**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.**

**APPLIED FROM**

**GENERAL PROVISIONS**

Art. 1. - The Procedure (hereinafter the “**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);
* **Clearing Member Agreement** - Framework Agreement with the Central Counterparty - which governs the transactions guaranteed by the Central Counterparty system and which provides the Participant with the status of Clearing Member of the Central Counterparty
* **Broker** - the individual employed by a Participant or acting in the name and on behalf of a Participant, whose main duties are to place and maintain Orders during the trading sessions/tenders and who has the right to engage the responsibility of the Participant he represents in relation to the RCE.
* **Central Counterparty** – The RCE, which ensures the role of Central Counterparty on the medium and long-term standardized derivatives market and in transactions with standardized medium and long-term products, if they are performed through the Central Counterparty mechanism according to this Procedure. The Central Counterparty interposes itself, from a financial point of view, between the seller and the buyer, becoming a buyer for the seller, respectively a seller for the buyer, in order to ensure the settlement process of the transaction concluded on the market, on behalf of them and the notification process at the VTP.
* **Participation Agreement -** standard agreement defined by the RCE, concluded with the Participants, and which provides for the mutual rights and obligations of the parties regarding the participation on the Centralized Natural Gas Markets administered by the RCE.
* **The RERA standard contract** - the natural gas sale-purchase contract provided in the Annex no. 1 to the RERA Order no. 143/2020 regarding the obligation to bid natural gas on the centralized markets in Romania, with the subsequent inserts and regulations.
* **Simple competitive trading mechanism** - set of bidding, negotiation and trading rules and mechanisms, established by this Procedure. It involves the launch of standard tradable products based on an order (offers) submitted by an initiating Broker, which has the exclusive right to place Orders, for one of the directions (sale or purchase only, according to the specific regulations in force). The other Brokers have the right to register only Orders of opposite direction to the direction of the Order placed by the initiating Broker.
* **Double competitive trading mechanism** - set of bidding, negotiation and trading rules and mechanisms, established by this Procedure. It involves the launch of standard products in a trading session based on an order (offers) sent by an initiating Broker. All Brokers have the right to register Orders in both trading directions provided that they are not placed simultaneously in both directions.
* **Novation -** operation applicable to a transaction through which a transaction is sent by the Participants who take part to the respective transaction to guarantee the Central Counterparty.
* **The Transmission and System Operator (TSO),** in particular S.N.T.G.N. Transgaz S.A.;
* **Sale/purchase order/offer** - offer placed by a Participant, consisting of a price-quantity pair and other specific attributes defined for each product, and which represents the firm commitment of the Participant. Initiating Order means the intention to buy and/or sell, materialized by placing a Trading Order through the simple and/or double competitive mechanism, consisting of the price-quantity pair, with the intention to trade or respond to an Order/Orders of opposite direction. The initiating order may be, if applicable, an initial Order or an initial Order that undergoes modifications, regarding the quantity or price offered.
* **Bidding obligation** - the obligation of the Participants established by Law no. 123/2012, as further amended and supplemented according to the subsequent RERA regulations (Orders 143/2020 and 144/2020).
* **Participant** - economic operator in the natural gas sector which is an affiliated member of the RCE who signs the Agreement on participation in the natural gas market administered by the RCE and has a contract for balancing and access to the VTP in force concluded with the transmission system operator and TSO.
* **Price** - the price at which the transaction was performed, recorded and displayed by the Trading System
* **The best price** – the price defined as the price of the Trading Order with the highest execution priority, namely the highest purchase price, respectively the lowest selling price of a tradable product.
* **The lowest price** – the price defined as the price of the Trading Order with the lowest execution priority, namely the lowest purchase price, respectively the highest selling price of a tradable product.
* **Standardized product** - product defined within the trading system of the RCE, according to Art. 5 par. 1 item B in the Regulation on the organized framework for trading standardized products on centralized natural gas markets administered by the company Bursa Română de Mărfuri S.A. (Romanian Commodities Exchange S.A.), approved by the Order of the President of RERA no. 95/01.09.2021.
* **Flexible product** - product that can be traded within the trading system of the RCE, according to Art. 5 par. 1 item C of the Regulation on the organized framework for trading standardized products on centralized natural gas markets administered by the company Bursa Română de Mărfuri S.A. (Romanian Commodities Exchange S.A.), approved by the Order of the President of RERA no. 95/01.09.2021.
* **VTP (Virtual Trading Point)** - abstract, unique point at the level of the National Transmission System, between the entry points in the National Transmission System and the exit points from the National Transmission System, where the transfer of ownership of natural gas is allowed from one Participant to another Participant to the natural gas market; the VTP is used by the participants to the natural gas market both for commercial purposes and for the individual balancing of their own portfolios, according to the RERA regulations;
* **Notification to the VTP** - entering information related to a natural gas transaction with delivery to the VTP in the GMOIS IT platform of the TSO, according to the Network Code of March 27, 2013 for the National Natural Gas Transmission System;
* **Trading report** - statement issued by the trading systems of the RCE to each Participant for its own transactions, containing complete data on the Orders/offers entered and the transactions concluded: report number, date of the trading session, name of the traded product, daily quantity [MWh/day] and total traded quantity [MWh], delivery period (according to the traded product), identification number of each transaction (“ID”), name of the winner of opposite direction, quality of the Participants to the transaction (Seller/Buyer), quantity traded and awarding price of each transaction [RON, EUR or USD/MWh], time stamp. 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.
* **Post-trading report -** statement issued by the Central Counterparty system to each Participant for transactions accepted by the Central Counterparty including the level of guarantees allocated by the Participant in the margin account opened with the Central Counterparty, amounts retained to cover margin risk, amounts available for trading or as the case may be, the margin call, according to the regulations of the Central Counterparty.
* **Central Counterparty Regulations** - set of rules and procedures consisting of the Clearing, Settlement and Risk Management Regulation and the Specific Instructions for its application issued by RCE as Central Counterparty, which the Participants accept by signing the Framework Agreement with the Central Counterparty.
* **Trading session** - interval of the single or double competitive trading procedure, in which sale and/or purchase orders may be placed, modified, suspended or canceled and transactions may be concluded - if the established correlation conditions are met through the trading system algorithms.
* **Trading systems** - computer systems operated and managed by the RCE for the purpose of performing transactions, which apply the set of bidding, negotiation and trading rules and mechanisms provided by this Procedure.
* **Holders of the bidding obligation** - Market participants who have the obligation to bid the sale/buying of certain quantities of natural gas in accordance with the provisions of the Orders of the RERA no. 143 and 144.
* **Transaction** – the operation concluded in the trading system following the correlation of a sale offer with a purchase offer, according to the specific algorithms of the Trading Systems.
* **Transaction assigned to the Central Counterparty** – post-transactional operations via whicha transaction is assigned to the Central Counterparty, as a result of a Novation.
* **Transaction accepted by the Central Counterparty** - post-transaction operation through which the RCE as Central Counterparty takes over the rights and obligations of a Participant resulting from the transaction, as a result of the intervention of a Novation.

The remaining terms and definitions used in this Procedure have the meaning provided in the Regulation on the organized framework for the trading of standardized products on centralized natural gas markets administered by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A., hereinafter referred to as "the Regulation", as well as in the relevant legislation in force.

**STANDARD AND FLEXIBLE PRODUCTS ADMITTED FOR TRADING**

**Art. 3**

(1) In accordance with the provisions of the Regulation, the RCE has the right to and organizes trading sessions for the following standard and flexible products:

**A.** Standardized products, both in terms of place of delivery (VTP), delivery profile (continuous daily delivery), and duration of deliveries that will be traded under **the RERA Standard Contract (for all transactions performed under the Obligation established by the RERA Order No. 143/2020) and as the case may be, for the rest of the transactions based on the standard Contract** provided for in Annex 2 to this Procedure. As per the parties to the transaction, the standard Contract provided for in Annex 2 to this Procedure may be replaced by the standard EFET / pre-agreed contract (if the participants whose bids were correlated have pre-agreed to such an instrument) or by the Central Counterparty contracting mechanism:

• WEEKEND (delivery time Saturday-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 – 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.** Standardized products, both in terms of place of delivery (VTP), delivery profile (continuous daily delivery) and duration of deliveries, which are traded on the basis of the contract proposed by the Initiating Participant of the Trading Order:

* WEEKEND (delivery time Saturday-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).
* MULTIPLE OF GAS DAY (delivery period - multiple of gas days, at least 2 gas days).

**D**. Medium and long-term flexible products

* Medium and long-term flexible products that will be traded based on standard EFET contracts / pre-agreed contracts, with a delivery duration of at least 1 month, defined by the Participant Initiating the Trading Order;
* Medium and long-term flexible products that will be traded based on the contracts proposed by the Participant Initiating the Trading Order, with a delivery duration of at least 1 month, defined by the Participant Initiating the Trading Order.

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

**SPECIFIC PARTICIPATION AND TRADING REQUIREMENTS**

**Art. 4**

1. The participation to trading on the Market is allowed to Participants who meet the following requirements:
* they hold a valid license to supply natural gas granted by the RERA or natural gas trader who have previously obtained the TSO's agreement on the registration of transaction notifications, in order for the TSO to carry out the natural gas transmission activity;
* 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 balancing and access to the VTP with the TSO, they have the right to trade exclusively on the purchase direction;
* the participants who opt for the replacement of the standard RCE Contract (provided for in Annex 2 to this Procedure) with a pre-agreed contract (EFET or of another type), have the obligation to send to the RCE, together with the Initiating Order, the following documents, under signature:
* the pre-agreed contract on which the transaction will rely;
* 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;
* they are transmission and system operators (TSO) and participate to transactions exclusively for the purpose of purchasing the natural gas necessary to cover technological consumption and to establish the mandatory minimum stock of natural gas;

Market abuse creditworthiness point of view, as so:

• respects the principles of (EU) REGULATION NR. 596/2014 OF THE EUROPEAN PARLIAMENT AND THE COUNCIL FROM THE 16th of April 2014 concerned with market abuse.

• in the last 12 months does not record any payment incidents and/or noncompliance related to the minimum level of guarantees required by the RCE platforms.

• does not repeatedly record payment incidents within the banking system in the last 30 days.

1. The standard products provided for in art. 3 para. (1) point A, have the following characteristics:

2.1 Basic trading features:

• 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;

• ownership transfer over the natural gas in performed based on the Trading Report issued by the BRM Trading Systems;

• 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 “PARTIAL/TOTAL” ;

• 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 starting price of the offers of standardized products within the Bidding Obligation is the one determined according to the provisions by the RERA Order 143/2020, respectively of the RERA Order 144/2020;

• 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 Δt = 2 minutes have passed in order to allow the other participants to send improved bids;

• the holders of the bidding obligation must keep active the non-traded or partially traded Sales Orders, uninterruptedly, for at least one hour, according to the Order 143/2020, Art. 5, item i);

• on the centralized natural gas market for standardized medium and long-term products, on the market for flexible medium and long-term products, the holders of the bidding obligation must keep the untraded or partially traded sale / purchase offers active uninterruptedly, for at least one hour, according to the Order no. 144/2020, Art. 5, paragraph (1), item h);

• the holders of the bidding obligation are not allowed to keep active orders of opposite direction for the same product simultaneously, according to the Order no. 143/2020, Art. 5 letter h) and the Order no. 144/2020, Art. 5 paragraph (1) letter g).

• the holders of the bidding obligation according to the Order no. 143/2020 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 bid shall mandatorily be traded based on the standard RERA contract. This mention shall not be disclosed to the rest of the participants.

2.2. Following the conclusion of a transaction, the Participants guarantee the post-trading operations through the following four (4) options:

i) by the conclusion of the standard RERA Contract, mandatory in the case of Orders that are placed by the participants in order to fulfill the bidding obligation established by the RERA Order no. 143/2020.

ii) by the conclusion of the RCE Standard contract (provided for in Annex 2 to this Procedure), which is automatically applied if no other option is presented by any of the to Participants to the transaction,

iii) by the option of both Participants to conclude the standard EFET / pre-agreed contract (if they have pre-agreed such an instrument)

iv) through the Novation mechanism. If both Participants to the transaction choose to guarantee the transaction by the Central Counterparty, the Novation will be made to each Participant under the conditions provided by the novation contract (Annex 4 to this Procedure) or, as appropriate, by direct application of the provisions of the Clearing Member Agreement, if the respective Participant has concluded a Central Counterparty Clearing Member Agreement. If the Transaction is accepted by the Central Counterparty, the Central Counterparty becomes the seller for the buyer and the buyer for the seller. If the Assigned Transaction is rejected by the CCP, the Transaction will be concluded through the standard contract provided for in Annex 2 to this Procedure.

* + 1. Characteristics regarding post trading and conclusion of contracts by EFET / pre-agreed contracts
1. A transaction may be concluded via an EFET/pre-agreed contract if two parties having pre-agreed such an instrument agree on its conclusion, substituting the Standard Contractprovided for in Annex 2 to this Procedure;
2. The post-trading amendment is performed in the My Account>Tranzactii section. The participant to the transaction will accept the transfer requested in the My Account>Tranzactii section, if it agrees to conclude the EFET/pre-agreed contract;
3. The conclusion of an EFET/pre-agreed contract must be confirmed by both participants to the transaction by 17:00 on the day of the transaction;
4. The participants must fulfill the conditions regarding the minimum number of pre-agreed trading parties at the moment when requesting the conclusion of an EFET/pre-agreed contract for a transaction, as imposed by RERA Order no. 105/2018;

The list of pre-agreed trading partners for EFET/pre-agreed contracts is managed periodically in relation to BRM. For the management of such list, BRM may provide an electronic option on the trading platform under the My Account menu.

* + 1. Mechanism for assignment/acceptance of a transaction to the Central Counterparty

i. A transaction may be assigned to the Central Counterparty in the event that the Participants to the transaction agree on the Novation mechanism.

ii. A transaction is assigned to the Central Counterparty by the initiation of an electronic request by a Participant to assign the transaction to the Central Counterparty through the trading platform in the section My Account> Transactions. The Central Counterparty participant to the transaction will accept the transfer thus requested in the section My Account> Transactions if it wants to make the transfer to the Central Counterparty. Only in this case the transaction will be transferred to the Central Counterparty for acceptance. The transaction can be transferred through the trading platform to the Central Counterparty only within the day on which it was executed until 15:10 h at the latest, the transaction being recorded starting with the Post Trading Report of the same day.

iii. In exceptional cases, the Participants may request the operation of the transfer by the RCE by e-mail in order for the RCE to operate the transfer.

iv. A transaction is considered accepted by the CCP if both Participants to the transaction have sufficient guarantees under the CCP Regulations.

v. A transaction accepted under the Central Counterparty mechanism remains permanently in the Central Counterparty system. At the end of each day, the Participants receive the daily post-trading report from the Central Counterparty system regarding their own transactions registered in the Central Counterparty system for the update of the data.

vi. The Central Counterparty will keep a daily record of the risks according to the Central Counterparty's regulations until the closing of all delivery / payment obligations related to the transaction.

vii. Participants as a Clearing Members of the Central Counterparty or who have accepted the Novation Contract, part of a transaction accepted in the Central Counterparty system will equally benefit from the risk management of the system and will receive the post-trading report.

viii. Both participants will benefit from the clearing-settlement regime provided by the Central Counterparty system according to the Central Counterparty regulations.

ix. The regulations of the Central Counterparty shall apply as of right to the participants having the quality of Clearing Member.

x. The participants who do not have the quality of Clearing Member will be automatically subject to the provisions of the Novation Contract, accepting the Novation according to the provisions of art. 2.2.1 (i).

1. The standardized products provided for 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 market operator will publish the Initiating Order, the associated contract and/or other documents/information necessary to carry out the trading process in clear and transparent conditions at least 5 (five) working days before the bid date. The initiating participant will also be able to establish an interval ∆t, which will be applicable between the correlation time of the Orders of opposite direction and the conclusion time of the transaction, interval in which the other participants may send improved bids.

Market participants will be able to request clarifications 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 will respond to the clarifications no later than 2 hours before the launch of the trading session. All clarifications granted / contractual changes accepted by the Initiating Participant will be considered as 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 initiating sale / purchase order must contain at least the following elements:

(i) the starting price and its adjustment formula, if applicable, which cannot be modified after the transaction;

(ii) the quantity expressed in MWh/day and, if applicable, the direction and value of the maximum limit of variation of the total quantity contracted;

(iii) the delivery profile;

(iv) the delivery period.

• 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 Δt 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 MECHANISMS**

**Art. 5.** The trading mechanisms used in the Market managed by the RCE are:

• **Simple competitive trading mechanism** - for the standardized and flexible products provided in art. 3 (1), points B, C and D.

• **Double competitive trading mechanism** - for the standardized products provided in 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 interval 15:00:00 - 15:00:10 is strictly allocated for the compliant closing of the Transactions from the last interval Δt, in accordance with Art. 18, par. (7). For clarification, during this interval, transactions with Orders (placing, modification) are not taken into account for closing a transaction.**

**A. SIMPLE COMPETITIVE TRADING MECHANISM**

**I. REQUIREMENTS**

**Art. 6.**

(1) The Participant sends the RCE an Initiating Order according to the model provided in Annex no. 3 to this Procedure, including at least the following elements, for the launch for trading of the standard product:

• 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 will establish at the disposal of the RCE a bond in order to be able to register a Trading Order which is automatically calculated by the Trading System as a product between the quantity in the Order, the price entered in the platform, the 0.5% percentage. 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 of 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. STAGES 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;

• 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 Sales 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 Orders of opposite direction, at the Best Price of the Purchase Order. To the extent that the correlation are met for more than two bids of opposite direction, the correlation order is established chronologically, depending on the oldest time stamp.

(2) For the Purchase Orders, the Purchase Order is correlated with a Sales Order with the same price or with a lower price for the maximum quantity determined by the competition of the quantities mentioned in the two Orders of opposite direction, at the lowest Price of the Sales order. To the extent that the correlation conditions are met for more than two bids of opposite direction, the correlation order is established chronologically, depending on the oldest time stamp.

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

• After the correlation made according to par. (1) or, respectively, (2) above, the transaction is performed only after a time interval ∆t, with a prior information to the participants. At the beginning of the time interval ∆t the RCE will notify all participants to the trading, by e-mail, that the conditions for correlating two Orders have been met, thus offering the possibility to all those interested to improve their offers and continue the bid. The e-mail will contain 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 Δt 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 Δt 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 Δt 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 a standard product 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 a standard product for periods exceeding one month shall be made at least one month before the first day of the delivery interval.

**Art. 14.** The trading session on the double competitive mechanism for the standard products provided by art.3 (1) point A takes place in the electronic system and is described below.

**I. BONDS**

**Art. 15**

1. The participants will establish a bond in favour of the RCE whose amount is automatically calculated by the Trading System as a product between the quantity in the Order, the price entered in the platform and the 2% percentage so as to be able to register an Order for trading.
2. The bond provided in paragraph (1) may be established in one of the following forms:

• payment order;

• letter of bank guarantee.

1. 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;

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

c) Signing the EFET / pre-agreed contract if the parties trade on the basis of the standard EFET / pre-agreed contract and establishing the bonds provided by the respective contract;

d) Establishing the bonds provided for according to the obligation of Clearing Member of the Central Counterparty system or provided in the Novation Contract (provided in Annex 4 to this Procedure), as the case may be, for the transactions accepted by the Central Counterparty.

The following paragraphs of this Article (4-8), apply only in the case of options a) and b) above.

(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 standard product.

(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 month and 6 months, depending on the severity and the repeated nature of the deviations of the respective Participant. (in this context, “repeated nature” means that more than 3 deviations are registered within the last 12 months).

(9) This paragraph shall apply to the transactions referred to in this Article in paragraph (3), item d). In the event that the Participants to the transaction assign the transaction to the Central Counterparty through the Novation mechanism, the following specific conditions related to bonds apply:

i. The bonds requested by the Central Counterparty are those applicable according to the Counterparty Regulations for the participants to a transaction assigned and accepted by the Central Counterparty holding the quality of Clearing Member.

ii. For all participants who do not have the quality of Clearing Member, part of a transaction that is accepted by the Central Counterparty, the guarantee and payment method is in accordance with the Novation Agreement to the Central Counterparty mechanism (Annex 4 to this procedure) cumulatively with the Counterparty Regulations. regarding the minimum level of risk accepted.

iii. The Central Counterparty has the right to execute the bond mentioned in Article 15, paragraph (1) of this procedure if a Participant, part of the transaction assigned to the Central Counterparty does not supplement in time the level of bonds according to the Central Counterparty Regulations, in which case the RCE will retain the mentioned bond.

**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 will be introduced by the Participant at the placing of the Order are as follows:

• the direction of the bid (sale / purchase);

• the specification “PARTIAL/TOTAL” for the orders that are part of the bidding obligation according to the Order no. 143/2020 and the Oder no. 144/2020;

• 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 Δt 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, according to the Order no. 143/2020 the holders of the bidding obligation shall specify in the order ticket whether or not the order must be taken into account for the fulfilment of the bidding obligation.

(3) The orders entered may be maintained by brokers, except for the Δt 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 validity term of the order.

In the case in which the selling order within Δt is of GRP type (offering obligation according to Order no.

143/2020), then opposite orders which aggregate the minimum required quantity equal to the selling order will not be allowed to:

• cancel the order

• reduce quantity

• reduce price

If the sum of the quantities from the buying orders is higher than the quantity of the selling order which is in Δt, then the last order has the right to reduce its quantity, but only down to the level necessary for the total sum of orders on this sense to be equal to the quantity of the seeling order.

New orders are allowed be entered within the Δt 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. 143/2020 and the Order no. 144/2020, including but not limited to the compliance with the obligations regarding the quantities bidden, the initial price of the bid and/or, as the case may be, the minimum number of orders placed as they are provided by the Order no. 143/2020 and the Order no. 144/2020, as well as at the conclusion and execution of the standard RERA contract, in the form provided by the Order no. 143/2020.

**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, validity or in the case of an order’s partial execution.

(2) For the Sales 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 Orders of opposite direction. To the extent that the correlation conditions are met for more than two bids of opposite direction, the correlation order is established in descending order, starting from the Best Purchase Price, and in case of equal price, in ascending order, starting from the oldest time stamp.

(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 Δt interval

- From the moment of correlating the demand with the offer, the transaction is made after the time interval of Δt = 2 minutes passes or as the case may be, is extended as a result of entering improved price bids.

- The time interval Δt 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 Δt = 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 Δt, regardless of the number of extensions, as the case may be.

- At the beginning of the time interval Δt, 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 Δt:

• After the correlation made according to paragraph (2) or, respectively, (3) above, the transaction is performed only after one or more successive time intervals Δt 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 Δt 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 Δt (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 Δt, 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 with the update of the time stamp for the order which was partially executed.

(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 Δt 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 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, as the requesting participant, 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 notifies the approval or refusal to the requesting participant. The RCE reserves the right to report to the RERA the incidents regarding transactions cancelled unjustifiably or repeatedly.

(iv) 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).

(9) Using the Central Counterparty mechanism

i. The parties may request the use of the Central Counterparty mechanism under the following conditions:

* If it accepts the Novation and holds in advance the quality of Clearing Member to the Central Counterparty or, respectively, by accepting the Novation it adheres to the Novation Contract provided by Annex 4 to this Procedure.
* After receiving the transfer request from one Participant, confirmed by the other Participant party to the transaction the Central Counterpary may accept it within maximum 15 minutes or it refuses it and the information on its refusal is transmitted through the trading platform automatically and additionally by e-mail or fax.

ii. The Central Counterparty may refuse it within maximum 24 hours from the end of the transaction. All transactions accepted by the Central Counterparty will be maintained continuously in the Central Counterparty system until the final execution of the conditions established by the executed transaction, according to the Counterparty Regulations

iii. All rights and obligations resulting from the transaction executed in the trading system and accepted in the Central Counterparty system shall be complied with precisely by the parties to the transaction, the Central Counterparty intervening between the buyer and the seller and guaranteeing for each party to the transaction, as buyer for seller and as seller for the buyer.

iv. All transactions refused by the Central Counterparty will be canceled in up to 24 hours from the conclusion of the transaction, as so:

• In the case where the price of the transaction has a significant deviation compared to the weighted average price of the recently traded product or of similar products if there is a lack of recent trading history for the product, the transaction will be canceled in up to 15 minutes from the receiving of the transfer request from a participant, the informing regarding the refusal being transmitted through the trading platform automatically and additionally through email or fax;

• In the case in which the parties to the transaction do not constitute the guarantees stipulated in Article 15, paragraph (9) from the present procedure in a maximum of 24 hours from the moment of the transaction conclusion;

• All cancelled transactions will be made public by the RCE, without divulging the parties which participated in the transaction, but only the elements of the transaction (transaction ID, date of the transaction conclusion, product, total quantity, price and reason for cancelling).

**IV. TRADING REPORT**

**Art. 19.**

(1) Immediately after the completion of a transaction, the trading system shall generate an electronic report that shall be sent to all Brokers participating to the trading session, containing the following elements:

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. 143/2020,

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 ward price of each transaction [lei/ MWh],

xi. the time stamp.

At the end of the trading session, the trading system will provide participants with a final report that will include, if necessary, the changes resulting from the registration of transactions accepted in the Central Counterparty system, the winner of opposite direction (point vii) being replaced with the Central Counterparty.

After the registration of a transaction in the Central Counterparty system, the participants will be provided daily with a post-transaction report on the situation of the account in the Central Counterparty according to the Central Counterparty Regulations.

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

The results of the trading session are published on the RCE website, according to the provisions of art. 23-24 of the „Regulation on the organized trading framework on centralized natural gas markets managed by the company Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.”. The RCE will also publish daily, separately, all transactions for the products covered by Order 143/2020, reporting 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 or 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 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.

d) clearing - settlement commission, applicable to the transactions accepted by the Central Counterparty according to the commission grid, applied only to the participants - part of the transaction accepted in the Counterparty system.

(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.

 (4) By way of exception from the provisions of par. 1-3 above, in which a Participant disputes the price of a transaction concluded following the application of the orders correlation algorithm with an interval ∆t, the dispute will be sent by e-mail within a maximum of one (1) hour from the conclusion of the transaction. The settlement will be made by the RCE as soon as possible, but not later than 17:00 h of that day.

 (5) Any dispute will be resolved taking into account exclusively the electronic records in the Trading Systems regarding the timestamp of introduction, modification, cancellation or execution of the Orders of the Participants, these records being fully opposable to the Participants. The RCE is not liable for any display and communication errors or communication delays between the Participant's computer systems and the RCE's computer systems, including, but not limited to (i) placing Orders into a system other than the Trading System, (ii ) errors caused by power outages, Internet connection errors, operating system errors, technical difficulties that may alter the operation of Internet connections and / or computer equipment and / or applications of the Internet provider and / or malfunction of the e-mail, technical issues and / or heavy Internet traffic; (iii) errors caused by improper use of the personal computer or other equipment by the participant (interruption of the computer's power supply, errors caused by the operating system installed on the computer, errors caused by virus infection of the computer's operating system, etc.).

**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 10th 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.

**ANNEX 1**

 to the procedure

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

|  |  |
| --- | --- |
| **PRODUCT NAME** | **CODES** |
| WEEKEND |  |
| 1. WEEK /BRM\_GAS\_PHFW | BRMW\_ss-aaaa (ss from 01 to 53) |
| 2. MONTH / BRM\_GAS\_PHFM | BRMM\_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 |

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

**CONTRACTS**

|  |  |
| --- | --- |
| **PRODUCT NAME** | **CODES** |
| 1. WEEKEND/BRM\_GAS\_PHWK | BRMWK\_zz-ll-aaaa (where z is the first day of the weekend)  |
| 2. WEEK /BRM\_GAS\_PHFW  | BRMW\_ss-aaaa (ss from 01 to 53)  |
| 3. MONTH / BRM\_GAS\_PHFM  | BRMM\_luna-aaaa (the name of that month)  |
| 4. QUARTER / BRM\_GAS\_PHFQ  | BRMQ\_Qn-aaaa (no. from 1 to 4)  |
| 5. FIRST SEMESTER /BRM\_GAS\_PHFS1  | BRMGS\_S1-aaaa  |
| 6. SECOND SEMESTER / BRM\_GAS\_PHFS2  | BRMGS\_S2-aaaa  |
| 7. COLD SEASON/BRM\_GAS\_PHFCS | BRMGN\_CS – 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**

|  |  |
| --- | --- |
| **PRODUCT NAME** | **CODES** |
| WEEKEND |  |
| 1. WEEK /BRM\_GAS\_PHFW  | BRMW\_ss-aaaa (ss from 01 to 53)  |
| 2. MONTH / BRM\_GAS\_PHFM  | BRMM\_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**

|  |  |
| --- | --- |
| **PRODUCT NAME** | **CODES** |
| 1. FLEXIBLE PRODUCT  | BRMF-aaaa  |

 **ANNEX 2**

At the procedure

**FRAMEWORK CONTRACT FOR THE SALE-PURCHASE OF NATURAL GAS**

**no. .............../.........................**

**I. Contracting parties**

**Art. 1**

...................................., a company established and operating in accordance with the Romanian law, with its registered office in .................., street .................. no. ....., ZIP code ....................., County ........., registered with the Trade Register under the no. J ......... / ......... / ..........., sole registration code RO ...................., duly represented by ... ......................., as a natural gas supplier according to the Natural Gas License no. \_\_\_\_\_ of \_\_.\_\_.\_\_\_\_ issued by the RERA, hereinafter referred to as ”SELLER”.

and

...................................., a company established and operating in accordance with the Romanian law, with its registered office in .................., street .................. no. ....., ZIP code ....................., County ........., registered with the Trade Register under the no. J ......... / ......... / ..........., sole registration code RO ...................., duly represented by ... ......................., as a natural gas supplier according to the Natural Gas License no. \_\_\_\_\_ of \_\_.\_\_.\_\_\_\_ issued by the RERA/as a final consumer hereinafter referred to as ”BUYER”.

The Parties, hereinafter separately referred to as the ”Party” and collectively the ”Parties”, have agreed to conclude this Natural gas sale-purchase contract (”Contract”), subject to the following terms and conditions:

**II. Object of the Contract**

**Art. 2**

1. The object of the Contract is the trading between the Seller and the Buyer of certain determined quantities of natural gas under standardized conditions, according to the products available on the Market for medium and long-term standardized products administered by the RCE expressed in units of energy (the ”Contracted Quantity”), according to Annex no. 1 ”Trading Annex”, quantities intended for commercialization on the natural gas market in Romania;
2. The quantities, prices and delivery periods shall be those traded by the parties in the negotiation sessions on the Market for medium and long-term standardized products administered by the RCE; these shall be the subject of transaction annexes for each individual transaction, identical in form and fully completed, in accordance with the model shown in Annex 1 of this Framework Contract;
3. The transfer of ownership is made at the Virtual Trading Point (VTP), based on the trading report provided to the Parties by the Centralized Market Operator - RCE; the quantities of natural gas traded are to be delivered to the VTP, in a constant daily profile.

**III. Takeover obligation / Delivery obligation**

**Art.3**

(1) The traded quantities of natural gas are firm, the Seller undertaking the obligation to deliver them and to issue the invoice for them to the Buyer, and the Buyer to take over and pay them at the price resulting from the trading session, according to the Trading Report, issued and transmitted to the Parties by the RCE, in accordance with the provisions of Chapter V of the “Procedure for the organization and functioning of the Market for medium and long term standardized products administered by the RCE”. The Parties shall notify to the TSO the quantities handed over and taken over, in accordance with the provisions of the Annex. no. 1.

(2) The non-delivery or non-takeover of the quantities of natural gas traded, in part or in full, gives the injured party the right to invoice the guilty party the value of the quantity not delivered or not taken over, as a penalty and the right to declare the rescission of this Contract unilaterally, if the other party fails repeatedly to deliver or take over the traded quantities of natural gas.

(3) The equivalent value of the imbalances generated by one Party to the other Party shall be calculated according to the legal provisions in force and shall be due by the Party at fault to the Party to which they were generated.

**IV. Duration of the Contract**

**Art. 4**

(1) This Contract is concluded **for the period related to the product traded on the Market for medium and long term standardized products administered by the RCE**.

(2) **The validity period** of the contract is the period determined in time between the moment in which the transaction is concluded and the moment when all obligations related to payments, delivery/taking over of Natural Gas and guaranee operations are fulfilled.

(3) After the expiration of the Validity Period, the Parties will no longer be bound by the terms and conditions of this Contract, except to the extent necessary to enforce the rights and obligations of the Parties, as they arise from this Contract before the end of the Validity Period.

**V. Delivery / takeover of natural gas, natural gas measurement**

**Art. 5**

1. The delivery / takeover of natural gas is carried out at the VTP at the term established according to Annex 1 of this Contract, in a constant daily profile.
2. The transfer of ownership on the natural gas from the Seller to the Buyer shall be carried out at the VTP on the basis of the trading report made available to the Parties by the centralized market operator – RCE.
3. Expenditures incurred for the delivery / takeover of natural gas at the VTP shall be borne in accordance with the provisions of the legislation in force, as follows:

a) The Seller agrees to bear all costs but not limited to taxes, charges or tariffs imposed by any government authority on or in connection with natural gas before or at the moment of delivery to the Buyer at the VTP;

b) The Buyer agrees to bear all costs but not limited to taxes, charges or tariffs imposed by any government authority on or in connection with natural gas after their takeover by the Buyer at the VTP.

**VI. Contract price. Guarantee of payment of the price. Terms and conditions of payment**

**Art. 6**

1. The price of natural gas which is the subject of transactions between the Parties (”Contractual Price”) is the price established after the trading on the Market for medium and long term standardized products administered by the RCE, in accordance with Annex 1 ”Trading Annex”;
2. The price provided in paragraph (1) does not include the VAT and excise duties, which shall be added as the case may be according to the law.
3. The obligations to declare and pay the excise duty to the consolidated state budget for natural gas purchased under this Contract shall be established in accordance with the provisions of the tax legislation.
4. The payment of the value of the natural gas contracted / delivered for each contractual week / month of delivery and of the risk of the failure to takeover the natural gas contracted by the Buyer shall be guaranteed in one of the following ways:

• For the WEEK product, by:

- the **advance payment** of the equivalent value of the total quantity traded, at least 2 Working Days before the first day of delivery.

• For the MONTH product, by:

- the **advance payment** of the equivalent value of the total quantity traded, at least 2 working days before the first day of delivery or

- by drawing up **a letter of bank guarantee** by the Buyer, for the benefit of the Seller; the letter of bank guarantee shall be sent to the Seller, in original, within no more than 5 Working Days from the date of signing the Contract by both Parties, but not less than 2 Working Days before the first day of delivery and shall cover the full amount representing the Value of the Contract which may be executed by the Seller for the non-collection of the price and penalties applied in accordance with the provisions of this Contract. The validity term of the letter of bank guarantee is 35 days from the last day of the delivery month.

The warranty method is decided by the Buyer, and shall be notified to the Seller at the time of signing this Contract.

• For the QUARTER product, by:

-submitting a **performance bond** (PB), within a maximum of 5 Working Days from the date of signing the Contract by both parties, but not less than 2 Working Days before the start of deliveries, its amount representing the Contract Value for a period of delivery of 30 days, followed by the **advance payment** of the equivalent value representing a delivery period of one month from the Contract Value, at least 2 Working Days before the first day of delivery

 After confirmation of the payment for the 2nd month of delivery, the cumulative value of the guarantees (by advance payment and PB) shall be reduced to the equivalent of the last month of delivery

• or submitting a **performance bond** (PB), within a maximum of 5 Working Days from the date of signing the Contract by both Parties, but not less than 2 Working Days before the start of deliveries, its amount representing the Value of the Contract for a period of delivery of 30 days, and at least 2 days before the beginning of the delivery period the **performance bond** shall be filled in with the amount representing the Value of the Contract related to a delivery period of 60 days. The performance bond may be executed by the Seller for non-payment of the price and penalties applied in accordance with the provisions of this Contract.

* After confirmation of the payment of months 1 and 2 of delivery, the value of the performance bond shall be reduced accordingly, maintaining coverage only for the period left unpaid.

The validity term of the performance bond is 35 days from the last day of the delivery month in case of both guarantee methods.

• For SEMESTER, SEASON and YEAR products, payment shall be guaranteed by:

• submitting a **performance bond** (PB), within at most 5 Working Days from the date of signing the Contract by both Parties, but not less than 2 Working Days before the start of deliveries, its amount representing the Contract Value for a period of delivery of 30 days, and at least 2 Working Days before the start of the delivery period, by filling in the performance bond with the amount representing the Contract Value corresponding to a delivery period of 30 days and making the advance payment of the amount representing the Contract Value for a delivery period of 30 days after the end of each delivery month or;

• submitting a **performance bond** (PB), within at most 5 Working Days from the date of signing the Contract by both Parties, but not less than 2 Working Days before the start of deliveries, its amount representing the Contract Value for a period of delivery of 30 days, and at least 2 Working Days before the start of the delivery period, by filling in the performance bond with the amount representing the Contract Value corresponding to a delivery period of 60 days. The performance bond may be executed by the Seller for non-payment of the price and penalties applied in accordance with the provisions of this Contract.

In the last 3 months of delivery after the confirmation of the payments related to the antepenultimate and penultimate month, the cumulated value of the performance bond shall be reduced accordingly so that it covers only the remaining months until the end of the Contract.

The validity term of the performance bond is 35 days from the last day of the delivery month in case of both guarantee methods.

(5) The delivery of natural gas by the Seller shall be guaranteed in one of the following ways:

(i) For the WEEK product, the Seller does not establish a performance bond.

(ii) For the MONTH product, the Seller establishes a performance bond for the benefit of the Buyer, which shall be sent to the Buyer, in original, no later than 5 Working Days from the date of signing the Contract by both parties, but not less than 2 Working Days before the start of deliveries and which shall cover the entire amount representing the Value of the Contract, and it may be executed by the Buyer for non- delivery and non-payment of penalties applied in accordance with the provisions of this Contract. The term of validity of the performance bond is 10 days after the last day of delivery.

(iii) For QUARTER products, the Seller establishes a performance bond for the benefit of the Buyer, which shall be sent to the Buyer, in original, no later than 5 Working Days from the date of signing the Contract by both parties, but not less than 2 Working Days before the start of deliveries and which shall cover the amount representing the Contract Value for a period of 30 days of delivery and it may be executed by the Buyer for non-delivery and non-payment of penalties in accordance with the provisions of this Contract.

a. Within at most 5 Working Days from the beginning of the last month of delivery, the value of the performance bond shall be reduced to 30 days from the Contractual Value.

The validity term of the performance bond is 10 days from the last day of the delivery.

(iv) For SEMESTER, SEASON and YEAR products, the Seller establishes **a performance bond** for the benefit of the Buyer, which shall be sent to the Buyer, in original, no later than 5 Working Days from the date of signing the Contract by both parties, but not less than 2 Working Days before the start of deliveries and which shall cover the amount representing the Contract Value for a period of 60 days of delivery and it may be executed by the Buyer for non-delivery and non-payment of penalties in accordance with the provisions of this Contract.

a. Within at most 5 Working Days from the beginning of the penultimate month of delivery, the value of the performance bond shall be reduced to 60 days of the Contractual Value;

b. Within at most 5 Working Days from the beginning of the last month of delivery, the value of the performance bond shall be reduced to 30 days of the Contractual Value.

The validity term of the performance bond is 10 days from the last day of the delivery.

(6) The breach of the obligation to make the advance payment or to send the performance bond in time, entitles the other Party to rescind this Contract unilaterally by the fault of the other Party and to invoice the latter as a penalty the equivalent of the quantity contractedeither undelivered or not taken over.

(7) The Party establishing the performance bond shall be obliged to replenish the guarantee covered by the performance bond after each execution by the other Party, respectively to complete the performance bond, if necessary, so as to cover the guaranteed value at any time. All fees related to the performance bond and its execution shall be borne by the Party establishing the performance bond.

(8) The Party in favour of which the performance bond is established shall have the obligation to return it to the other Party, upon its written request, within 2 Working Days from the date of full fulfilment of the obligations it guarantees. In case of using the advance payment as a guarantee method, the Party in favour of which the payment is made shall have the obligation to return to the other Party the advance or depending on the agreement of both parties, to make the compensation with the last month of payment.

(9) The performance bond may be executed by any Party in the situation where the other Party does not comply with any of its contractual obligations, respectively non-takeover / non-delivery and non-payment.

**Art. 7**

(1) The Seller shall issue an invoice to the Buyer as follows:

- At least 2 days before the start of deliveries, in case the invoice has an advance payment regime;

- Within at most 20 days from the end of each month of delivery, for the other invoices issued under the Contract, with the Due Date of payment until the 25th date corresponding to the month following the month of delivery.

(2) The invoices drawn up by the Seller corresponding to the provisions of this Contract shall be sent to the Buyer by fax and / or e-mail, on the date of issue. Any delay in issuing or transmitting invoices shall lead to the corresponding extension of payment terms.

(3) Natural gas shall be paid by the Buyer by bank transfer, based on the invoices issued by the Seller. Payment by bank transfer or any other payment instruments shall be deemed to have been made on the date on which the Seller's bank account is credited with the amount representing the invoiced amount. Payment shall be made to the account of the Seller registered in the invoice.

(4) The Buyer shall explicitly mention in the payment order the invoice to be paid and shall send, upon the request of the Seller a copy of it, to the correspondence addresses provided in Art. 14.

(5) Non-payment at the due date of invoices issued under this Article, entitles the Seller to:

a) not deliver natural gas according to the Contract, without giving rise to any contractual obligation / liability on the part of the Seller, in case of non-payment of advance invoices;

b) collecting a rate of interest on arrears equal to the level of increases for non-payment at due date of obligations to the consolidated state budget, calculated for each day of delay, starting with the day immediately following the Due Date, until full payment of the debt, including the payment day;

c) limiting / interrupting the supply of natural gas with prior notice of the Buyer within 24 (twenty-four) hours of transmitting a notification to the Buyer and the TSO in this respect;

d) rescind this Contract unilaterally by the fault of the Buyer, in case the delay of payment exceeds 10 days.

(6) If an amount invoiced by the Seller is disputed in whole or in part by the Buyer, they shall submit an explanatory note to the Seller containing their objections within 5 (five) Working Days of receipt of the invoice by fax; or e-mail, and shall pay the outstanding amount uncontested until the payment deadline, in accordance with Art. 7 par. (1). The Buyer's objections regarding the invoiced values presented in the explanatory note shall be reconciled between the parties within 5 (five) Working Days from the receipt of the claims made by the Buyer. For the amounts disputed but subsequently settled amicably or by court order to be owed by the Buyer, they shall pay, in addition to the amount owed, a penalty calculated according to the provisions of Art. 3 par. (2). If, following the appeal, the reduction of the invoiced values has been established, the Buyer shall be refunded any amounts and penalties calculated according to Art. 3 par. (2), already paid, corresponding to the respective reduction. The procedure provided for in this Art. 7 par. 7 shall not prevent the execution of the bond established by the Buyer in accordance with Art. 6 par. (4).

**VII. Charges and taxes**

**Art. 8**

(1) According to the legal provisions, the Seller agrees to take responsibility and pay or to determine the payment of all charges and/or taxes imposed by any governmental authority and associated with natural gas delivered under this Contract before handing it over to the Buyer.

(2) According to the legal provisions, the Buyer agrees to be responsible and to pay or to determine the payment of all charges and / or taxes imposed by any governmental authority and associated with natural gas delivered under this Contract after receiving them from the Seller.

**VIII. Rights and obligations**

**Art. 9**

(1) The Seller has the following main rights:

a) to invoice the Buyer the quantity of natural gas delivered and the penalties or penalty interests - where applicable - in accordance with the contractual provisions and to collect their counter value;

b) to invoice to the Buyer the value of the imbalances created by them and to collect their equivalent value;

c) to stop deliveries of natural gas to the Buyer, in compliance with the provisions of Art. 7 par. (5) point b);

d) to execute the performance bond established by the Buyer in accordance with Art. 6 par. (4), in the event of a payment delay of the Buyer.

(2) The Seller has the following main obligations:

a) to deliver to the Buyer the quantities of natural gas established in accordance with this Contract and on the basis of the Trading Annex that forms an integral part of the Contract;

b) to ensure the specified parameters of delivered natural gas, according to the legislation in force;

c) to hold and maintain in force, throughout the Contract, the licenses and authorizations necessary for the delivery / takeover of natural gas at the VTP and to comply with their provisions;

d) to ensure the delivery to the Buyer of the quantity of natural gas contracted in the terms of this Contract;

e) to return to the Buyer the performance bond within 1 (one) Working Day from the time of payment of all financial debts, if the contract has terminated;

f) to resume the delivery of natural gas to the Buyer within at most 24 (twenty-four) hours from the date of cessation of the reason for the interruption, except in cases of force majeure and of the state of necessity;

g) to establish a performance bond, having as guaranteed value the value provided in Art. 6 paragraph. (5).

**Art. 10**

(1) The Buyer has the following main rights:

a) to request and take over the quantities of natural gas, in accordance with the provisions of this Contract and of all trading Annexes that are an integral part of the Contract;

b) to invoice to the Seller the value of the imbalances created by them and to collect their equivalent value;

c) to claim damages from the Seller in the event of limitations and / or disruptions in the delivery of natural gas in circumstances other than those permitted by this Contract or the applicable law, caused by their fault, fault resulting from a technical expertise. To avoid any doubt, the fault must be proven.

d) to execute the performance bond established by the Seller according to Art. 6 par. (4) in case of non-delivery of natural gas by the Seller.

(2) The Buyer has the main following obligations:

a) to take over or pay the quantities of natural gas made available by the Seller under the terms of this Contract;

b) to pay in full and on time the value of the natural gas purchased under the terms of this Contract;

c) to hold and maintain in force, throughout the Contract, the licenses and authorizations necessary for the delivery / takeover of natural gas at the VTP and to comply with their provisions;

d) to establish a performance bond, having as guaranteed value the value stipulated in Art. 6 par. (4).

**IX. Confidentiality clause**

**Art. 11**

(1) The Parties undertake to treat all information, data and documentation that they have come to know during and / or on the occasion of the performance of this Contract as confidential information and assume responsibility for maintaining confidentiality.

(2) The following data, documents and information are exempted from the provisions of Art. 11 par. (1):

a) those for whose disclosure the prior written consent of the other Contracting Party has been obtained;

b) those which at the date of their disclosure are public;

c) those requested by the competent bodies of the state, based on a legal obligation.

(3) Should one of the Parties breach the confidentiality obligation with respect to this Contract by disclosing to unauthorized third parties non-public information, they shall be liable to pay damages to the injured Party.

(4) The provisions of paragraph (1) remain valid for 5 years after the termination of this Contract.

**X. Contractual liability**

**Art. 12**

Each Party shall be liable only for the performance and fulfilment of their contractual obligations, in accordance with common law.

**XI. Termination of the Contract**

**Art. 13**

(1) This Contract shall terminate:

a) at the end of the Contract Validity Period;

b) in the event that one of the Parties ceases to hold the authorizations / licenses necessary for the fulfilment of the obligations under this Contract;

c) if force majeure events prevent the Parties from fulfilling their contractual obligations under the Contract;

d) by the rescission by either Party, under the conditions provided by this Contract;

e) by the termination as of right in case of bankruptcy or dissolution, as the case may be, of the contractual partner.

(2) The termination of this Contract shall have no effect on the contractual obligations assumed by the Parties and not yet executed.

**XII. Notifications**

**Art. 14**

(1) The Parties agree that during the execution of this Contract, all notifications or communications between them shall be in writing and shall be sent by fax and / or e-mail, registered mail with acknowledgment of receipt or by courier at the addresses indicated below:

For the Seller:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Headquarters: \_\_\_\_, \_\_\_\_\_\_\_\_\_, no. \_\_\_\_, county / district \_\_\_\_\_

Phone: +4 \_\_\_\_\_\_\_\_\_\_

Fax: +4 \_\_\_\_\_\_\_\_\_\_

General Requests E-mail: \_\_\_\_\_\_\_\_\_\_

Person in charge of REMIT: \_\_\_\_\_\_\_\_\_\_

Person in charge of GMOIS: \_\_\_\_\_\_\_\_\_\_

Person in charge of invoicing: \_\_\_\_\_\_\_\_\_\_

Person in charge of Contracting: \_\_\_\_\_\_\_\_\_\_

For the Buyer:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Headquarters: \_\_\_\_, \_\_\_\_\_\_\_\_\_, no. \_\_\_\_, county / district \_\_\_\_\_

Phone: +4 \_\_\_\_\_\_\_\_\_\_

Fax: +4 \_\_\_\_\_\_\_\_\_\_

General Requests E-mail: \_\_\_\_\_\_\_\_\_\_

Person in charge of REMIT: \_\_\_\_\_\_\_\_\_\_

Person in charge of GMOIS: \_\_\_\_\_\_\_\_\_\_

Person in charge of invoicing: \_\_\_\_\_\_\_\_\_\_

Person in charge of Contracting: \_\_\_\_\_\_\_\_\_\_

(2) If the notification is made by post, it shall be sent by registered letter with acknowledgment of receipt and shall be deemed to have been received by the recipient on the date indicated by the receiving postal office on that acknowledgment.

(3) No verbal notification shall be taken into account by either Party unless it is confirmed by one of the modalities provided for in the preceding paragraphs.

(4) The change of the correspondence address of any of the Parties shall be notified according to the provisions of paragraph (1) above with at least 5 (five) calendar days before it becomes effective, otherwise notifications shall be deemed valid even in the case of the statement ” Recipient has moved from this address” or similar or in the case of failure by the recipient to collect the document.

**XIII. Change in circumstances**

**Art. 15**

(1) ”Change in circumstances” means: entry into force, modification of the text or interpretation of any legal requirement, norm, methodology or recommendation of an authority that were not in force at the date of signing this Contract.

(2) The change in circumstances may include, but not be limited to: introducing new taxes or charges, a change in the methods of taxation or charging, an increase / decrease of any existing taxes or charges or a change in the methodology envisaged on the date of the conclusion of this Contract, regarding the substantiation or recommendation and / or application of the elements used to establish the Contract Price; any change and addition to the Network Code for the National Transmission System in force shall be deemed to be a change in circumstances within the meaning of this Contract.

(3) In the event of a change in circumstances affecting the provisions of this Contract, the Parties undertake to sign an Addendum reflecting that change.

**XIV. Major Force**

**Art. 16**

(1) The case of Force Majeure is that future, unpredictable and insurmountable event, exonerating the Party invoking it in the event of partial or total non-performance of the obligations assumed by the Contract, if it is invoked under the law.

(2) The Party invoking a case of Force Majeure shall be obliged to notify the other Party within 48 (forty-eight) hours of the occurrence of the event, followed by the submission of the supporting documents within 5 (five) calendar days from the same date; the Party concerned is also required to take the necessary measures to limit the consequences of such a case.

(3) The cases of Force Majeure shall be certified by the Chamber of Commerce and Industry of Romania.

(4) If the Force Majeure does not end within 30 (thirty) calendar days, the Parties shall have the right to request the termination as of right of the Contract, without any claim for damages.

(5) The occurrence of a case of Force Majeure shall not exonerate the Parties from the due obligations until the date of the occurrence of the case of Force Majeure;

**XV. Applicable laws**

**Art. 17**

(1) This Contract, as well as the rights and obligations of the Parties arising from its performance, are subject to the applicable Romanian legislation.

(2) The Parties agree that all misunderstandings resulting from the interpretation, execution or termination of this Contract shall be settled amicably.

(3) Otherwise, any dispute arising out of or in connection with this Contract, including its end, execution or cancellation, shall be settled by the competent courts.

**XVI. Assignment**

**Art. 18**

None of the Parties may, in any way or in whole or in part, assign to any third party any rights and / or obligations arising from this Contract.

**XVII. Final terms**

**Art. 19**

In the event of a change in the legal form / judicial reorganization, the Parties undertake to communicate, within at most 5 (five) calendar days from that date, the manner of assuming the reciprocal contractual obligations.

**Art. 20**

The Parties undertake, in relation to each other, to hold for the entire duration of the Contract the approvals necessary for the fulfilment of the obligations stipulated in it.

**Art. 21**

The provisions of this Contract shall be supplemented by the provisions of the Civil Code as well as the other legal regulations in force. If one of the provisions of the Contract is invalid or unenforceable in any respect in accordance with the applicable laws and regulations, the validity, legality and applicability of the other the provisions of the Contract shall not be affected in any way, and the Contract shall continue to produce its effects. Invalid or unenforceable provisions shall be deemed to be substituted for an adequate and fair provision which, to the extent permitted by the law, is as close as possible to the intent and purpose of the invalid or unenforceable provision, to the extent that the Parties do not agree to their replacement by an addendum.

**Art. 22.**

The fact that one of the Parties does not, at any time, avail itself of any of the provisions of this Contract, cannot be interpreted as a waiver of the right to avail itself of it later, does not constitute an amendment to this Contract nor does it give rise to any right in favour of the other Party or a third party.

**Art. 23.**

The Parties declare that they have all the experience and knowledge required to conclude this Contract, that this Contract is concluded while the Parties are fully aware of its effects, knowing and fully understanding all legal, technical and commercial aspects related to the conclusion, execution and end of this Contract.

**Art. 24.**

Either Party shall have the right to claim the payment of the amounts due under this Contract within 3 years of their due date.

**Art. 25**

This Contract was drawn up today, \_\_.\_\_.\_\_\_\_\_, in 2 (two) original copies, one for each Party and it shall take effect starting from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**XVIII. Annexes**

**Art. 26**

The following Annexes are an integral part of this Contract:

Annex 1. The Trading Annex

Annex 2. Terminology

It undertakes and employs the company’s liability:

 SELLER BUYIER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Legal Representative Legal Representative

**Annex 1**

 to the Contract

**Trading Annex**

The specific and commercial contracting conditions outlined below shall reflect in detail the elements of the Transaction Report No. ............../............................ The information given in this Annex shall prevail over other contractual provisions that relate to an identical topic.

Seller: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Buyer: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**DELIVERY PERIOD / NATURAL GAS QUANTITY / PRICE / HANDOVER - TAKEOVER POINT**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Delivery period**(starts and ends at 07:00 a.m. of the gas day) | **Total traded quantity**(MWh) | **Quantity delivered daily**(MWh/day) | **Price**(lei /MWh) | **Handover/Takeover point** |
|  |  |  |  |  |

* **Total contract value** (excluding VAT and / or excise): \_\_\_\_\_\_\_\_\_\_\_\_\_ **LEI**

This Annex was concluded following the trade conducted on the centralized markets organized and managed by Romana de Marfuri (Romanian Commodities Exchange SA) – the Market for medium and long-term centralized products, the **Product** (tick the appropriate product):

* WEEKEND
* WEEK
* MONTH
* FIRST QUARTER
* SECOND QUARTER
* THIRD QUARTER
* FOURTH QUARTER
* FIRST SEMESTER
* SECOND SEMESTER
* COLD SEASON
* WARM SEASON
* GAS YEAR
* CALENDAR YEAR,

Assumes and engages the responsibility of the company:

SELLER BUYER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Anexa 2**

la contract

**Terminology**

**”Network Code for the National Gas Transmission System”** - legislative act regulating the conditions and rules of use of the National Gas Transmission System in Romania;

**”Competent Authority”** – the Romanian Energy Regulatory Authority (RERA);

**”Contracted Quantity”** – a volume of natural gas sold by the Seller to the Buyer, in accordance with the provisions of the Contract during the Delivery Period;

**”Due Date”** – the date and / or dates on which payment amounts debit the Seller's account with the equivalent value of invoices issued according to the provisions of the Contract. If that date corresponds to a Non-working Day, then the next working day is considered;

**”Natural gas”** – free gas in the fields of methane gas, gas dissolved in oil, the gas in the gas field associated with oil deposits and the gas resulting from the extraction or separation of liquid hydrocarbons;

**”Transmission System Operator (TSO)”** – the natural or legal person who carries out the transmission of natural gas and is responsible for operating, maintaining and, where necessary, developing the transmission system in a given area and, where appropriate, its interconnections with other systems, as well as ensuring the long-term capacity of the system in order to meet the demand for natural gas transmission;

**“Delivery Period”** – the period defined by the parties for each individual transaction;

**”Contract Price”** – the price of natural gas/MWh, resulting from the transaction, to be paid by the Buyer to the Seller for the Natural Gas contracted under the Contract;

**”National Transmission System”** (NTS) – the natural gas transmission system located on the territory of Romania and which is public property of the state;

**”Contractual Value”** – represents the value obtained by multiplying the Contracted Quantity by the Contractual Price, plus the VAT in accordance with the legal provisions;

**”Working Day”** – means any day other than Saturday or Sunday or any legal holiday in which banks are generally open for operations in Romania;

**”Non-working Day”** – means any Saturday or Sunday day or any legal holiday and on which the banks are closed for any operations in Romania;

Assumes and engages the responsibility of the company:

 SELLER BUYER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ANNEX 3

to the procedure

**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 read and undertake to comply** with the provisions of the Regulation on the organized framework for trading standardized products on centralized natural gas markets managed by the company Bursa Română de Mărfuri S.A. (Romanian Commodities Exchange S.A.), approved by the Order of the President of the RERA no. 95/01.09.2021 and of the trading procedures on the centralized natural gas markets administered by the company Bursa Română de Mărfuri (Romanian Commodities Exchange Company) S.A.

\* Valid only when initiating an order for a flexible product

**Customer: Approved**

(Name, first name) (Authorized signature and stamp) / affiliate member / shareholder member

**ANNEX 4**

To the Procedure

**Novation Contract**

1. **The Contracting Parties**

**Art. 1**

The parties to the novation contract (hereinafter referred to as “the Novation Contract”) are, on the one hand, Bursa Română de Mărfuri - the Romanian Commodities Exchange, as the central counterparty (hereinafter referred to as “the Central Counterparty” or “the RCE”) and the participants to the centralized gas market. (hereinafter, individually referred to as “the Beneficiary Seller” or “the Seller”, respectively “the Beneficiary Buyer” or “the Buyer” and collectively “the Beneficiaries”), who do not have the status of Clearing Member or the MC Acceptance Agreement with the RCE as Central Counterparty and who concluded a transaction, (hereinafter referred to as “the Transaction”) on the medium and long-term products market, and was refused by their counterparty in the transaction.

The above mentioned parties are hereinafter referred to individually as the ”the Party” and collectively ”the Parties”.

**II. Object of the contract**

**Art. 2.1 Acceptance of the transaction by the Central Counterparty**

(1) The Central Counterparty shall substitute in a transaction concluded on the medium and long-term products market of standardized products, according to Art. 3, paragraph (1), point A of the Medium and Long-Term Products Trading Procedure, by the Novation Contract, becoming Buyer for the Seller and Seller for the Buyer.

(2) The novation contract is an integral part of the Procedure for the organization and functioning of the Standardized Products Market on the medium and long term, being applicable to all participants to this market from the date a transaction is concluded. The contract shall take effect from the date on which the Central Counterparty accepts the request for assignment of the concluded transaction, submitted by any of the parties to the Transaction that refuses to conclude the Standard Contract (Annex 2 to the Medium and Long Term Trading Procedure) with the transaction counterparty.

(3) The obligations of physical delivery and takeover of natural gas remain under the responsibility of the parties to the Transaction, the Central Counterparty having the role of financial guarantor for fulfilling all financial obligations, but without making natural gas deliveries or takeovers in its own name.

(4) The RCE as Central Counterparty guarantees the payment of the equivalent value of the natural gas traded according to the concluded transaction. The RCE as Central Counterparty guarantees through specific risk management mechanisms as well as through the guarantee fund the takeover and delivery of natural gas according to the transaction concluded by another supplier in case of non-compliance with the delivery / takeover conditions induced by a party to the concluded transaction.

(5) The quantities, prices and delivery periods shall be those that were traded by the parties during the negotiation sessions on the Medium and Long-Term Standardized Products Market administered by the RCE; they shall be the object of trading annexes related to each individual transaction, identical in form and completed in full, according to the model presented in Annex 1 of this Framework Contract;

(6) The transfer of ownership is made at the Virtual Trading Point (VTP), based on the trading report made available to the Parties by the operator of the centralized market - the RCE; the traded quantities of natural gas are to be delivered to the VTP, in a constant daily profile.

**III. Obligation to take over / Obligation to deliver**

**Art. 3**

(1) The quantities of natural gas traded are firm, the Supplier as Seller assuming the obligation to deliver them to the VTP and as Buyer to take them over and pay them at the price resulting from the trading session, according to the Trading Report, issued and transmitted to the Parties by the RCE, in accordance with the provisions of Chapter V of ”the Procedure for the organization and functioning of the market for medium and long-term standardized products administered by the RCE”.

(2) The non-execution by any of the Beneficiaries, in whole or in part, of the obligation to deliver, respectively to take over the traded quantities of natural gas gives the Counterparties the right to collect the equivalent value of the undelivered or, as the case may be, the unrecovered quantity. Correlatively, the Party whose obligation is not fulfilled shall be bound by the payment of the amount representing the value of the quantity of gas for which the obligation to deliver or take over has not been fulfilled. The central counterparty shall execute, in case of non-compliance, the guarantees established by the Beneficiary, within the limits of the obligations assumed by the latter, as provided in art. 6.1 of this contract.

(3) The equivalent value of the imbalances generated by the Supplier is calculated according to the legal provisions in force and is due by the Supplier to the Central Counterparty.

**IV. Duration of the contract**

**Art. 4**

(1) This Contract shall take effect on the date on which the Central Counterparty accepts the Beneficiary's request to assign the completed transaction. The contract subsists until the settlement of all obligations arising from the conclusion of the Transaction on the Market for medium and long-term standardized products administered by the RCE.

(2) After the expiration of the Validity Period, the Parties will no longer be bound by the terms and conditions of this Contract, except to the extent necessary to enforce the rights and obligations of the Parties, as they arise from this Contract before the end of the Validity Period.

(3) If at any time a provision or a clause of this Novation Contract is or shall be declared illegal, void, ineffective or impossible to enforce in any way, according to applicable law and jurisdiction, the legality, validity and possibility of performance of the other provisions of the Novation Contract shall not be affected or influenced.

**V. Delivery / takeover of natural gas, natural gas measurement**

**Art. 5**

(1) The delivery / takeover of natural gas is performed at the VTP at the term established according to the trading report in constant daily profile, based on the nominations made by the Counterparty to the TSO as a result of the transaction concluded on the platform.

(2) The expenses incurred by the delivery / takeover of natural gas at the VTP shall be borne according to the provisions of the laws in force, as follows:

a) The Seller Beneficiary agrees to bear all costs not limited to taxes, fees or charges imposed by any governmental authority on or in connection with natural gas before or at the time of its delivery to the Buyer at the VTP;

b) The Buyer Beneficiary agrees to bear all costs, not limited to taxes, fees or charges imposed by any governmental authority on or in connection with natural gas after its takeover by the Buyer at the VTP.

**VI. Price of the contract. Price payment guarantee. Payment terms and conditions**

**Art. 6.1**

(1) The price of natural gas that is the object of transactions transferred and accepted by the Central Counterparty is the price established following the trading on the Medium and long-term market of standardized products administered by the RCE,

(2) The price provided in paragraph (1) does not include the VAT and excise duties, these being added as the case may be according to the law.

(3) The obligations for declaring and paying the excise duty to the consolidated state budget for the natural gas purchased on the basis of this Contract shall be established in accordance with the provisions of the fiscal laws.

(4) Guaranteeing payment and delivery for traded Natural Gas is completed for the buying beneficiary and the selling beneficiary through the centralized risk and management system of the central Counterparty using the margin system in accordance with RCE Counterparty regulations. In this sense beneficiaries will provide collateral to the minimum level based on the daily report issued by the central Counterparty to each participant, party to a transaction accepted by the central Counterparty. The beneficiary is required to provide the central Counterparty, based on the margin call and according to counterparty regulations, with the required additional collateral. Where applicable, additional collateral required through the margin call will be provided through the daily direct debit mechanism.

(5) Earnings of a selling beneficiary will be credited daily throughout the entire flat profile delivery, as per the transaction. Earnings are received according to Central Counterparty regulations.

(6) Payments from a buying beneficiary will be made through the direct debit mechanism throughout the entire flat delivery period, as per the transaction. Payments are made according to Central Counterparty regulations.

**Art.6.2 Specific clauses regarding the risk of guaranteeing transactions**

1) If the Central Counterparty refuses to accept the transaction, the object of the novation contract becomes null. In this situation the participants are obliged meet their obligations resulting from the transaction according to the PROCEDURE FOR THE ORGANIZATION AND FUNCTIONING OF THE MARKET FOR MEDIUM AND LONG-TERM STANDARDIZED PRODUCTS ADMINISTRATED BY THE COMPANY BURSA ROMÂNĂ DE MĂRFURI S.A. – THE ROMANIAN COMMODITIES EXCHANGE.

**Art. 7 Invoicing and execution of the Contract**

7.1 Beneficiary Seller / Buyer observes the regulations of the Central Counterparty (the Clearing, Settlement and Risk Management Regulation and the Procedure) with regard to the invoicing and execution of the Contract. The beneficiary buyer / seller is assimilated from the point of view of the Central Counterparty to a Clearing Member, in connection with the rights and obligations regarding the guarantee and payment of the transactions assigned to the Central Counterparty.

7.2. The Seller and the Central Counterparty will issue the invoices related to the contract monthly, until the 5th day of each month.

**VII. Charges and taxes**

**Art. 8**

(1) In accordance with the legal provisions, the Beneficiary Seller agrees to be responsible and to pay or determine the payment of all charges and / or taxes, imposed by any governmental authority and associated with the natural gas delivered under this Contract, before its delivery.

(2) In accordance with the legal provisions, the Beneficiary Buyer agrees to be responsible and to pay or determine the payment of all charges and / or taxes, imposed by any governmental authority and associated with the natural gas delivered under this Contract, upon receipt.

**VIII. Rights and obligations**

**Art. 9**

(1) The Beneficiary Seller has the following main rights:

a) to invoice to the Central Counterparty the quantity of natural gas delivered and the penalties or penalizing interests - when it is the case - in accordance with the contractual provisions and to collect their equivalent value;

b) to benefit from the rights assimilated to a Clearing Member on the Central Counterparty system.;

(2) The Beneficiary Seller has the following main obligations

a) to deliver the quantities of natural gas established according to the present Contract, based on the Trading Report according to the procedure for the medium and long-term products;

b) to ensure the specified parameters of the delivered natural gas, in accordance with the laws in force;

c) to hold and maintain in force throughout the Contract, the licenses and authorizations necessary for the delivery / takeover of natural gas at the VTP and to comply with their provisions

d) to ensure the delivery of the quantity of natural gas contracted in the terms of this contract, including in accordance with the notification made by the Central Counterparty;

e) to establish a performance bond by means of a letter of bank guarantee valid from the date of issue, where the guaranteed value is the value provided in art. 6.2.

**Art. 10**

(1) The Beneficiary Buyer has the following main rights:

a) to request and take over the quantities of natural gas, in accordance with the provisions of this Contract and of all the Trading Annexes that are an integral part of the Contract;

b) b) to benefit from the rights assimilated to a Clearing Member on the Central Counterparty system.;

(2) The Beneficiary Buyer has the following main obligations:

a) to take over and pay the quantities of natural gas made available through the Central Counterparty under the conditions of this Contract, including in accordance with the notification to the TSO made by the Central Counterparty;

b) to pay in full and on time the value of the natural gas purchased under the conditions of this Contract;

c) to hold and maintain in force, throughout the Contract, the licenses and authorizations necessary for the delivery / takeover of natural gas at the VTP and to comply with their provisions;

d) to provide a performance guarantee, having as guaranteed amount the amount provided in Art. 6.1, as such may vary at any given time, via the methods of guarantee provided in the Regulations of the Central Counterparty.

**IX. Confidentiality clause**

**Art. 11**

(1) The Parties undertake to treat all information, data and documentation that they have become aware of during the Contract and / or during the execution of this Contract as confidential information and take responsibility to keep them confidential.

(2) The parties undertake to maintain the strict confidentiality and not to disclose confidential information to any third party, unless expressly permitted by this contract or with the prior written consent of the parties.

(3) The following data, documents and information are exempted from the provisions of Art. 11 paragraph:

a) those for the disclosure of which the prior written consent of the other Contracting Party has been received;

b) those which at the date of their disclosure are in public circulation;

c) those requested by the competent bodies of the state, based on a legal obligation.

(4) If one of the Parties violates the obligation of confidentiality regarding this Contract by disclosing to unauthorised third parties some non-public information, it shall be obliged to pay damages to the injured Party.

(5) The provisions of paragraph (1) remain valid for 5 years after the termination of this Contract.

**X. Contractual liability**

**Art. 12**

Each Party shall be liable only for the performance and fulfilment of its contractual obligations, as stipulated in the contract, in compliance with the provisions of the applicable law.The Central Counterparty is not responsible in any way for the execution of the obligations assumed by a participant through the transaction if the Central Counterparty refuses to accept the transaction.

**XI. Termination of the Contract**

**Art. 13**

(1) This Contract shall terminate:

a) Lawfully, at the end of the Contract Validity Period;

b) in case of force majeure events prevent the Parties from fulfilling their contractual obligations under the Contract;

 (2) The termination of this Contract shall have no effect on the contractual obligations assumed by the Parties and not yet performed.

**XII. Notifications**

**Art. 14**

(1) The Parties agree that during the execution of this Contract, all notifications or communications between them shall be made in writing and sent by fax and / or e-mail, registered mail with acknowledgment of receipt, or by courier to the addresses indicated below:

For the CENTRAL Counterparty:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Head office: \_\_\_\_, \_\_\_\_\_\_\_\_\_, no. \_\_\_\_, county / district \_\_\_\_\_

Phone: +4 \_\_\_\_\_\_\_\_\_\_

Fax: +4 \_\_\_\_\_\_\_\_\_\_

General requests e-mail: \_\_\_\_\_\_\_\_\_\_

Person in charge of REMIT: \_\_\_\_\_\_\_\_\_\_

Person in charge of Invoicing: \_\_\_\_\_\_\_\_\_\_

Person in charge of Contracting: \_\_\_\_\_\_\_\_\_\_

For the BENEFICIARY:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Head office: \_\_\_\_, \_\_\_\_\_\_\_\_\_, no. \_\_\_\_, county / district \_\_\_\_\_

Phone: +4 \_\_\_\_\_\_\_\_\_\_

Fax: +4 \_\_\_\_\_\_\_\_\_\_

General requests e-mail: \_\_\_\_\_\_\_\_\_\_

Person in charge of REMIT: \_\_\_\_\_\_\_\_\_\_

Person in charge of GMOIS: \_\_\_\_\_\_\_\_\_\_

Person in charge of Invoicing: \_\_\_\_\_\_\_\_\_\_

Person in charge of Contracting: \_\_\_\_\_\_\_\_\_\_

(2) If the notification is made by post, it shall be sent by registered letter with acknowledgment of receipt and shall be deemed to have been received by the addressee on the date indicated by the receiving post office on that acknowledgment.

(3) Verbal notifications shall not be taken into account by either Party unless they are confirmed by one of the means provided for in the preceding paragraphs.

(4) The change of the correspondence address of any of the Parties shall be notified according to the provisions of paragraph (1) above at least 5 (five) calendar days before it becomes effective, otherwise the notifications shall be considered validly communicated even in the case of the statement „addressee has changed address” or similar or in case of non-collection of the document by the recipient.

**XIII. Change of circumstances**

**Art. 15**

(1) “Change of circumstances” means: entry into force, amendment of the text or interpretation of any legal requirement, rule, methodology or recommendation of an authority that was not in force at the time of signing this Contract.

(2) The change in circumstances may include, but is not limited to: the introduction of new taxes or charges, a change in the methods of taxation or levying, an increase / decrease in any of the existing taxes and duties or a change in the methodology referred to on the date of concluding this Contract, regarding the substantiation or recommendation and / or application of the elements used to establish the Contractual Price; any change and completion of the Network Code for the National Transport System in force is also considered a change of circumstances within the meaning of this Contract.

(3) In the event of a change of circumstances affecting the provisions of this Contract, the Parties undertake to sign an addendum reflecting that change.

**XIV. Major Force**

**Art. 16**

(1) The case of force majeure is that future, unpredictable and insurmountable event, which exonerates the Party invoking it from liability, in case of partial or total non-execution of the obligations assumed by the Contract, if it is invoked under the law.

(2) The party invoking a case of force majeure is obliged to notify the other Party within 48 (forty-eight) hours from the occurrence of the event, followed by the submission of supporting documents within 5 (five) calendar days from the same date; the Party concerned shall also be obliged to take possible measures to limit the consequences of such a case.

(3) The cases of Force Majeure shall be certified by the Chamber of Commerce and Industry of Romania.

(4) If the force majeure does not end within 10 (ten) calendar days, the Parties have the right to request the rightful termination of the Contract, without any of them claiming damages.

(5) The occurrence of a case of Force Majeure does not exonerate the Parties from the obligations due until the date of occurrence of the case of Force Majeure;

**XV. Applicable law**

**Art. 17**

(1) This Contract, as well as the rights and obligations of the Parties resulting from its execution are subject to the Romanian laws in force.

(2) The Parties agree that all disputes arising out of the interpretation, performance or termination of this Contract shall be settled amicably.

(3) Otherwise, any dispute arising out of or in connection with this Contract, including with respect to its conclusion, execution or termination, shall be settled by the competent courts.

**XVI. Assignment**

**Art. 18**

Neither Party may assign to any third party, in any way, in whole or in part, its rights and / or obligations under this Contract.

**XVII. Final terms**

**Art. 19**

In case of change of legal form / judicial reorganization, the Parties undertake to communicate, within at most 5 (five) calendar days from this date, the taking over method of the mutual contractual obligations.

**Art. 20**

The parties undertake, in relation to each other, to hold throughout the Contract the approvals necessary for the fulfilment of the obligations stipulated in it.

**Art. 21**

The provisions of this Contract are completed with the provisions of the Civil Code, as well as with the other legal regulations in force. If one of the provisions of the Contract is invalid or inapplicable in any respect in accordance with applicable laws and regulations, the validity, legality and applicability of the other provisions of the Contract shall not be affected in any way and the Contract shall continue to be produces its effects. Invalid or unenforceable provisions shall be deemed to be substituted for an adequate and fair provision which, to the extent permitted by the law, is as close as possible to the intent and purpose of the invalid or unenforceable provision, to the extent that the Parties do not agree to their replacement by an addendum.

**Art. 22.**

The fact that one of the Parties does not, at any time, avail itself of any of the provisions of this Contract cannot be interpreted as a waiver of the right to avail itself of it later, does not constitute an amendment to this Contract and does not give rise to any right in favour of the other Party or a third party.

**Art. 23.**

The Parties declare that they have all the experience and knowledge necessary to conclude this Contract, that this Contract is concluded in full knowledge of its effects, knowing and fully understanding all legal, technical and commercial aspects related to the conclusion, execution and termination of this Contract.