

## PROCEDURE

### FOR THE FUNCTIONING OF THE ENERGY MARKET FOR THE BIG END CONSUMERS ORGANIZED BY THE ROMANIAN COMMODITIES EXCHANGE

#### GENERAL PROVISIONS

**Art. 1.** – This procedure (hereinafter referred to as the “**Procedure**” establishes the organized framework for the trading of energy on the energy market for the big end consumers (hereinafter referred to “**PMC**”), through electronic trading platforms administrated by the Romanian Commodities Exchange, hereinafter referred to as “**BRM**”, based on the Regulation regarding the organized framework for the contracting of energy by the big end consumers as approved by Order of the ANRE President no. 65/2022, amended by Order of the ANRE President no. 73/2022.

#### TERMINOLOGY

**Art. 2.** - Within the meaning of this procedure, the terms used shall have the following meaning:

- a) **Framework Agreement with the Counterparty** – it will be represented by the agreement for the acceptance of the clearing member.
- b) **Broker** – natural person found in work relationships with a participant or who acts in the name and on behalf of a participant, having as main attributions the placing and the maintenance of orders during the trading sessions / tenders and who is entitled to trigger the liability of the participant he represents in the relationship with the Romanian Commodities Exchange.
- c) **Counterparty** – Romanian Commodities Exchange, which ensure the role of counterparty on the market according to this procedure. The counterparty financially interposes between the seller and the buyer, becoming buyer for the seller and seller for the buyer respectively, for the purpose of ensuring the settlement process related to the transaction concluded on the market on their behalf.
- d) **Participation Agreement** – standard agreement defined by the Romanian Commodities Exchange, concluded with the participant, which stipulates the mutual rights and obligations of the parties regarding the participation to PMC, represented by the affiliate member agreement for PMC.
- e) **EFET Agreement** – framework agreement regarding the sale and purchase of energy established by the association *European Federation of Energy Traders* preagreed between the participants to PMC.
- f) **Standard Agreement** – notion specific to the electronic trading which represents the total MWh quantity related to a sale/purchase order for the entire delivery period and the delivery profile of a standardized product, resulted as multiplication between the average delivery power per settlement interval expressed in MW and the number of settlement intervals for the delivery period of the respective standardized product.
- g) **BRM Standard Agreement** – bilateral agreement regarding the sale and purchase of energy established by Romanian Commodities Exchange for the participants to PMC.
- h) **Clearing Member** – participant who has assumed the compliance with the regulations of the counterparty by the execution of the agreement for the acceptance of the clearing member with respect to the transactions that are concluded through the counterparty.

- i) **Sale/purchase order/ offer** – offer placed by a participant, consisting of a price-quantity pair and other specific attributions defined for each distinct product and which represents the participant’s firm commitment.
- j) **Participant** – economic operator who is entitled to participate to PMC, according to Art. 4 of this procedure.
- k) **Price** – the price for which the transaction has been concluded, registered and displayed by the trading system.
- l) **Best Price** – price defined as the price of the trading order with the highest execution priority, and namely the highest purchase price, the lowest sale price of a transactionable product respectively.
- m) **The Lowest Price** – price defined as the price of the trading order with the lowest execution priority, and namely the lowest purchase price, the highest sale price of a transactionable product respectively.
- n) **Procedure regarding the conduct for the participation to the market** – BRM’s specific procedure for the application of this procedure which contains provisions regarding the conduct imposed to the participants to the markets operated by BRM, the suspension of the access to the markets operated by BRM and the treatment of submission, administration and resolution of appeals and of the claims for the annulment of the transactions defined further to a public inquiry process.
- o) **Standardized process** – product defined within the trading system of the Romanian Commodities Exchange according to Art. 3 of this procedure.
- p) **Trading Report** – situation issued by the trading systems of the Romanian Commodities Exchange to each participant for own transactions, containing full data regarding the orders/ offers placed and the transactions concluded: number of the report, the date of the trading session, name of the product traded, quantity per settlement interval [MW] and the total quantity of energy traded [MWh], the delivery period (according to the traded product), the identification number of each transaction (“ID”), name of the opposite direction winner, the quality of the participants to transaction (seller/ buyer), the quantity traded and the adjudication price of each transaction [RON, Eur or USD/ MWh], the time stamp.
- q) **Regulations of the counterparty** – set of rules that define the settlement and guarantee mechanisms, as well as the rights and obligations of the clearing members and of the counterparty within the trading process through the counterparty.
- r) **Trading Session** – interval for the development of the trading procedure during which sale and/ or purchase orders can be placed, amended, suspended or annulled and transactions can be concluded, if the correlation conditions established thorough the algorithms of the trading system are met.
- s) **Trading System** – IT systems exploited and administered by the Romanian Commodities Exchange for the purpose of achieving the transactions and which applies the set of rules and mechanisms of offering, negotiation and trading stipulated by this procedure.
- t) **Transaction** – operation concluded in the trading system further to the correlation of a sale offer with a purchase offer, according to the specific algorithms of the trading systems.

## STANDARDIZED PRODUCTS ADMITTED TO TRADING

### Art.3

- (1) BRM organizes trading sessions for products defined by the person having placed the order, thus:

A) a combination of whole multiples of standard products, where the standard product represents the energy corresponding an average 5MW power per settlement interval, with delivery according to the following options:

- (i) constant power delivery, power base;
- (ii) constant power delivery, during power peak hours;
- (iii) constant power delivery, during power off- peak hours;

B) the option regarding the full/ partial trading of the initiating offer; if the initiating participant opts for the partial trading, the offer will specify the number of fractions from the total quantity that will be offered, the fractions being able to represent only the whole multiples of the minimum value of the fraction; the minimum value of the fraction must be adequate to the power related to an average power of 1 MW per settlement interval.

C) the duration of delivery, the commencement date and the completion date of the delivery; the duration of the delivery will be of minimum one month. For the producers to whom the provisions of Art. 14, par. (6) of the Emergency Government Ordinance no. 27/2022 apply, the delivery duration, for the period April 2022 – March 2023, will be of at least a month, exception being the month preceding the month when the trading commenced;

D) the option regarding the variation of the power contracted per settlement interval with maximum 0.5 MW, established by the initiating participant;

E) the price proposed and, as the case may be, the formula for the adjustment of the price after the first year of delivery, according to the evolution of a public stock indicator in the field of energy, including the related formula; the adjustment formula applies with the parties' agreement. The offeror must include in the price the Tg component of the transmission fee corresponding to the introduction of energy in the grid, and the price proposed does not include VAT.

F) the initiator will specify the tender criteria based on which the qualification of the respondent participants in the tender stage is made;

G) the initiator establishes the schedule for the conduct of the trading session and communicates it to BRM, and BRM verifies and publishes it;

H) the energy sale-purchase agreement; it can be an agreement proposed by the initiator, an EFET type agreement or the BRM Standard Agreement.

(2) BRM organizes trading sessions for the standardized products with respect to:

A) the daily profile of deliveries:

- (i) power base delivery (offers to average power per settlement interval, constant all day);
- (ii) delivery at average power per settlement interval, constant during power peak hours;
- (iii) delivery at average power per settlement interval, constant during evening peak hours;
- (iv) delivery at average power per settlement interval, constant during power off-peak hours.

B) average power per settlement interval per agreement: 0.1 MW.

C) the settlement interval per agreement is 15 minutes.

D) the energy delivery period can be :

- (i) 1 month
- (ii) 1 quarter

(iii) 1 semester

(iv) 1 calendar year

E) the commencement date and the completion date of the delivery;

F) the quantity of energy traded under one agreement;

G) the price at which the quantity of energy traded under an agreement is offered, expressed in RON, EUR or USD/ MWh, represents the price of the energy proposed by the participant to trading, including the Tg component of the transmission fee, VAT excluded.

The description and the coding of each standardized product are specified in **Schedule 1** to this procedure.

- (3) The products stipulated at Art. 3, par. (1) and (2) shall have the following characteristics:
- The last day when transactions per a standard product can be concluded is the latest the second business day previous to the first day of delivery. BRM will define the last trading day of a standard product so that the requirements for the execution of the agreements and for the submission of the guarantees can be fulfilled, on a case-by-case basis;
  - The obligation of delivery is established based on the trading report issued by BRM's trading systems;
  - The object of the transaction is represented by a standard agreement or by a multiple of standard agreements, and the elements that can be amended by the parties concerned in the trading sessions are the price per standard agreement and the number of standard traded agreements;
  - The offers are simple pair *quantity* (MW/settlement interval) - *price* (RON Eur/USD /MWh) with maximum two decimals;
  - The price and the number of agreements related to a transaction concluded remain fixed throughout the implementation of the agreement. The price and the quantity traded, as it results from the trading report issued by BRM, will be mandatorily stipulated in the agreement concluded between the seller and the buyer.
- (4) Further to the conclusion of a transaction, the participants ensure the post trading operations through the conclusion of the agreement proposed by the initiator, through the BRM Standard Agreement, the EFET type agreement, or through the counterparty, according to the written agreement of the parties to each transaction.
- (5) A transaction can be accepted by the counterparty if both participants to the transactions hold enough guarantees according to the regulations of the counterparty and if the transaction has a firm price, without the application of an adjustment formula.
- (6) A transaction accepted within the counterparty mechanism finally remains in the counterparty's system. At the end of each day, the participants receive the post trading report from the counterparty's system with respect to the own transactions existing in the counterparty's system, for the purposes of data reconciliation.
- (7) The Counterparty will hold on a daily basis the record of the risks according to the counterparty's regulations until the closing of all settlement obligations related to the transaction.
- (8) BRM supervises and monitors the method of conclusion of the agreements in agreement with the procedure regarding the market participation conduct. Any transaction concluded by a participant as a result of the placement of orders creates a firm obligation thereof to assume the transaction through one of the post-trading methods established according to Art. 3, par. 4.

## **SPECIFIC PARTICIPATION AND TRADING REQUIREMENTS**

### **Art. 4**

- (1) The participation to trading on PMC is allowed to the participants fulfilling the following requirements:
- A) they are producers of energy, including those to whom the provisions of Art. 14, par. (6) of the Emergency Ordinance no. 27/2022 apply regarding the measures applicable to end consumers from the market of energy and natural gas between 1 April 2022 and 31 March 2023, as well as for the amendment and the supplementation of certain enactments in the energy field, as well as to the operators of storage services who sell stored energy, that can participate directly or through aggregation;
  - B) they are big end consumers of energy, any consumer with an annual consumption of more than 70.000 MWh.
- (2) Only big end consumers that purchase energy for the own consumption exclusively, as well as aggregators that act for them can qualify as purchasers of energy.
- (3) The resale of electricity purchased by the big end customers on this market is prohibited, except for resale to affiliated parties and/or other end customers involved in aggregation, for their own consumption.
- (4) The producers participating to the energy market for the big end consumers have the complementary right to sell the energy produced to big end consumers based on the license for the commercial exploitation of the capacities to produce energy that they hold.
- (5) The participants are obligated to have a conduct of the market that is correct and preventive by reference to the rest of the participants to the market, according to the participation agreement and to the procedure regarding the market participation conduct.
- (6) The participants must appoint a broker who will be entitled to undertake valid and irrevocable obligations in the name of the participant, through actions achieved in the name of the participant, in accordance with the provisions of this procedure.

## **TRADING MECHANISMS**

**Art. 5.** The trading mechanisms used within the market administrated by BRM are:

- **the simple competitive trading mechanism**
- **the double competitive trading mechanism**

### **A. The conduct of the trading session, the simple competitive trading mechanism**

#### **I. REQUIREMENTS**

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

- (1) For the launching to trading of a product regulated by Art. 3, par. (1) the participant communicates to BRM an initiating order with the specification of at least the elements stipulated at Art. 3, par. (1).
- (2) The initiating order, as well as the other documents associated will be communicated electronically

(email or as online form related to the trading software to a BRM representative.

(3) After the receipt of the initiating order, BRM:

A) It verifies the conformity thereof with the provisions of the applicable regulations, it proposes to the initiator changes in the initiating offer if it justifiably considers inappropriate the tender criteria specified by the initiator. BRM reserves the right to not validate those initiating orders that are formulated so that, they obviously cannot be traded, for example: price and/ or quantity obviously disproportionate compared to a real trading intention, reasonably appreciated by BRM, product with a delivery period previous to the initiation of the order etc. Under such circumstances, BRM will request clarifications from the initiator of the order;

B) publishes the initiating offer and the energy sale-purchase agreement;

C) announces the initiation of the trading session and it publishes the schedule for its conduct.

(4) The qualification of the respondent participants is made based on the tender criteria specified by the initiating participant, by the assumption under a sworn declaration of the fulfilment of and of the compliance with those selection criteria. BRM will inform the participants with respect to their qualification for the participation to tender.

(5) BRM organizes the trading session online for the trading of the initiating offer that is conducted based on the following principles:

A) the offer of the initiator is represented by a standard product or a combination of standard products, the number of fractions of the quantity from the offer being placed in the trading platform, in case of the partial trading with one or several participants or in case of the whole trading with one single participant;

B) any of the qualified respondent participants can participate with response offers to trading;

C) the price placed by the initiator in the trading platform is such proposed in the initiating offer published on BRM's website;

D) the automatic correlation of the demand with the supply is achieved in the tender process, and the price of the initiating offer and of the response offers can be changed simultaneously, for the purposes of meeting the demand with the supply;

E) all operations regarding the tender are available to the participants to PCM and remote.

(6) BRM will publish the initiating order and the accompanying documents/ information, within 2 (two) days from the reception thereof before the date when the tender has been scheduled.

(7) The date and the time of the tender will be established by the participant who has sent the initiating order, together with a BRM representative, before the communication of the documents.

## **II. GUARANTEES**

### **Art. 7**

(1) In order to register an order for trading purposes, the participants will create for BRM a guarantee that is automatically calculated by the trading system as product between the quantity from the order, the price of the order placed in the trading platform (VAT excluded) and the 2% percentage. In case of the traded orders using as trading currency USD or EUR, the platform automatically makes the currency conversion at the BNR exchange rate of the trading day.

(2) The guarantee stipulated at par. (1) can be created in one of the following forms:

- Payment order;

- Letter of bank guarantee or issued by a non-banking financial institution.

(3) The guarantee created by the participants in the account of an order for which a transaction has been concluded remains at the disposal of BRM by the transmission to BRM of the copy of the sale – purchase agreement (electronically) signed by the parties to the transaction. The term for the transmission of the sale – purchase agreement (electronically) is of at most 5 business days from the conclusion of the transaction but no later than 2 calendar days before the commencement of the deliveries.

(4) During the period mentioned at the preceding paragraph, the guarantee created in the account of the order based on which a transaction has been concluded cannot be used as guarantee in case of the participation to the trading of another asset.

(5) The guarantees created are executed by BRM for the indemnification of the impaired party in the following situations:

- a) In case of the withdrawal of the initiating order after its publication on BRM's website.
- b) The participants do not sign the energy sale-purchase agreement;
- c) The sale-purchase agreement is supplemented with elements different from such resulted after the trading session, namely the quantity of energy per settlement interval/ total quantity, price and duration of delivery, as well as any other clause existing in the agreement at the launching of the tender procedure.

(6) If the sale-purchase agreement is not signed by one of the parties, the other party to the agreement is deemed as the impaired party. BRM will transfer to the impaired party the guarantee of the party in default within 15 business days from the conclusion of the transaction.

(7) If neither party to the transaction sign the sale-purchase agreement or if the sale-purchase agreement does not contain the elements resulted from the tender, BRM will retain the guarantees of both parties to the transaction. BRM is entitled to sanction the participants who do not sign the sale agreement or conclude sale-purchase agreement with other elements than such resulted from the tender by the suspension from the trading over a period ending at 10 calendar days after the payment date of the penalty established under the procedure regarding the market participation conduct.

#### **Art. 8**

(1) After the fulfillment of the obligations stipulated in Art. 7, par. 3, the guarantee will be made available to the participant existing the possibility of its maintenance with BRM, at the request of the participant, for the registration of future orders.

(2) The restitution of the guarantees is made within 3 (three) business days from the submission of a written request, indicating, for those created under the payment order, the account and the ban where the amounts will be restituted.

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

**Art 9.** The stages of the tender process are as follows:

#### **STAGE I**

(1) The initiating broker places the order that will be validated by the system if he cumulatively fulfills the following conditions:

- the specification of the quantity per settlement interval and of the average power;
- the specification of the price;

- the specification of the order validity period.

(2) In the orders of direction opposite the direction of the initiating order the following elements will be specified, subject to the invalidation of the order:

- the quantity per settlement interval;
- the price;
- the order validity period.

(3) The order of direction opposite the direction of the initiating order is validated by the system provided that the issuer of the order has in his guarantees account an amount available higher or equal to the value of the guarantee necessary in case of trading the order.

(4) The orders placed in the system cannot be cancelled.

(5) No transactions are conducted at this stage.

## **STAGE II**

(1) The orders placed may be maintained by brokers as follows:

a) In case of the initiating order:

- the change in the price;
- the change in the quantity per settlement interval;
- the change in the order validity period.
- .

b) In case of the order of opposite direction:

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

(2) The orders placed in the system cannot be annulled.

(3) Transactions will be conducted at this stage.

**STAGE III** At this stage, only the initiating broker can maintain the order.

(1) Only the change in the price and in the quantity for the initiating order is allowed at stage III so that the initiating participant can make the selection of the offers of opposite direction in terms of value and quantity.

(2) At this stage, no broker except for the initiating broker's order can be changed or annulled.

(3) with respect to the validity in time of the orders, the selection of one of the following options is allowed, as the case may be:

- „DAY”, order valid in the current trading session, in which case the order is valid by the conclusion of the trading session in which it has been placed;
- „GTD”, order valid by the specified date, but no later than the expiration date of the respective *product*;



- „GTSV” – order valid by the date and hour specified, but no later than the expiration date of the respective *product*;
  - „GTC”, case in which the order remains active and it is executable by its actual annulment, but no later than the expiration date of the respective *product*.
- (4) The duration of each tender stage is predefined to 10 minutes. The change in the duration of the stages is made as a result of a request from the initiating participant, as agreed by BRM.
- (5) The orders placed in the system cannot be annulled.
- (6) Transactions can be concluded at this stage.

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

**Art. 10.** The process of correlation of orders is described as follows:

- (1) For the sale orders, the correlation of the sale order with a purchase order is achieved at the same price or at a price higher, for the maximum quantity determined by the quantities mentioned in the two orders of opposite directions, at the best price of the purchase order. To the extent to which the correlation conditions are met for more than two offers of opposite direction, the correlation order is established chronologically, according to the oldest time stamp.
- (2) For the purchase orders, the correlation of the purchase order with a sale order is made at the same price or for a price smaller for the maximum quantity defined by the quantities mentioned in the two opposing orders, at the lowest price of the sale order. If the correlation conditions are met for more than two offers of opposite direction, the correlation order is established chronologically, according to the oldest time stamp.
- (3) BRM announces the participants to trading, through electronic mail, that the conditions for the correlation of two orders have been met. The electronic mail contains the price [RON, Eur or USD /MWh] and the traded quantity [MW/ settlement interval].
- (4) If, at the end of the trading session, the initiating order is not fully traded, the initiating broker can replace the initiating order for the quantity remained not covered, in a trading session, at a previous date.

#### **V. TRADING REPORT**

**Art. 11.**

- (1) At the end of each trading session, the trading system generates a report that contains the following elements:
- A) the name of the initiating participant;
  - B) the initiating offer;
  - C) the combination of standard products offered and the number of fractions in which the initiator intends to divide the offer;
  - D) the delivery period;
  - E) the price proposed in the initiating offer;
  - F) the list of respondent participants;

- G) eventual decisions of BRM;
  - H) the results obtained throughout the trading process;
  - I) the registration of any change in the initiating offers or response offers;
  - J) the quantity per settlement interval [MWh] and the average power [MW] ;
  - K) the price established under the tender;
  - L) the name of the winning participants.
- (2) The data stipulated at art. 11, par. 1 will be available on BRM's website for at least 5 years, and the results of the tender sessions, in a format that allows the export of data in editable format, for a defined period chosen by the participant.

## **B . CONDUCT OF THE TRADING SESSION THROUGH THE DOUBLE COMPETITIVE TRADING MECHANISM**

**Art. 12.** The launching for trade of the standard products stipulated by Art. 3, par. 2 is made at the initiative and by BRM, as follows, so that consecutive forward agreements for at least the following delivery periods are available to trading at any moment:

- the following 5 calendar months
- the following 4 calendar quarters
- the following 2 calendar semesters
- the following calendar year

**Art. 13 .** The trading session through the double competitive mechanism is conducted electronically and it is described as follows.

### **I. GUARANT**

#### **EES**

#### **Art. 14**

(1) In order to be able to register an order for the trading purposes, the participants will create at the disposal of BRM a guarantee that is automatically calculated by the trading system as product between the quantity of the order, the price of the order placed on the trading platform (VAT excluded) and the 2% percentage.

For the orders traded using as trading currency USD or EUR, the platform automatically performs the currency conversion at the BNR exchange rate of the trading day.

(2) The guarantee stipulated at par. (1) can be created in one of the following forms:

- payment order;
- letter of ban guarantee or issued by a non-banking financial institution.

(3) The guarantee created by the participants in the account of an order for which a transaction has been concluded remains at the disposal of BRM by the transmission to BRM of the copy of the sale-purchase agreement (electronically) signed by the parties to the transaction. The term for the communication of the sale-purchase agreement (electronically) is of at most 5 business days as of the conclusion of the transaction, but no later than 2 calendar days before the commencement of the deliveries.

(4) In the period mentioned at the preceding paragraph, the guarantee created in the account of the order based on which a transaction has been concluded can not be used as guarantee in case of the participation to trading of another asset.

(5) The guarantees created are executed by BRM for the indemnification of the impaired party in the following cases:

- a) the participants do not sign the energy sale-purchase agreement;
- b) The sale-purchase agreement is supplemented with elements different than such resulted from the trading session, namely the quantity of energy on the settlement interval/ the total quantity, the price and the duration of the delivery, as well as any other clause existing in the agreement at the launching of the tender procedure.

(6) If the sale-purchase agreement is not signed by one of the parties, the other party to the agreement is deemed as impaired party. BRM will transfer to the impaired party the guarantee of the party in default within 15 business days from the conclusion of the transaction.

(7) If neither party to the transaction signs the sale-purchase agreement or if the sale-purchase agreement does not include the elements resulted from the tender, BRM will retain the guarantees of both parties to the transaction. BRM is entitled to sanction the participants that do not sign the sale-purchase agreement or conclude sale-purchase agreements with other elements than such resulted from the tender by the suspension from trading over a period that end at 10 calendar days after the payment of the penalty established under the procedure regarding the market participation conduct. .

#### Art. 15

(1) After the fulfilment of the obligations stipulated at Art. 1, par. (3), the guarantee will be made available to the participant, also existing its possibility to maintain it with BRM, at the participant's request, for the registration of future orders.

(2) The restitution of the guarantees is made within 3 (three) business days from the submission of a written request, indicating, for such created under a payment order, the account and the bank where the amounts will be repaid.

## II. STAGES OF THE TRADING SESSION

#### Art. 16

(1) Starting with the hour for the opening of the trading session, the brokers place orders. They are validated provided that they cumulatively fulfill the following terms:

- the specification of the quantity, of the price and of the order validity term;
- the existence into the guarantees account of an available amount higher or equal to the value of the guarantee necessary for the trading of the order.

(2) The elements that will be placed by the participant at the launching of the order are:

- The volume of energy. The total minimum volume tradable is automatically defined for each distinct product;
- the price for products will be expressed in RON/ EUR/ USD/ MWh, with maximum 2 (two) decimals;

- The validity term of the order (optional); if it is not filled in, the system will automatically generate the end date of the trading session.

(3) The orders placed will be maintained by brokers as follows:

- the change in the price with a tender step of at least 0.01 RON/ EUR/USD/ MWh;
- the change in the quantity;
- the change in the order validity terms.

### **III. CORRELATION OF**

#### **ORDERS**

##### **Art. 17.**

(1) The sale and purchase orders will be automatically sorted in the trading platform, so that the best offers in terms of price are displayed the first. In case of price equality, the offers will be sorted after the time stamp, the oldest following to be displayed with priority. The time stamp is updated at the action for the amendment by the broker of the price, quantity, validity or in case of the partial execution of an order.

(2) For the sale orders the correlation of the sale order with a purchase order with the same price or with a better price is made, for the maximum quantity determined by the quantities mentioned in the two orders of opposite direction. To the extent to which the correlation conditions are met for more than two offers of opposite direction, the correlation order is established in descending order starting from the best purchase price and in case of the price equality, in ascending order, starting from the oldest time stamp.

(3) For the purchase orders, the correlation of the purchase order with a sale order is made at the same price or at a better price, for the maximum quantity determined by the quantities mentioned in the two orders of opposite directions. To the extent to which the correlation conditions are met for more than two offers of opposite direction, the correlation order is established in ascending order starting from the lowest sale price, or in case of price equality, in ascending order starting from the oldest time stamp.

(4) The parties can request the annulment of the erroneous transactions occurred as a result of a material error occurred at the filling in by a participant to PMC of the order placement form, according to the procedure regarding the market participation conduct.

### **THE TRADING THROUGH THE COUNTERPARTY**

**Art. 18.** The provisions of this chapter apply to the transactions for which the parties ensure the post-trading operations through the counterparty.

### **THE CLEARING-SETTLEMENT PROCESS**

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

- (1) The clearing-settlement represents a management process and a process for the calculation of the financial positions operated by the counterparty according to which the *amount of the guarantees* that ensure the risk of the financial loss caused by the failure to fulfill the obligations related to certain positions opened as a result of the transactions concluded and *the amount of the payments/ collection* resulted from the trading activity is established. This process is achieved according to the *regulations of the counterparty*.
- (2) Without any prejudice to the counterparty, the transactions made determine the firm obligation of the seller

participant to deliver energy, the firm obligation of the buyer participant to take over energy respectively, according to the obligations established in the trading report.

## **GUARANTEE OF OBLIGATIONS**

### **Art. 20.**

- (1) The conduct and the guarantee of the transactions concluded will be made according to the regulations of the counterparty. In order to be able to benefit from the services of trading through counterparty, the participants must sign the framework agreement with the counterparty that entails the cumulative fulfillment of the following terms:
  - a) to meet the requirements established by the counterparty;
  - b) to fulfill the conditions stipulated by Art. 4, par. 1 of this procedure;
  - c) to provide the guarantees requested by the counterparty;
  - d) to accede to the provisions of the regulations of the counterparty.
- (2) The guarantees are calculated according to the algorithms established by the counterparty and have the role of financially supporting each transaction of a participant.
- (3) The counterparty makes the physical notifications related to the participants to each transaction, as party responsible for the balancing, for the transactions accepted by the counterparty.

## **RISK MANAGEMENT**

### **Art. 21.**

The trading of energy that has clearing settlement services associated through the counterparty has only the financial risk that takes place when a member does not fulfill the obligation of submission, at the set date, of the guarantee or that breaches the settlement rules. In this case, the counterparty will suspend the clearing-settlement services and will start to mobilise the guarantees available according to the regulations of the counterparty. The rights can be reestablished only after the participant in question fully fulfills the obligations or in accordance with the sanctions imposed by the counterparty.

## **IV. TRANSPARENCY AND THE TRADING REPORT**

### **Art. 22.**

- (1) BRM publishes at the end of the tender on its website all the data related to the trading process, namely,
  - A) the name of the initiating participant;
  - B) the initiating offer;
  - C) the combination of standard products offered and the number of fractions in how many the initiator wishes to divide the offer;
  - D) the delivery period;
  - E) the price proposed in the initiating offer;
  - F) the list of the respondent participants;
  - G) potential decisions of BRM;
  - H) the results obtained throughout the trading process;
  - I) the registration of any change in the initiating offer or in the response offer;
  - J) the quantities traded;
  - K) the price established by tender;

- L) the name of the winning participants.
- (2) The data stipulated at Art. 22, par. (1) will be available on BRM's website for at least 5 years, and the results of the tender sessions in a format that allows the export of data in editable format, for a defined period established by the user.
- (3) After the conclusion of a transaction, the trading system generates and sends to all participating brokers an electronic trading report.

## **TARIFFS AND FEES**

### **Art. 23**

- (1) For the activities and the services conducted BRM is entitled to charge to the participants to PMC tariffs and fees, as follows:
- a) Annual registration fee (RON/participant/year);
  - b) Fee for the administration of the platform for the mediation of the bilateral energy agreements according to the commission grid, applied only to the participants – party to the transaction;
- (2) In case of the failure to pay the obligations stipulated at par. (1) by the maturity date, BRM is entitled to suspend the access of the participant to the trading sessions by the fulfilment of the obligations.

**Art. 24.** The fees and the tariffs charged are established based on the decision of the BRM's board of directors and are published on BRM's website.

## **THE TREATMENT OF SUBMISSION, ADMINISTRATION AND RESOLUTION OF APPEALS**

**Art. 25.** The treatment of the submission, administration and resolution of appeals is regulated by BRM based on the procedure regarding the market participation conduct.

**SCHEDULE 1 TO THE PROCEDURE**  
**STANDARD TRANSACTIONABLE PRODUCTS**

<b>Code</b>	<b>Product description</b>
BRM_POWER_BASE_PHFMM-MM-AAAA	Forward Agreement for energy delivered at power base (00:00 – 24:00 cet from Monday to Sunday) over a period of one calendar month. The name of the instrument covers data regarding the name of the month from the year (mm) and of the year when the delivery takes place (yyyy)
BRM_POWER_PEAK1_PHFMM-MM-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Friday) over a period of one calendar month. The name of the instrument contains data regarding the name of the month from the year (mm) and of the year when the delivery takes place (yyyy).
BRM_POWER_PEAK2_PHFMM-MM-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Sunday) over a period of one calendar month. The name of the instrument contains data regarding the name of the month from the year (mm) and of the year when the delivery takes place (yyyy)
BRM_POWER_OFFPEAK_PHFMM-MM-AAAA	Forward agreement for energy delivered at power off-peak hours (00:00 – 06:00, 22:00 – 24:00 cet from Monday to Friday and 00:00 – 24:00 cet Saturday and Sunday) over a period of one month. The name of the instrument contains data regarding the name of the month from the year (mm) and of the year when the delivery takes place (yyyy)
BRM_POWER_BASE_PHFQ_QN-AAAA	Forward agreement for the power base energy (00:00 – 24:00 cet from Monday to Sunday) over the period of a calendar quarter. The name of the instrument contains data regarding the number of the quarter from the year (n) and of the year when the delivery takes place (yyyy).
BRM_POWER_PEAK1_PHFQ_QN-AAAA	Forward agreement for the energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Friday) over a period of a calendar quarter. The name of the instrument contains data regarding the number of the quarter from the year (n) and of the year when the delivery takes place. (yyyy).
BRM_POWER_PEAK2_PHFQ_QN-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Sunday) over a period of one calendar month. The name of the instrument contains data regarding the number of the quarter from the year (n) and of the year when the delivery takes place (yyyy).

BRM_POWER_OFFPEAK_PHFQ_QN-AAAA	Forward agreement for the energy delivered at power off-peak hours (00:00 – 06:00, 22:00 – 24:00 cet from Monday to Friday and 00:00 – 24:00 cet Saturday and Sunday) over a period of one calendar quarter. The name of the instrument contains data regarding the number of the quarter from the year (n) and of the year when the delivery takes place (yyyy).
BRM_POWER_BASE_PHFS_SN-AAAA	Forward agreement for power base energy (00:00 – 24:00 cet from Monday to Sunday) over the period of a calendar semester. The name of the instrument contains data regarding the number of the semester from the year (n) and of the year when the delivery takes place (yyyy).
BRM_POWER_PEAK1_PHFS_SN-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Friday) over a period of a calendar semester. The name of the instrument contains data regarding the number of the semester from the year (n) and of the year when the delivery takes place (yyyy).
BRM_POWER_PEAK2_PHFS_SN-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Sunday) over a period of one calendar semester. The name of the instrument contains data regarding the number of the semester from the year (n) and of the year when the delivery takes place (yyyy).
BRM_POWER_OFFPEAK_PHFS_SN-AAAA	Forward agreement for energy delivered at power off-peak hours (00:00 – 06:00, 22:00 – 24:00 cet from Monday to Friday and 00:00 – 24:00 cet Saturday and Sunday) over the period of a calendar semester. The name of the instrument contains data regarding the number of the semester from the year (n) and of the year when the delivery takes place. (yyyy).
BRM_POWER_BASE_PHFY-AAAA	Forward agreement for power base energy (00:00 – 24:00 cet from Monday to Sunday) over a period of one year. The name of the instrument contains the delivery year.
BRM_POWER_PEAK1_PHFY-AAAA	Forward agreement for the energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Friday) over a period of one year. The name of the instruments contains the delivery year.
BRM_POWER_PEAK2_PHFY-AAAA	Forward agreement for energy delivered at power peak hours (06:00 – 22:00 cet from Monday to Sunday) over a period of one year. The name of the instrument contains the delivery year.
BRM_POWER_OFFPEAK_PHFY-AAAA	Forward agreement for the energy delivered at power off-peak hours (00:00 – 06:00, 22:00 – 24:00 cet from Monday to Friday and 00:00 – 24:00 cet Saturday and Sunday) over a one-year period. The name of the instrument contains the delivery year.

- **Note:** the products traded through the **simple competitive trading mechanism** on the trading platform will be additionally codified by BRM, distinctly from such mentioned above.



- **Each initiating order will receive a sole registration number to be added at the end of the codifications of the products from Schedule 1 to the procedure.**

## Schedule 2 BRM Standard Agreement

### ENERGY SALE PURCHASE

### FRAMEWORK AGREEMENT

no ...../.....

#### I. Contracting Parties

##### Art. 1

....., having its registered office at ....., street ..... no. ...., postal code .., county. ...., registered with the Trade Registry under no. J...../...../...., Sole Registration Code RO ....., having an account opened with the bank....., IBAN number

.....  
duly represented by ....., holder of the Licence no. .... issued by ANRE, hereinafter referred to as the “SELLER”

##### and

....., having its registered office at ....., street ..... no. ...., postal code .., county. ...., registered with the Trade Registry under no. J...../...../...., Sole Registration Code RO ....., having an account opened with the bank....., IBAN number

.....  
duly represented by ....., holder of the Licence no. .... issued by ANRE, hereinafter referred to as the “BUYER”.

The parties, hereinafter individually referred to as the “Party” and collectively as the “Parties” have agreed to conclude this energy sale-purchase agreement (the “Agreement”) in compliance with the following terms and conditions:

#### II. Object

##### Art. 2

- (1) The object of the agreement is represented by the trading between the seller and the buyer of certain determine energy quantities, under standardized conditions, according to the products available on PCM (the “Market”) expressed in energy units (the “Contracted Quantity”), in accordance with **Schedule 1** the “Trading Schedule”.
- (2) The quantities, the prices and the delivery period will be such traded by the parties in the negotiation sessions on the Market; they will form the object of certain trading schedules related to each individual transaction, identical in form and fully filled in, according to the template presented in Schedule 1 to this framework agreement;
- (3) The energy delivery obligation is achieved based on the trading report made available to the Parties by BRM.

#### III. Take over obligation/ delivery obligation

##### Art. 3

- (1) The quantities of energy traded are firm, the seller assuming the obligation to deliver them and invoice them to the buyer, and the buyer to take over and pay them at the price resulted from the trading session, according to the Trading Report issued and sent to the Parties by BRM. The Parties will make the physical notifications regarding the quantities delivered and taken over, in accordance with the provisions of Annex 1.
- (2) The failure to deliver, the failure to take over the quantities of energy traded respectively, partially or fully, confers to the impaired party the right to invoice to the party in default the equivalent value of the quantity not delivered, not taken over respectively, as penalty and the right to declare the unilateral termination of this agreement, if the non delivery, the non taking over respectively of the quantities of energy traded is repeatedly achieved by the other party.
- (3) Each party undertakes to comply, throughout the implementation of the agreement, with the obligations resting with it as party responsible with the balancing in the relationship with the operator of the balance market and with the party responsible with the balance to which the responsibility for the balance has been transferred.
- (4) If the parties to this agreement are registered within the same party responsible for the balance, the distribution of the costs generated by imbalances is made according to the internal distribution method of the respective party responsible for the balance.
- (5) If the parties to this agreement are registered as/ in different parties responsible for the balance, the financial consequences related to the imbalances are borne proportionally, by relating the imbalance generated by each party to the sum of the imbalances generated.

#### **IV. Duration**

##### **Art. 4**

- (1) This Agreement is concluded over the period related to the product traded on the Market.
- (2) **The validity period** of the agreement is the period determined in time between the moment of the conclusion of the transaction and the moment of discharging of all obligations related to the payments, deliveries/ taking over of energy and the operations with the related guarantees.
- (3) After the expiry of the Validity Period, the Parties will not be held by the terms and the conditions of this Agreement unless it is necessary in order to execute the Parties' rights and obligations as they arise from this Agreement, before the end of the Validity Period.

#### **V. Price of the Agreement. Guaranteeing the payment of the price. Payment conditions and methods**

##### **Art. 5**

- (1) The price of the energy forming the object of the transactions between the parties (the "Contractual Price") is the price established further to the trading on the Market, in accordance with Schedule 1 the "Trading Schedule";
- (2) The price stipulated at par. (1) does not include VAT and excise duties, such being added as the case may be, according to the law, but it includes the Tg component of the transmission tariff adequate to the introduction of energy into the grid.
- (3) The obligations to declare and pay the excise duty to the consolidated budget of the state for the

energy purchased based on this Agreement are established in accordance with the provisions of the fiscal legislation.

(4) The guaranteeing of the payment of the equivalent value of the energy contracted/ delivered for each contractual month of delivery and of the risk to not take over the energy contracted by the Buyer will be made in one of the following methods:

- For the products with a period of delivery of one month, through:
  - **advance payment** of the equivalent value of the total traded quantity, at least 2 Business Days before the first day of delivery or
  - by the creation of a **letter of bank guarantee** by the Buyer to the benefit of the Seller; the letter of bank guarantee will be communicated to the Seller in original, within at most 5 Business Days from the execution of the agreement by both parties, but no less than 2 Business Days before the first day of delivery and it will cover the entire amount representing the Amount of the Agreement, being able to be executed by the Seller for the failure to charge the price and the penalties applied in accordance with the provisions of this Agreement. The validity term of the letter of bank guarantee is 25 days from the last day of the month of delivery.

The guarantee method is decided by the Buyer, following to be notified to the Seller at the execution of this Agreement.

For the products with a delivery period of one quarter, by:

- submission of a **performance bond (SGB)** within at most 5 Business Days as of the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of deliveries, its amount representing the Amount of the Agreement related to 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 Amount of the Agreement, at least 2 Business Days before the first day of delivery.

After the confirmation of the payment related to the 2<sup>nd</sup> month of delivery, the cumulated amount of the guarantees (by advance payment and SGB) will be reduced to the equivalent of the last month of delivery;

- or the submission of a **performance bond (SGB)** within at most 5 Business Days from the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of the deliveries, its amount representing the Amount of the Agreement related to a 30-day delivery period, following that before at least 2 days from the commencement of the delivery period to **fill in the letter of bank guarantee** with the amount representing the Amount of the Agreement related to a 60-day delivery period. The letter of bank guarantee can be executed by the Seller for the failure to pay the price and of the penalties applied according to the provisions of this Agreement.

After the confirmation of the payment of the months 1 and 2 of delivery, the value of the letter of bank guarantee will be adequately reduced, maintaining a covering only for the period remained not paid.

The validity term of the letter of bank guarantee is of 35 days from the last day of the delivery month, in case of both guarantee methods.

- For the products with a delivery period of more than one quarter the payment will be guaranteed by:
  - the submission of a **performance bond (SGB)** within at most 5 Business Days as of the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of deliveries, its amount representing the Amount of the Agreement

related to a 30-day delivery period, following that with at least 2 Business Days before from the commencement of the delivery period to fill in the **the letter of bank guarantee** with the amount representing the Amount of the Agreement related to a 30-day delivery period and to make **the advance payment** of the amount representing the Amount of the Agreement related to a 30-day delivery period after the conclusion of each delivery month;

- or by the submission of a **performance bond (SGB)** within at most 5 Business Days from the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of the deliveries, its amount representing the Amount of the Agreement related to a 30-day delivery period, following that before with at least 2 Business Days from the commencement of the delivery period to fill in the **letter of bank guarantee** with the amount representing the Amount of the Agreement related to a 60-day delivery period. the Letter of bank guarantee can be executed by the Seller for the failure to pay the price and the applied penalties, in accordance with the provisions of this Agreement.

In the last 3 months of delivery after the confirmation of the payments related to the before penultimate and the penultimate month the cumulated value of the bank guarantees will be adequately reduced, so that it covers only the months remained to be delivered by the end of the agreement.

The term for the validity of the letter of bank guarantee is of 25 days from the last day of the delivery month, in case of both methods of guarantee.

(5) The guaranteeing of the deliveries of energy by the Seller will be made by one of the following methods:

(i) For the products with a one month delivery period, by the creation of a **performance bond** as a letter of bank guarantee by the Seller, to the benefit of the Buyer, that will be communicated to the Buyer, in original, before at most 5 Business Days from the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of the deliveries and that will cover the entire amount representing the Amount of the Agreement, being able to be executed by the Buyer for failure to deliver and to pay the applied penalties, in accordance with the provisions of this Agreement. The term for the validity of the letter of bank guarantee is of 10 days after the last day of delivery.

(ii) For the products with a period of delivery of one quarter, by the creation of a **performance bond** as a letter of bank guarantee by the Seller, to the benefit of the Buyer, letter of bank guarantee that will be communicated to the Buyer in original before at most 5 Business Days from the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of deliveries and that will cover the amount representing the Amount of the Agreement related to a 30-day delivery period, being able to be executed by the Buyer for failure to deliver and to pay the applied penalties, in accordance with the provisions of this Agreement.

Within maximum 5 Business Days from the start of the last month of delivery, the amount of the letter of bank guarantee will be reduced to 30 days from the Contractual Value.

The validity term of the letter of bank guarantee is of 10 days after the last day of delivery.

(iii) For the products with a delivery period of more than one quarter, by the creation of **performance bond** as a letter of bank guarantee by the Seller, to the benefit of the Buyer, the letter of bank guarantee that will be sent to the Buyer in original before at least 5 Business Days from the execution of the Agreement by both parties, but no less than 2 Business Days before the commencement of the deliveries and that will cover the amount representing the Amount of the Agreement related to a 60-day delivery period, being able to be executed by the Buyer

for failure to delivery and to pay the applied penalties, in accordance with the provisions of this Agreement.

- a. Within 5 Business Days from the start of the penultimate month of delivery the amount of the letter of bank guarantee will be reduced to 60 days from the Contractual Value;
- b. Within 5 Business Days from the start of the last month of delivery the amount of the letter of bank guarantee will be reduced to 30 days from the Contractual Value.

The validity term of the letter of bank guarantee is of 10 days after the last day of delivery.

- (6) The breach of the obligation to make the advance payment or to send in time the letter of bank guarantee entitles the other Party to unilaterally terminate this Agreement, due to the fault of the other Party and to invoice to the latter, as penalty, the equivalent value of the quantity not delivered, not taken over respectively.
- (7) The party who creates the bank guarantee will have the obligation to replenish the guarantee covered by the letter of bank guarantee after each execution thereof by the other Party, namely to renew the letter of bank guarantee, if necessary, in order to cover at any moment the guaranteed amount. All fees related to the letter of bank guarantee and to its execution will be borne by the Party who creates the bank guarantee.
- (8) The party in whose favour the letter of bank guarantee is created will have the obligation to reconstitute it to the other Party, at such Party's written request, within 2 business days from the full fulfilment of the obligations that it guarantees. In case of the advance payment as guarantee method, the Party in whose favour the payment is made will have the obligation to return to the other Party the advance or according to both parties' agreement, to make the clearing with the last payment month.
- (9) **The performance bond** can be executed by any Party if the other Party does not comply with any of the contractual obligations, namely the failure to take over/ to deliver and to pay.

## Art. 6

- (1) The Seller will issue to invoice to the Buyer as follows:
  - At least 2 days before the commencement of deliveries, if the invoice has the regime of advance payment;
  - Within maximum 20 days from the completion of each month of delivery, for the other invoices issued based on the Agreement, with a Maturity Date by 25<sup>th</sup> of the month following the month of delivery.
- (2) The invoices prepared by the Seller, in accordance with the provisions of this Agreement will be communicated to the Buyer via fax and/ or email, at the issuance date. Any delay in the issuance or in the communication of the invoices triggers the extension of the payment terms.
- (3) The payment of the energy will be made by the Buyer through bank transfer, based on the invoices issued by the Seller. The payment via bank transfer or by any other payment instruments is deemed as made at the date when the Seller's bank account is credited with the amount representing the invoiced amount. The payment will be made in the Seller's account mentioned in the invoice.

- (4) The Buyer will explicitly specify in the payment order the invoice that is paid and it will communicate, at the Seller's request, a copy thereof, at the email addresses stipulated at Art. 13.
- (5) The failure to pay at the maturity date the invoices issued according to this article, entitles the Seller to:
  - a) not deliver the energy according to the Agreement, without giving rise to any contractual obligation/ liability from the Seller, in case of the failure to pay the invoices in advance;
  - b) the charging of a quota of the delay interest equal to the level of increases for the failure to pay on time the obligations to the consolidated State budget, calculated for each day of delay, starting with the day immediately following the Maturity Date, until the full payment of the debt, including the payment day;
  - c) the limitation/ interruption of the energy delivery with a prior notice of the Buyer within 24 (twentyfour) hours from the communication to this end of a notice to the Buyer;
  - d) the unilateral termination of this Agreement, due to the Buyer's fault, in case the delay of the payment exceeds 10 days.
- (6) If an amount invoiced by the Seller is fully or partially challenged by the Buyer, it will communicate an explanatory note to the Seller containing its objections, within 5(five) business days from the receipt of the invoice via fax or the email and it will pay the amount remained unchallenged by the payment deadline, according to Art. 7, par. (1). The Buyer's objections regarding the invoiced values presented in the explanatory note will be conciliated between the Parties within 5 (five) business days from the acceptance of the claims formulated by the Buyer. For the amounts challenged, but subsequently and amicably or by court decision established to be owed by the Buyer, it will pay, besides the amount due, a penalty calculated according to the provisions of Art. 3, par. (2). If, further to the challenge, the reduction of the invoiced amount has been established, the Buyer will be repaid the potential related amounts and penalties calculated according to Art. 3, par. (2), already paid, adequate for the respective reduction. The procedure stipulated by Art. 7, par. 6 will not prevent the execution of the guarantee created by the Buyer according to Art. 6, par. (4).

## **VI. Taxes and fees**

### **Art. 7**

- (1) In accordance with the legal provisions, the Seller agrees to be accountable and to pay or to determine the payment of all taxes and/ or fees imposed by any government authority and associated to the energy delivered based on this Agreement, before their delivery to the Buyer.
- (2) In accordance with the legal provisions, the Buyer agrees to be accountable and to pay or determine the payment of all taxes and/ or fees imposed by any government authority and associated to the energy delivered based on this Agreement, after their acceptance from the Seller.

## **VII. Rights and**

### **Obligations**



## **Art. 8**

(1) The Seller has the following main rights:

- a) to invoice the Buyer the quantity of energy delivered and the penalties or the penalty interest, when the case may be, in accordance with the contractual provisions and to charge their equivalent value;
- b) to cease the deliveries of energy to the Buyer, in compliance with the provisions of Art. 6, par. (5) letter b);
- c) to enforce the letter of bank guarantee created by the Buyer according to Art 5, par. (4) in case of a delay in the payment of the Buyer.

(2) The Seller has the following main obligations:

- a) to deliver to the Buyer the quantities of energy established under this Agreement, based on the trading Schedule which is integral part of this Agreement;
- b) to hold and to maintain in force, throughout the Agreement, the licenses and the authorizations necessary for the delivery/ take over of the energy and to comply with their provisions;
- c) to ensure the delivery to the Buyer of the quantities of energy contracted in accordance with the terms of this agreement;
- d) to return to the Buyer the performance bond within 3 (three) business days from the payment of all financial debts, if the agreement has terminated;
- e) to resume the delivery of energy to the Buyer within 24 (twentyfour) hours from the cessation of the interruption reason, except for cases of force majeure and of state of necessity;
- f) to create a performance bond through a letter of bank guarantee valid from the issuance date, having as guaranteed amount the amount stipulated at Art. 5, par.(5).

## **Art. 9**

(1) The Buyer has the following main rights:

- a) to request and to take over the quantities of energy, in accordance with the provisions of this Agreement and with all the trading Schedules that are integral part of the Agreement;
- b) to claim damages to the Seller in case of the limitations and/ or of the interruptions in the delivery of energy, in other situations than such permitted in this Agreement or by the applicable law, caused due to its fault, fault resulted based on a technical expertise. For the avoidance of any doubt, the fault must be proved.
- c) to enforce the letter of bank guarantee created by the Seller in accordance with Art. 5, par. (5) in case of the failure to deliver the energy by the Seller.

(2) The Buyer has the following main obligations:

- a) to take over and to pay the quantities of energy made available by the Seller in accordance with this Agreement;
- b) to fully pay and on time the equivalent value of the energy purchased in accordance with this Agreement;
- c) to hold and to maintain in force, throughout the Agreement, the licences and the authorizations necessary for the delivery/ take over of the energy and to comply with their provisions;
- d) to create a performance bond through a letter of bank guarantee valid as of the issuance date, having as guaranteed amount the amount stipulated at Art. 5, par. (4).

**VIII. Art. 10 Confidentiality clause**

- (1) The parties undertake to treat all information, data and documentations of which they became aware during and/ or on the occasion of the implementation of this Agreement, as confidential information and assume liability for the maintenance of the confidential nature thereof.
- (2) The following data, documents and information are excepted from the provisions of Art. 11, par. (1):
  - a) those for whose disclosure the prior written agreement of the other contracting party has been received;
  - b) those which are public at the date of the disclosure thereof;
  - c) those requested by the State competent bodies, based on a legal obligation.
- (3) If either Party breaches the confidentiality obligation with respect to this Agreement by the disclosure to unauthorized third parties information that is not public will be bound to pay damages to the Impaired Party.
- (4) The provisions of par. (1) remain valid for 5 years after the termination of this Agreement.

**IX. Art. 11 Contractual liability**

Each Party will be responsible only for the execution and the fulfilment of its contractual obligations, in accordance with the common law.

**X. Art. 12 Termination**

- (1) This Agreement terminates at:
  - a) the conclusion of the Contractual Validity Period;
  - b) if either Party ceases to hold the authorisations/ licences necessary for the execution of the obligations herein;
  - c) if the force majeure events prevent the Parties from fulfilling their contractual obligations according to the Agreement;
  - d) the termination by any Party, under the terms stipulated under this Agreement;

e) cessation by the operation of law in case of bankruptcy or dissolution, as the case may be, of the contractual partner.

(2) The cessation of this Agreement has no effect on the contractual obligations assumed by the Parties and not yet executed.

### **XI. Art. 13 Notifications**

(1) The Parties agree that throughout the implementation of this Agreement, all notices or communications between them are made in writing and communicated via fax and/ or email, registered mail with acknowledgment of receipt, or via courier at the addresses mentioned below:

To the Seller:

\_\_\_\_\_

Registered office: \_\_\_\_\_, \_\_\_\_\_, no. \_\_\_\_\_, county/sector \_\_\_\_

Tel: +4 \_\_\_\_\_

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

E-mail general requests: \_\_\_\_\_

REMIT Responsible: \_\_\_\_\_ .

Invoicing Responsible: \_\_\_\_\_

Contracting Responsible: \_\_\_\_\_

PRE responsible: \_\_\_\_\_

To the Buyer:

\_\_\_\_\_

Registered office: \_\_\_\_\_, \_\_\_\_\_, no. \_\_\_\_\_, county/sector \_\_\_\_

Tel: +4 \_\_\_\_\_

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

E-mail general requests: \_\_\_\_\_

REMIT Responsible: \_\_\_\_\_ .

Invoicing Responsible: \_\_\_\_\_

Contracting Responsible: \_\_\_\_\_

PRE responsible: \_\_\_\_\_

If the notification is made via post office, it will be sent by registered mail with acknowledgement of receipt and it will be deemed as received by the addressee at the date mentioned by the post office receiving such acknowledgment.

(1) The verbal notices are not taken into consideration by neither Party if they are not confirmed via one the methods stipulated at the previous paragraphs.

(2) The change in the correspondence address of any Party will be notified according to the provisions of par. (1) above at least 5 (five) calendar days before it becomes effective, otherwise the notifications following to be deemed validly communicated even in case of the note "addressee moved from the address" or similarly in case of not picking up by the addressee of the document.

## **XII. Art. 14 Change in circumstances**

- (1) The “changes in circumstances” means: the entry into force, the change in the text or in the interpretation regarding any legal requirement, norm, methodology or recommendation of an authority that were not in force at the execution of this Agreement.
- (2) The change in the circumstances may include, without any limitation: the introduction of new taxes or fees, a change in the methods of taxation, an increase/ diminuation in any of the existing taxes and fees, or a change in the methodology considered at the conclusion of this Agreement regarding the substantiation or the recommendation and/ or the application of the elements used at the determination of the Contractual Price; any change and supplementation of the technical and commercial codes applicable to the energy market is deemed as change in the circumstances.
- (3) In case of a change in circumstances that affects the provisions of this Agreement, the Parties undertake to sign an addendum meant to reflect such change.

## **XIII. Art. 15 Force Majeure**

- (1) The force majeure event is such future, unpredictable and insurmountable that discharges from liability the Party invoking it, in case of the partial or total failure to perform the obligations assumed under the Agreement, if it is invoked under the law.
- (2) The party invoking a force majeure event has the obligation to notify to the other Party within 48 (fourtyeight) hours from the occurrence of the event, followed by the communication of the supporting documents within 5 (five) calendar days from the same date; likewise, the Party in question has the obligation to take all possible measures to limit the cosequences produced by such case.
- (3) The Force Majeure events will be certified by the Chamber of Commerce and Industry of Romania.
- (4) If the force majeure does not cease within 30 (thirty) calendar days, the Parties are entitled to request the termination of the Agreement by the operation of law, without any of them claiming damage.
- (5) The occurrence of a Force Majeure Event does not discharge the Parties from the outstanding obligations by the occurrence of the Force Majeure event;

## **XIV. Art. 16 Applicable legislation**

- (1) This Agreement, as well as the Parties’ rights and obligations that result from the implementation thereof, are subject to the Romanian legislation in force.
- (2) The parties agree that all disputes resulted from the construction, execution or termination of this Agreement are amicably resolved.
- (3) On the contrary, any dispute resulting from or in connection with this Agreement, inclusively related to the conclusion, execution or termination hereof, will be solved by the competent courts.

## **XV. Art. 17 Assignment**

Neither Party can assign to any third party, in any way, in full or in part, its rights and/ or obligations resulting from this Agreement.

## **XVI. Final**

### **Clauses**

#### **Art. 18**

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

#### **Art. 19**

The parties undertake to each other to hold throughout the implementation of the Agreement the necessary approvals for the fulfillment of the obligations stipulated herein.

#### **Art. 20**

The provisions of this Agreement are supplemented with the provisions of the Civil Code, as well as with the other legal regulations in force. If one of the contractual provisions is invalid or unenforceable under any aspect in accordance with the applicable laws and regulations, the validity, legality and enforceability of the remaining provisions of the Agreement will not be affected in any way by the same, and the Agreement will continue to produce effects. The invalid or the unenforceable provisions will be deemed as substituted with an adequate and fair provision that, to the extent permitted by the law, is as close as possible to the intention and to the purpose of the invalid or unenforceable provision, to the extent to which the Parties do not agree to substitute them under an addendum.

#### **Art. 21**

The fact that one of the Party does not avail, at a given moment, of any of the provisions of the Agreement, it cannot be construed as a waiver to the right to use it subsequently, does not equal the change in this Agreement and it does not give rise to any given right in favour of the other Party or of a third party.

#### **Art. 22**

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

#### **Art. 23**

Any Party will be entitled to request the payment of the outstanding amounts under this Agreement within 3 years as of the maturity date thereof.

#### **Art. 24**

This Agreement has been prepared today, . . . , în 2 (two) original counterparts, one for each Party and it produces effects are of \_\_\_\_\_

**XVII. Schedules**

**Art. 25**

The following schedules are integral part of this Agreement:

Schedule 1. Trading Schedule

Schedule 2. Terminology

The following assume and undertake the responsibility of the company:

**SELLER**

**BUYER**

(name of the company)

(name of the company)

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Legal representative

Legal representative

**Trading Schedule**

Specific and commercial trading conditions presented as follows will reflect in detail the elements from the Trading Report no...../..... The information presented in this schedule will prevail over other contractual provisions that refer to an identical subject.

**Seller:** \_\_\_\_\_  
**Buyer:** \_\_\_\_\_

➤ **DELIVERY PERIOD/ QUANTITY OF ENERGY**

Standard product	Total traded quantity (MW)	Delivery profile (MWh/settlement interval)	Price (RON /MWh)

➤ **Total amount of the agreement** (TVA and/ or excise duties excluded):          RON

This schedule has been concluded further to the trading on PMC organized by BRM.

The following assume and undertake the liability of the company:

**SELLER**

(name of the company)

\_\_\_\_\_

Legal representative

**BUYER**

(name of the company)

\_\_\_\_\_

Legal representative

**Terminology**

”**Competent Authority**” – the National Energy Regulatory Authority (ANRE);

”**Contracted Quantity**” – a quantity of energy sold by the Seller to the Buyer in accordance with the provisions of the Agreement, throughout the Delivery Period;

”**Maturity Date**” – the date and/ or the dates when the amounts to be paid debit the Seller’s account with the equivalent value of the invoices issued according to this Agreement. If this date corresponds to a Non-Business Date, the “**Maturity Date**” is considered as the immediately following Business Day;

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

”**Contractual Price**” – is the price of energy/MWh, resulted from the transaction, price to be paid by the Buyer to the Seller for the energy contracted under the Agreement;

”**Contractual Value**”- it represents the value obtained by the multiplication of the Contracted Quantity with the Contractual Price to which VAT is added, in accordance with the legal provisions;

”**Business Day**” – means any day, other than Saturday or Sunday or any legal holiday, when the banks are generally opened for operations in Romania;

”**Non-Business Day**”- means any day of Saturday or Sunday or any legal holiday and when the banks are closed for operations in Romania.

The following assume and undertake the liability of the company:

**SELLER**

(name of the company)

\_\_\_\_\_

Legal representative

**BUYER**

(name of the company)

\_\_\_\_\_

Legal representative