THE DOUBLE COMPETITIVE TRADING PROCEDURE**

**Art.13.** Standard products are released for trading by and at the initiative of the RCE, as follows:

- (1) The release of an asset for delivery periods of at least one week / month shall be made at least 5 calendar days before the first day of the delivery interval;
- (2) The release of an asset for periods exceeding one month shall be made at least one month before the first day of the delivery interval.
- (3) A standard product may also be released for trading upon the written request of a participant on the centralized natural gas market but not earlier than two working days before the delivery period.

**Art. 14.** The trading session on the double competitive procedure for the standard products mentioned in art. 3

- (1) point A, tradable on the basis of the standard contract, namely on the basis of the RERA standard contract shall be conducted in an electronic system and is described below.

## **I. BONDS**

**Art. 15**

(1) The participants shall provide the RCE with a bond, in order to be able to register an order for trading, which is automatically calculated by the GasForward platform administered by the RCE as a product between the quantity in the order, the price entered on the platform and the 2% percentage.

(2) The bond provided in paragraph (1) may be established in one of the following forms:

- payment order;
- letter of bank guarantee.

(3) The bond established by the participants on behalf of an order for which a transaction has been concluded remains at the disposal of the RCE until:

- a) signing the contract, in case the parties are trading based on the standard RERA contract, provided in the Annex 4;
- b) signing the contract and establishing the first bond provided by the contract, if the parties are trading under the standard RERA contract, provided in Annex 2. If the contract requires / the parties choose the advance payment as an alternative to establishing a a bond, the bond shall remain at the disposal of the RCE until the first advance payment is made.

(4) The sale-purchase contract (in electronic format) shall be sent to the RCE within maximum 5 working days from the date of the transaction conclusion, but not later than 2 working days before the start of the deliveries.

(5) During the period referred to in the previous paragraph, the bond established on behalf of the order on the basis of which a transaction has been concluded may not be used as a guarantee in case of the participation in the trading of another asset.

(6) The participation bonds established are executed by the RCE for the compensation of the injured party, in the following situations:

a) one of the participants does not sign the natural gas sale-purchase contract;

b) the sale-purchase contract is filled in with a quantity different from the negotiated quantity or with a price different from the negotiated price;

c) the participant does not make the first payment / establish the first bond on the basis of the contract concluded, according to the term stipulated in the respective contract.

(7) The RCE shall transfer to the injured party the bond established by the party at fault, within 15 working days from the notification of the case of fault by the injured party.

(8) If neither of the parties to the transaction signs the sale-purchase contract or if the sale-purchase contract does not include the elements negotiated during the auction, the RCE shall retain the bonds of both parties to the transaction. The RCE has the right to sanction the Participants who do not sign the sale contract or conclude sale-purchase contracts with elements other than those negotiated during the auction by suspending them from trading for a period between 1 week and 6 months, depending on the severity and the repeated nature of the deviations of the respective Participant.

#### **Art. 16**

(1) After fulfilling the obligations provided in art.15, paragraph (3), respectively (4), the bond shall be made available to the participant, and the RCE might also maintain it, upon the request of the participant, in order to register future orders.

(2) Bonds shall be refunded within 3 (three) working days from the date of submitting a written request, indicating, for those constituted by payment order, the account and the bank where the amounts shall be refunded.

## **II. STAGES OF THE TRADING SESSION**

#### **Art. 17**

(1) The brokers shall enter the orders starting with the opening hours of the trading session. They are validated only if they cumulatively meet the following conditions:

- they mention the quantity, the price and the term of validity of the order;



- if an amount of money greater than or equal to the value of the bond required in the case of trading the order is available in the bonds account.

(2) The elements that the participant at the release of the bid has to enter are the following:

- the direction of the bid (sale / purchase);
- the specification TOTAL and PARTIAL for the orders that are part of the bidding obligation according to the Order no. 79/2020, and for the other orders, the specification PARTIAL shall be automatically selected;
- the minimum natural gas volume: for periods greater than or equal to one week, the minimum volume is 1 contract of 1 MWh/day multiplied by the number of days of the tradable interval. The minimum total tradable volume is automatically defined for each product separately;
- the price for products shall be expressed in Lei/ MWh, positive number, with maximum 2 (two) decimals. In case of the existence of an active  $\Delta t$  in the market, the orders that are not subject to the bidding obligation can be introduced at a minimum step of 0.1 lei/MWh;
- the validity term of the order (optional); if not filled in, the system shall automatically generate the end date of the trading session.

Specifically, in the case of the holders of the bidding obligation, they shall specify in the order ticket whether or not the order must be taken into account for the fulfilment of the bidding obligation. In this case, entering a sale order in a trading session, at any time of the session, is limited to the maximum sale price established by the RERA according to the Order no. 79/2020 and displayed on the RERA website on the last working day of the month prior to the trading session, expressed in lei according to the provisions of the Order no. 79/2020.

(3) The orders entered may be maintained by brokers, except for the  $\Delta t$  interval for brokers managing the related orders, as follows:

- the change of price with an auction step of at least; 0.01 lei/MWh, and in case there is an active correlation, the minimum auction step is 0.1 lei/MWh;
- the change of quantity;
- the change of the Total / Partial attribute for the GRP type of orders, belonging to the bidding obligation according to the Order no. 79/2020;
- the change of the validity term of the order.

New orders are allowed be entered within the  $\Delta t$  interval by both the brokers that manage correlated bids and the rest of the participants, for unambiguity purposes.

(4) The RCE does not take any responsibility regarding the correctness of the orders of the holders of bidding obligation, according to the Order no. 79/2020, including but not limited to the compliance with the obligations regarding the quantities bidden, the initial price of the bid or the minimum number of orders placed as they are provided by the Order no. 79/2020, as well as at the conclusion and execution of the standard RERA contract, in the form provided by the Order no. 79/2020.

### **III. CORRELATION OF THE ORDERS**

#### **Art. 18.**

1) The purchase and sale orders shall be automatically sorted in the trading platform so that the best offers in terms of price are displayed first. In case of a price tie, the bids shall be sorted by the time stamp, the oldest ones being displayed with priority. The type mark is updated for any action the broker makes to change the price, quantity or validity.

(2) For the sale orders, the sale order is correlated with a purchase order with the same price or with a better price, for the maximum quantity determined by the competition of the quantities mentioned in the two opposite direction orders. To the extent that the correlation conditions are met for more than two opposite direction bids, the correlation order is established in descending order starting from the highest purchase price, and in case of equal price, in ascending order starting from the oldest time mark.

(3) For the purchase orders, the purchase order is correlated with a sale order with the same price or with a better price, for the maximum quantity determined by the competition of the quantities mentioned in the two opposite direction orders. To the extent that the correlation conditions are met for more than two opposite direction bids, the correlation order is established in ascending order starting from the lowest sale price, and in case of equal price, in ascending order starting from the oldest time mark.

(4) Operation of the  $\Delta t$  interval

- From the moment of correlating the demand with the offer, the transaction is made after the time interval of  $\Delta t = 2$  minutes passes or as the case may be, is extended as a result of entering improved price bids.
- The time interval  $\Delta t$  is automatically extended by 2 minutes in case improved purchase and / or sale price bids intervene in the transaction. For the avoidance of any doubts, the parties whose opposite direction bids are correlated may not alter their bids in any way or their validity within a time interval of  $\Delta t = 2$  minutes.
- The extension of the time interval is made every time starting from the moment of the first improved bid, within the interval of 2 minutes, initial or extended, as the case may be.

- The transaction shall be performed automatically at the end of the time interval  $\Delta t$ , regardless of the number of extensions, as the case may be.
- At the beginning of the time interval  $\Delta t$ , as well as at each extension, the RCE shall announce all participants in the trading, by electronic message in the trading platform and email, about the fact that the conditions for the correlation of two bids have been met, thus offering the possibility to all those interested to improve their bids and continue the auction. The electronic message shall include the price, the quantity offered for sale and the quantity offered for purchase.

(5) Carrying out the transaction and setting the price at the end of the interval  $\Delta t$ :

- After the correlation made according to paragraph (2) or, respectively, (3) above, the transaction is performed only after one or more successive time intervals  $\Delta t$  have passed, as the case may be.
- The transaction is concluded on the principle of the price-time priority and in the conditions of the possibility of obtaining improved price bids, as follows:
  - If there is no improved bid at the end of the first time interval  $\Delta t$  of 2 minutes, as follows:
    - i) at the price of the purchase order if the time stamp is prior to the aggressor sale order,
    - ii) at the price of the sale order if the time mark is prior to the aggressor purchase order,
    - iii) a single sale order is correlated with a single purchase order in a transaction,
    - iv) the transaction is made within the maximum limit of the quantities correlated between the demand and the supply; the trading procedure is resumed in the same way as for a new uncorrelated order for the quantity remaining unexecuted;
  - If an improvement of one of the bids is made during the first interval  $\Delta t$  (as a result of entering / changing a bid with a higher purchase price or entering / changing a sale bid with a lower price), resulting in starting one or several other successive intervals  $\Delta t$ , the transaction is made at the bid, either for sale or purchase, with the best price, established as follows:
    - i) the highest purchase price if it was the last one offered, regardless of whether it corresponds to a newly entered order or to a change in an existing order;
    - ii) the lowest sale price if it was the last one offered, regardless of whether it corresponds to a newly entered order or to a change in an existing order;
    - iii) a single sale order is correlated with a single purchase order in a transaction;
    - iv) the transaction is made within the maximum limit of the quantities correlated between the demand and the supply; the trading procedure is resumed in the same way as for a new uncorrelated order for the quantity remaining unexecuted.

(6) If the transaction was carried out only in respect of a part of the quantity mentioned in an order with the specification PARTIAL, that order shall be maintained in the trading platform for the remaining quantity.

(7) At the end of the trading session, if a time interval  $\Delta t$  that would exceed the closing time of the session is initiated, it shall be split at the maximum interval remaining until the end of the trading session regardless of the duration of this interval.

(8) The correlation condition is limited by meeting the specification TOTAL if orders are released with this specification. In this sense, a purchase order shall not be able to be correlated with a sale order of the TOTAL type if the purchase order does not provide for the minimum quantity specified in the sale order of the TOTAL type. In this sense, a sale order cannot be correlated with a purchase order of the TOTAL type if the sale order does not provide the minimum quantity specified in the purchase order of the TOTAL type. (9) The parties may request the cancellation of erroneous transactions, occurred as a result of a material error that occurred when one of the market participants filled in the order entry form, according to the following procedure:

(i) the participant invoking the material error has the obligation to notify in writing, by e-mail, the RCE on the erroneous transaction, within maximum 15 minutes from the moment of concluding the erroneous transaction (expressed as hour / minute), at the official e-mail address of the RCE: office@brm.ro.

(ii) the other party to the transaction confirms by 5:00 p.m. on the day on which the transaction was made its agreement regarding the cancellation of the transaction, in writing by e-mail.

(iii) the RCE approves, without unreasonably refusing, the cancellation of the transaction, after analysing the reason for the cancellation. The RCE reserves the right to report to the RERA the incidents regarding transactions cancelled unjustifiably or repeatedly.

(10) All cancelled transactions shall be published by the RCE, without disclosing the parties participating in the transaction, but only the elements of the transaction (transaction ID, transaction conclusion date, product, total quantity, price and reason for cancellation).

#### **IV. TRADING REPORT**

##### **Art. 19.**

(1) At the end of each trading session, the trading system generates an electronic report that is sent to all Brokers participating in the trading session, which includes the following items:

- i. the number of the report,
- ii. the date of the trading session,

- iii. the name of the traded product and the indication if it is part of the bidding obligation according to the Order no. 79/2020,
- iv. the total quantity traded [MWh
- v. the delivery period (according to the traded product),
- vi. the identification number of each transaction („ID”),
- vii. the name of the opposite direction winner,
- viii. the position of the Participants in the transaction (Seller / Buyer),
- ix. the quantity traded,
- x. the award price of each transaction [lei/ MWh],
- xi. the time stamp.

(2) The trading report shall be sent to all brokers participating in the trading session, for their transactions, in electronic format.

(3) The results of the trading session are published on the RCE website, according to the provisions of art. 21 of the “Regulation concerning the framework for trading standardized products on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.”. The RCE shall also publish daily, separately, all transactions for the products subject to the Order no. 79/2020, reporting pieces of information on the quantities related to each transaction and their prices.

## **TARIFFS AND COMMISSIONS**

**Art. 20** (1) The RCE has the right to charge the participants to the centralized market tariffs and commissions for the activities and services performed, as follows:

- a) an annual registration tariff (lei/participant/year);
- b) a commission for the management of the centralized natural gas market (lei/1000 MWh) according to the commissions scale, applied only to the participants – parts of the transaction;
- c) a single tariff applied to the initiating officer in case the simple competitive trading session ends without trading.

(2) In case of non-payment of the obligations stipulated at paragraph (1) until the due date, the RCE shall have the right to suspend the participant’s access to the trading sessions until the payment of the obligations.

**Art. 21.** The tariffs and commissions charged as operator of the centralized natural gas market are set up based on the decision of the Board of Directors of the RCE and are published on the RCE website.

## **THE REGIME OF THE SUBMISSION, MANAGEMENT AND SETTLEMENT OF COMPLAINTS**

**Art. 22.** The interested party may file a written complaint with the RCE within 1 (one) working day from the date of the trading session; the stipulated term is considered to be a period of decline. It is settled as follows:

(1) the RCE records and sends to the concerned party the submitted complaint and asks the concerned party for a point of view on the settlement of the complaint submitted within 1 (one) working day from the receipt of the complaint;

(2) The concerned party has the obligation to send within at most 1 (one) working day from the request, to the RCE, the point of view regarding the submitted complaint;

(3) The RCE shall formulate, together with the party concerned, and send to the interested parties, the response to the complaint within at most 5 (five) days from the date of its registration and the measures taken.

## **PUBLICATION**

**Art. 23.**

(1) For the transactions concluded within the market of standardized and flexible products on the Market for medium and long-term products, the RCE shall publish daily, at the end of the trading period, on its own website the following pieces of information:

- a) the volumes traded and the number of transactions concluded in this respect - for each product;
- b) the minimum trading price of the day - for each product;
- c) the maximum trading price of the day - for each product;
- d) the average price of the trading day - for each product, calculated as a weighted average ;
- e) the updated average price - for each product - for the products tradable for a longer period, calculated as a weighted average of all transactions made from the beginning of the trading period of the respective product until the end of the trading day;
- f) the change in the updated average price as compared to the average / updated price of the previous day - for each product;
- g) the closing price of the trading day - the price of the last transaction concluded for each product;
- h) the change in the closing price of the day as compared to the closing price of the previous day for each product

i) the number of participants registered on the market who have submitted at least one bid on the market, irrespective of its direction - sale or purchase.

(2) For transactions concluded on the flexible products market, the direction of the offer, the maximum limit of variation of the contracted quantity, the delivery period and the price adjustment formula shall be permanently public since the publication of the trading session on the RCE website in the Initiating Order and the contract draft sent by the initiating participant.

**Art. 24.** The operator of the Market for medium and long-term products shall monthly send to the RERA detailed pieces of information on each transaction concluded on the centralized natural gas market during each trading session, no later than the 10<sup>th</sup> of the current month for the previous month, according to the RERA regulations.

**Art.25.**

The RCE reserves the right to modify and / or conclude this procedure, with the public consultation process under the conditions of the RERA Order no. 105/2018. The only variant binding on the RCE is the one displayed on its website.

**A. STANDARD PRODUCTS TRADABLE BASED ON THE RCE STANDARD CONTRACT**

1. WEEK /BRM_GAS_PFW	BRMW_ss-aaaa (ss from 01 to 53)
2. MONTH / BRM_GAS_PFM	BRMM_luna-aaaa (the name of that month)
3. QUARTER / BRM_GAS_PHQ	BRMQ_Qn-aaaa (no. from 1 to 4)
4. FIRST SEMESTER /BRM_GAS_PHS1	BRMGS_S1-aaaa
5. SECOND SEMESTER / BRM_GAS_PHS2	BRMGS_S2-aaaa
6. COLD SEASON/BRM_GAS_PHFC	BRMGN_CS – aaaa
7. WARM SEASON/ BRM_GAS_PHFS	BRMGN_WS – aaaa
8. GAS YEAR / BRM_GAS_PHFGY	BRMGY-aaaa
9. CALENDAR YEAR /BRM_GAS_PHFY	BRMY – aaaa

**B. STANDARD PRODUCTS TRADABLE BASED ON THE EFET TYPE / PREAGREED CONTRACTS**

<b>PRODUCT NAME</b>	<b>CODES</b>
1. WEEKEND/BRM_GAS_PHWK	BRMWK_zz-ll-aaaa (where z is the first day of the weekend)
2. WEEK /BRM_GAS_PFW	BRMW_ss-aaaa (ss from 01 to 53)
3. MONTH / BRM_GAS_PFM	BRMM_luna-aaaa (the name of that month)
4. QUARTER / BRM_GAS_PHQ	BRMQ_Qn-aaaa (no. from 1 to 4)
5. FIRST SEMESTER /BRM_GAS_PHS1	BRMGS_S1-aaaa
6. SECOND SEMESTER / BRM_GAS_PHS2	BRMGS_S2-aaaa
7. COLD SEASON/BRM_GAS_PHFC	BRMGN_CS – aaaa



8. WARM SEASON/ BRM_GAS_PHFWS	BRMGN_WS – aaaa
9. GAS YEAR / BRM_GAS_PHFGY	BRMGY-aaaa
10. CALENDAR YEAR /BRM_GAS_PHFY	BRMY – aaaa

**C. STANDARD PRODUCTS TRADABLE BASED ON THE CONTRACTS PROPOSED BY THE PARTICIPANT INITIATING THE TRADING ORDER**

<b>PRODUCT NAME</b>	<b>CODES</b>
1. WEEK /BRM_GAS_PHFV	BRMV_ss-aaaa (ss from 01 to 53)
2. MONTH / BRM_GAS_PHFV	BRMV_luna-aaaa (the name of that month)
3. QUARTER / BRM_GAS_PHFQ	BRMQ_Qn-aaaa (no. from 1 to 4)
4. FIRST SEMESTER /BRM_GAS_PHFS1	BRMGS_S1-aaaa
5. SECOND SEMESTER / BRM_GAS_PHFS2	BRMGS_S2-aaaa
6. COLD SEASON/BRM_GAS_PHFCS	BRMGN_CS – aaaa
7. WARM SEASON/ BRM_GAS_PHFWS	BRMGN_WS – aaaa
8. GAS YEAR / BRM_GAS_PHFGY	BRMGY-aaaa
9. CALENDAR YEAR /BRM_GAS_PHFY	BRMY – aaaa
10. MULTIPLE OF GAS DAY/	BRM_MULTIPLU-aaaa

**D. FLEXIBLE PRODUCTS TRADABLE BASED ON THE EFET TYPE CONTRACTS/PRE-AGREED CONTRACTS/PROPOSED CONTRACTS BY THE INITIATING PARTICIPANT OF THE TRADING ORDER**

<b>PRODUCT NAME</b>	<b>CODES</b>
1. FLEXIBLE PRODUCT	BRMF-aaaa

**INITIATING ORDER**  
(model)

Participant	
Beneficiary	
Standard product	
Asset type	
Origin of the gas	
Quantity	
Maximum variation limit of the contracted quantity *	
Direction of the order: Sale / purchase	
Starting price of the auction	
Price adjustment formula *	
Delivery condition: VTP	
Delivery start date	
Other specifications	
Proposed date and time for the meeting	

**We have taken note and undertake** to comply with the provisions of the Regulation concerning the framework for trading standardized products on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A., approved by the Order of the President of the RERA no. 51/2013 with the subsequent amendments and with the trading procedures on the centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.

If the gas supplier changes following the conclusion of the transaction, we undertake to comply with the legal provisions in force.\*\*

- \* Valid only when initiating an order for a flexible product
- \* Valid for gas consumers.

**Customer:**

**Approved**

**/ affiliate member / shareholder member**

\_\_\_\_\_

(Name, first name)

(Authorized signature and stamp)