

## PROCEDURE

### ORGANISATION AND OPERATION OF THE MEDIUM- AND LONG-TERM MARKET FOR STANDARDISED PRODUCTS ADMINISTERED BY THE ROMANIAN COMMODITIES EXCHANGE S.A.

## GENERAL PROVISIONS

**Art.1** - This procedure establishes the organized framework for the trading of natural gas on the Medium and Long Term Standardized Products Market (hereinafter referred to as the "Market"), through electronic trading platforms managed by the Romanian Commodities Exchange S.A., hereinafter referred to as "BRM", as a licensed operator in the management of centralized natural gas markets.

## TERMINOLOGY

### Art. 2.

(1) For the purposes of these Rules, the terms used shall have the following meanings:

- **Competent authority** - National Energy Regulatory Authority (ANRE);
- **Broker** - a natural person who is in an employment relationship with the economic operator or a brokerage firm, whose main duties are to enter and maintain orders during trading/tendering sessions and who has the right to engage the liability of the economic operator he represents in relation to the BRM;
- **Counterparty** - the role assumed by the BRM whereby it intervenes through a novation process in a Transaction, becoming a common buyer for sellers and a common seller for buyers, according to the *Clearing, Settlement and Risk Management Rules of the Romanian Commodity Exchange as Counterparty*;
- **Participation Agreement (Annex 2 to the Regulation on the Organized Framework for the Trading of Standardized Products on the Centralized Natural Gas Markets administered by Bursa Română de Mărfuri (Romanian Commodities Exchange) S. A.)** - standard agreement defined by the centralized market operator, concluded with the participants, and which provides for the mutual rights and obligations of the parties regarding participation in the Centralized Natural Gas Markets administered by BRM;
- **ANRE standard contract** - the contract for the sale and purchase of natural gas set out in Annex no. 1 to ANRE Order no. 143/2020 on the obligation to offer natural gas on the centralized markets in Romania, with subsequent additions and regulations.

- **Novation contract** (Annex 4 to this Procedure) - a contract applicable by operation of law to a participant who has concluded a transaction on the centralised natural gas market administered by the Romanian Commodity Exchange and whose counterparty to the transaction refuses to conclude a standard contract (Annex 2 to this Procedure). The novation contract is between the participant and the Romanian Commodity Exchange as Counterparty. The Novation Agreement applies only to participants who are not Clearing Members of the Romanian Commodity Exchange Counterparty;
- **The Transmission System Operator (TSO)**, in this case S.N.T.G.N. Transgaz S.A.;
- **Sell and/or buy order** - an offer placed by a participant, consisting of a price-quantity pair and other specific attributes and representing the participant's firm commitment;
- **Bidding obligation - the** obligation of gas market participants established in accordance with the provisions of Art. 177 para. (3<sup>15</sup>) - (3<sup>17</sup>) of the Law no. 123/2012 on electricity and natural gas, as subsequently amended and supplemented, transposed by the Order of the President of ANRE no. 143/2020 *on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh*, as subsequently amended and supplemented, respectively Order of the President of ANRE no. 144/2020 *on the obligation of natural gas market participants to offer on the centralised markets*.
- **Participant** - an economic operator in the natural gas sector/end customer that registers as an affiliate member or is a shareholder in the BRM and signs the Agreement for Participation in the Medium and Long Term Standardised Gas Products Market;
- **Price** - the price at which the transaction was executed, recorded and displayed by the trading system;
- **Best price - the** price of the trade order with the highest execution priority, i.e. the highest bid price or the lowest ask price of a tradable product;
- **Simple competitive trading procedure** - the set of rules and mechanisms for bidding, negotiating and trading established by this procedure. It involves the launch of standard tradable products on the basis of an order submitted by an initiating broker, who has the exclusive right to place orders, for one of the directions (sell/buy or buy only, according to the specific regulations in force). Other brokers have the right to enter only orders of the opposite direction to the direction of the order entered by the initiating broker;
- **Dual Competitive Trading Procedure** - the set of rules and mechanisms for bidding, negotiation and trading established by this procedure. It involves the launch of standard tradable products by the BRM in one trading session;
- **Standard product** - product defined within the BRM trading system, in accordance with the "Centralized list of standardized products tradable in the natural gas market of short-term standardized products and in the market of medium and long-term standardized products, the market of long-term flexible products, as well as the market of medium and long-term standardized derivatives", hereinafter referred to as the "*Centralized list*", approved by the Decision of the ANRE President no.1721/01.09.2021 amending and supplementing the Annex to the Decision of the President of ANRE no. 1397/2019 approving the Centralised List of tradable products in the short-term standardised products market, the medium- and long-term standardised products market, the medium- and long-term flexible products market, as well as the medium- and long-term standardised derivatives market, as amended and supplemented, and in accordance with the provisions of the Order of the President of ANRE no. 105/2018 for the approval of the General Rules on centralized natural gas markets, as amended and

supplemented, having as object the sale - purchase of natural gas for a period of time longer than one gas day, respectively any other standard products approved at a subsequent time by Decision of the ANRE President.

**Flexible product** - product that can be traded within the BRM trading system, in accordance with the "*Centralized List*" as well as with the provisions of the Order of the President of ANRE no. 105/2018 approving the General Rules on centralized natural gas markets, as amended and supplemented, having as object the sale - purchase of natural gas for a period of at least 1 month ;

- **Trading Report** - a statement generated by the BRM trading systems of each Participant for its own transactions, containing complete data on orders entered and transactions completed: report number, trading session date, name of the traded product, daily [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 the opposite direction, quality of the Participants in the transaction (Seller/Buyer), traded quantity and auction price of each transaction [RON/MWh, EUR/MWh or USD/ MWh], time stamp of the transaction;
- **Post-trade report** - statement issued by the Counterparty system to each participant for trades accepted by the Counterparty, including the level of collateral allocated by the participant in the margin account opened with the Counterparty, the amounts retained to cover margin risk, the amounts available for trading or, if applicable, the margin call, according to the regulations of the Counterparty;
- **Counterparty Regulations** - set of rules and procedures consisting of the *Rules of Clearing, Settlement and Risk Management of the Romanian Commodity Exchange* as Counterparty and the *Instructions* issued by the BRM for the application of these Rules;
- **Trading session** - a period of time during which the single or double competitive trading procedure can be carried out, during which buy and/or sell orders can be entered, modified, suspended or cancelled and trades can be concluded - if the matching conditions established by the algorithms of the trading systems are met;
- **Trading systems** - IT systems operated and managed by the BRM for the purpose of executing trades;
- **Holders of the obligation to offer** - Participants in the natural gas market who are obliged to offer the sale/purchase of natural gas quantities in accordance with the provisions of ANRE Orders no. 143/2020 and 144/2020, on the obligation to offer natural gas on the centralized markets in Romania, with subsequent additions and amendments;
- **Trade** - *an* operation completed in the trading system as a result of matching a bid and offer according to specific algorithms of trading platforms;
- **Counterparty Assigned Trade** - a post-trade transaction whereby a trade is transferred to the BRM Counterparty as a result of a Participant, party to a trade, refusing to enter into the Standard Agreement (Annex 2 to this Procedure) as a post-trade transaction with the counterparty to the trade. The Participant requesting this transaction must be a Clearing Member of the Counterparty at the time of the request;
- **Counterparty Accepted Transaction** - a post-trade operation whereby BRM as Counterparty takes over the rights and obligations of a Participant resulting from the transaction, for the purpose of interposing between it and the other counterparty to the transaction;
- **Originator order** - *an* intention to buy and/or sell, materialised by placing an offer on trading platforms, consisting of a quantity-price pair

(2) Other terms used and definitions used in this Procedure shall have the meanings set out in

"Regulation on the organized framework for trading of standardized products on the centralized natural gas markets administered by the Romanian Commodities Exchange S.A.", hereinafter referred to as "Regulation", as well as in the relevant legislation in force.

## STANDARD AND FLEXIBLE PRODUCTS ADMITTED TO TRADING

### Art.3

(1) In accordance with the "*Centralised List*", in the medium and long-term products market, BRM organises trading sessions for the following standard and flexible products:

**A.** Standard products, both in terms of place of delivery (PVT), delivery profile (constant daily profile) and duration of deliveries to be traded under the **standard contract, Annex 2** to this procedure **or the Counterparty mechanism**:

- 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)

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

- WEEKEND (delivery interval 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)

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

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

**D.** Medium and long-term flexible products, with delivery in PVT, whose total quantity and price may be adjusted during the period of performance of the contract only in accordance with the terms of the original tender. These products are tradable on the basis of an EFET/pre-agreed contract/contract proposed by the participant initiating the trade order.

(2) The description and coding of each product is specified in Annex 1 to this procedure.

## **SPECIFIC PARTICIPATION AND TRADING REQUIREMENTS**

### **Art. 4**

(1) Participation in transactions on the Medium and Long-Term Product Market is allowed to economic operators that meet the following requirements:

- are holders of a valid supplier or trader licence granted by ANRE and have concluded a balancing and PVT access contract with the transmission system operator;
- are operators of natural gas distribution and storage systems, who have concluded a balancing and access contract with the transmission system operator and have the right to trade exclusively on a purchase basis;
- are final customers who have concluded a balancing contract and access to the PVT with the transmission system operator, who have the right to trade exclusively on the purchase side;
- is a transmission system operator (TSO) and participates in transactions for the sole purpose of purchasing natural gas necessary to cover its technological consumption and to build up the minimum necessary stocks of natural gas Standard products referred to in Article 3(3)(a) and (b) shall be the standard products referred to in Article 3(3). (1) point. A, have the following characteristics:

#### 2.1 Basic trading features:

- a standstill period of at least two (2) working days from the date of the transaction.
- relate to the transfer of ownership in the PVT of quantities of natural gas to be delivered to the PVT on a constant daily basis for a period longer than one gas day;

- the transfer is carried out on the basis of the trading report generated by the BRM's trading systems;
- the object of the transaction is a standard contract or a multiple of standard contracts, and the elements that can be modified by the interested parties during the trading sessions are the price per standard contract and the number of standard contracts traded;
- for holders of the offer obligation, acting under an order declared to be issued under the offer obligation, bids for the sale/purchase of natural gas shall be launched for trading with the specification "PARTIAL/TOTAL",
- bids are of the simple quantity (MWh/day) - price (lei/MWh, Euro/MWh or USD/MWh) pair type, with a maximum of two decimal places; the quantity traded under such a contract is 1 MWh/day;
- the price and number of standard contracts relating to a concluded transaction remain fixed for the duration of the standard contract. The price and the quantity traded, as resulting from the trading report issued by the BRM, will be compulsorily stipulated in the contract concluded;
- from the time of matching the bid and offer, the transaction is carried out after one or more time intervals of  $\Delta t = 2$  minutes have elapsed to allow other participants to submit improved bids;
- The process and the minimum mandatory requirements related to the offer obligation are in accordance with the provisions of the Order of the President of ANRE no. 143/2020 on the obligation of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh to offer natural gas on centralized markets, as amended and supplemented, and the Order of the President of ANRE no. 144/2020 on the obligation of natural gas market participants to offer natural gas on centralized markets.

## 2.2. Post-trading and contracting features:

2.2.1 As a condition for the conclusion of a transaction, participants provide post-trading operations through the following 3 variants:

- i) by the conclusion of the ANRE contract in the case of orders that are entered by participants for the purpose of fulfilling the bidding obligation established by ANRE Order No 143/2020.
- ii) Through the Counterparty mechanism if the transaction is based on an order with a mandatory Counterparty condition (CCP tick) in accordance with Art. 18.
- iii) by concluding the standard BRM contract (Annex 2 to this Procedure) or by transfer with the agreement of the parties after the transaction to the Counterparty.

2.2.2 Mechanism of assignment, acceptance of a transaction to the Counterparty:

- i. A transaction can be assigned to the Counterparty only if the applicant is also a Clearing Member according to the *Clearing, Settlement and Risk Management Rules of the Romanian Commodity Exchange as Counterparty*.
- ii. A transaction is considered accepted by the Counterparty if both Participants in the transaction hold sufficient collateral according to the Counterparty's regulations.
- iii. A transaction accepted under the Counterparty mechanism remains permanently in the counterparty system.
- iv. The Counterparty shall keep daily risk records in accordance with the Counterparty's regulations until all delivery/payment obligations related to the transaction are closed out.

- v. Participants with the status of Counterparty Clearing Members and with a Counterparty Mechanism Novation Contract, party to a transaction accepted in the Counterparty system will benefit equally from the risk management maintained by the system and will receive the post-trade report.
- vi. Both participants will benefit from the clearing - settlement regime provided through the Counterparty system according to the Counterparty's regulations.

(2) The standard products listed in Art.3 (1) pt. B and C have the following characteristics:

- a standstill period of at least two (2) working days from the date of the transaction.
- concern the transfer of ownership in the PVT of quantities of natural gas which cannot be modified after the transaction has been concluded;
- the transfer is carried out on the basis of the trading report issued by the BRM's trading systems;
- is to be delivered to PVT in constant profile (MWh/day) as set out in the posted Initiating Order and contracted in accordance with the Initiating Order for a period of time greater than one day;
- the terms of sale and purchase contracts cannot be amended after the date of conclusion of the transaction. The price is expressed in RON/MWh, EUR/MWh or USD/MWh, and the quantity traded is expressed in MWh/day, in the constant profile established by the contract; these elements cannot be modified after the date of conclusion of the transaction.

Participants admitted to trading on the Medium and Long Term Products Market who opt to trade standard products on the basis of a pre-arranged contract (EFET or other type) are required to submit the following documents to the BRM, under signature, together with the initiating order:

- the agreed contract which is to form the basis of the transaction;
- the members of the group of participants with whom the use of that contract has been agreed. The list must contain at least 8 members to be considered;
- changes in the composition of the group and/or in the original form of the contract after the date of transmission of the order will lead to a corresponding postponement of the date of the tender.

Access to trading of the products in question, by issuing response orders, is allowed only to participants who are on the transmitted list.

For the trading of natural gas on the basis of contracts defined by the participant initiating the trading order, access to trading of the respective product, by issuing response orders, is allowed to any registered participant in the Medium and Long Term Product Market that meets the conditions set out in the participation agreement signed with BRM.

The publication of the initiating order, the associated contract and/or other documents/information necessary to conduct the trading process in clear and transparent conditions will be made by the market operator at least 5 (five) working days before the auction date.

Market participants will be able to ask the initiating participant for clarification of the contract associated with the order no later than 24 hours before the start of the trading session. The initiating Participant shall respond to clarifications no later than 2 hours before the start of the trading session. All clarifications granted/contract amendments accepted by the initiating Participant shall be deemed to form part of the contract associated with the initiating order.

(3) Flexible products listed in Art. 3 (1) pt. Have the following characteristics:

- concern the transfer of ownership of quantities of natural gas in PVT;
- 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;
- Delivery time is minimum 1 month;
- the transfer of ownership is carried out on the basis of the transaction report issued by the BRM's trading systems;
- the quantities of natural gas to be delivered to the PVT in the profile set out in the Initiating Order issued and published by the BRM and set out in the contract associated with it;
- the total quantity and price may vary during the period of performance of the contract only in accordance with the conditions laid down in the initiating order. The price is expressed in RON, EUR or USD/MWh and the quantity traded is expressed in MWh/day;
- the maximum variation limit of the contracted quantity and the price adjustment formula are stipulated in the Initiating Order (Annex 3) and the model contract submitted by the initiating participant to the BRM for publication.

Separately, participants admitted to trade on the Medium and Long Term Products Market who opt to trade Flexible Products under a **Pre-Aggregated/EFET contract** are required to submit the following documents to the BRM, under signature, together with the Initiating Order:

- the agreed contract which is to form the basis of the transaction;
- the members of the group of participants with whom the use of that contract has been agreed. The list must contain at least 8 members to be considered;
- changes in the composition of the group and/or in the initial form of the contract; after the date of transmission of the order, these will lead to the corresponding postponement of the date of the tender.

Access to trading of products traded under a **pre-agreed contract/EFET** is by issuing orders to the contrary. Access is allowed only to participants on the transmitted list.

Access to trading of products traded under a **contract proposed by the originator of the order** is done by issuing orders to the contrary. Access is allowed to any registered participant in the Medium and Long Term Products Market who meets the conditions set out in the participation agreement signed with BRM.

The publication of the Initiating Order, the associated contract and/or other documents/information necessary to conduct the trading process in clear and transparent conditions will be made by the market operator at least 5 (five) working days before the auction date. The initiating participant may also set a time interval  $\Delta t$ , applicable between the time of matching of the counter orders and the time of the closing of the transaction, during which other participants may submit improved bids.

Market participants will be able to ask the initiating participant for clarification of the contract associated with the order no later than 24 hours before the start of the trading session. The initiating Participant shall respond to clarifications no later than 2 hours before the start of the trading session. All clarifications granted/contract amendments accepted by the initiating Participant shall be deemed to form part of the contract associated with the initiating order.



## TRADING PROCEDURES

The trading procedures used in the centralised natural gas markets administered by the BRM are:

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

Trading hours are Monday to Friday from 10:00:00 to 15:00:00 except on days declared as legal holidays.

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

### A. SIMPLE COMPETITIVE TRADING PROCEDURE

#### I. REQUIREMENTS

##### Art. 6.

(1) For the launch of trading of the standard product, the centralised market participant shall submit to the BRM an originator order in accordance with the template in **Annex 3** to this procedure, stating at least the following elements:

- the name of the participant initiating the order and/or the authorised representative;
- the name of the standard product, in accordance with this procedure;
- the quantity traded, expressed in MWh;
- the starting price of the auction (mandatory), which may or may not be made public at the launch of the product, depending on the option of the initiator; it will be expressed in Lei/, EUR/ or USD/MWh, with 2 decimal places;
- the date on which the trading session is requested;
- the proposed contract, which will also contain the constant delivery profile (delivery schedule);
- any other information and/or documents deemed necessary for the clarity and transparency of the tendering process.

(2) The initiating order as well as the other associated documents will be sent to the BRM in electronic format (e-mail) or as an online form for the trading software.

(3) The BRM will request clarification from the originator of the order if the initiating orders are formulated in such a way that they are clearly not tradable, e.g.: price and/or quantity manifestly disproportionate to an actual trading intention, reasonably assessed by the BRM, product with delivery period prior to the initiation of the order, etc. a. If the originator of the order maintains its position without valid arguments, the BRM will not consider the order.

(4) The Medium and Long Term Commodity Market Operator will publish the initiating order and

accompanying documents/information at least 5(five) working days prior to the scheduled auction date.

## **II. GUARANT**

### **EES Art. 7**

(1) In order to be able to register an order for trading, participants will provide the BRM with collateral, which is automatically calculated by the dedicated BRM platform as the product of the order quantity, the price entered into the platform and the 0.5% percentage. For orders traded using USD or EUR as the trading currency, the platform also automatically converts the currency at the BNR rate valid on the day of the trading session.

(2) The guarantee provided for in paragraph. (1) may take one of the following forms:

- payment order;
- bank guarantee letter valid for a minimum of 20 working days after the date on which the tender was scheduled.

(3) The collateral provided by the participants on behalf of an order for which a transaction has been concluded shall remain at the disposal of the BRM until the copy of the sale and purchase contract (in electronic format), signed by the parties to the transaction, has been submitted to the BRM. The deadline for the transmission of the sale-purchase agreement (in electronic format) is no later than 5 days from the transaction date, but no later than 2 days before the start of deliveries.

(4) During the period referred to in the previous paragraph, the collateral lodged for the account of the order on the basis of which a transaction was concluded may not be used for collateral in the case of participation in the trading of another product.

(5) The guarantees given are executed by the BRM to compensate the injured party in the following situations:

- a) the participants do not sign the gas purchase agreement;
- b) the contract of sale does not include the same quantity as negotiated, the same price as negotiated;

(6) If the contract of sale is not signed by one of the parties, the other party to the contract is considered the injured party. BRM will transfer the guarantee of the party at fault to the aggrieved party within 15 working days from the date of conclusion of the transaction.

(7) In the event that neither of the parties to the transaction signs the sale and purchase contract or in the event that the sale and purchase contract does not contain the elements negotiated during the auction, the BRM will retain the collateral of both parties to the transaction. The BRM has the right to sanction Participants who do not sign the contract for the type of transaction or conclude sale-purchase contracts with elements other than those negotiated during the auction, by suspending them from trading for a period ranging from 1 week to 6 months, depending on the seriousness and repetitive nature of their misconduct.

### **Art. 8**

(1) Once the obligations set out in Article 7(3) have been fulfilled, the collateral shall be returned to the participant, with the possibility of keeping it with the BRM, at the participant's request, for the purpose of placing future orders.

(2) The refund of the guarantees shall be made within 3 (three) working days from the date of

submission of a written request, indicating, in the case of those made by payment order, the account and bank where the amounts will be refunded.

**Art. 9.** Trading sessions shall be conducted according to the timetable published by the BRM on its website.

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

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

(1) The simple competitive trading mechanism is carried out in 3 phases, with the following general criteria for order operations:

- A participant will only be able to enter orders on one direction, buy or sell, depending on their standing in the auction and the direction of the initiating order.
- The entry and modification of orders shall be validated by the trading system under the conditions of the prior existence of the auction participation guarantee, calculated by the trading system as a percentage of the value of the trading order, multiple of the quantity and price of the order entered.
- When placing an order on the trading platform the participant must select in the order ticket at least the meaning, price, total quantity and validity period.

#### **PHASE I**

(2) The initiating Participant's order is automatically entered by the trading system at the opening of the auction, subject to the conditions of sense, i.e. buy/sell, quantity and price, in the initiating bid and cannot be cancelled or changed in quantity during the entire auction, including phases 2 and 3. The initiating Participant may not enter another order into the trading system irrespective of the meaning and attribute of the initiating order.

(3) At this stage the following operations are allowed with orders:

- price changes for the initiating order
- the introduction of orders contrary to the meaning of the initiating order
- price changes to improve the offer for orders contrary to the initiating order

(4) The following order operations and transactions are not allowed in this phase:

- conclusion of transactions
- cancellation of orders
- order changes in the sense of quantity decrease for orders contrary to the initiating order.

#### **PHASE II-A**

(5) In this phase the following order and transaction operations are allowed:

- price changes for the initiating order
- the introduction of orders contrary to the meaning of the initiating order
- price changes to improve the offer for orders contrary to the initiating order
- conclusion of transactions

(6) The following operations with orders are not allowed in this phase:

- cancellation of orders
- changes of order in the sense of decreasing the quantity, for orders contrary to the initiating order

### **PHASE III-A**

(7) In this phase the following order and transaction operations are allowed:

- conclusion of transactions
- price changes for the initiating order

(8) The following operations with orders are not allowed in this phase:

- introduction of new orders
- amendments of any kind to orders contrary to the initiating order
- cancellation of orders

(9) With regard to the validity in time of orders, the option is predefined:

- "GTC", in which case the order remains active and executable until the close of the trading session.

(10) The duration of each bidding phase is predefined at 10 minutes. Changes to the duration of the phases shall be made following a request from the initiating participant, agreed by the BRM.

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

**Art. 11.** The process for matching orders is described below:

- (1) For the initiating Participant's initiating sell order, the sell order shall be matched with a buy order at the same or higher price for the maximum quantity determined by the competing quantities specified in the two opposite orders at the best price of the buy order. To the extent that the matching conditions are met for more than two opposite offers, the matching order shall be determined chronologically, according to the earliest time stamp.
- (2) For sell orders entered by any Participant except the initiating Participant, the sell order shall be matched with an initiating buy order at the same or higher price for the maximum quantity determined by the competing quantities specified in the two opposite orders at the price of the sell order.
- (3) For the initiating Participant's initiating buy order, the buy order shall be matched with a sell order at the same or lower price for the maximum quantity determined by the competing quantities specified in the two opposite orders at the best price of the sell order. To the extent that the matching conditions are met for more than two opposite offers, the matching order shall be determined chronologically, according to the earliest time stamp.
- (4) For buy orders entered by any Participant except the initiating Participant, the buy order shall be matched with an initiating sell order at the same price or at a lower price for the maximum quantity determined by the competing quantities mentioned in the two opposite orders at the price of the buy order.
- (5) BRM informs trading participants by e-mail that the conditions for linking two offers have been met. The electronic message shall contain the price [RON/, EUR/ or USD/MWh] and the quantity traded [MWh/day].
- (6) If, at the end of the trading session, the initiating order is not fully traded, the initiating broker may re-enter the initiating order for the remaining uncovered quantity in another trading session at a later date.

## **V. TRANSACTION REPORT Art. 12.**

(1) At the end of each trading session, the trading system generates a report, which contains the following elements:

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

(2) The trading report is sent to all brokers participating in the trading session in electronic format.

(3) The results of the trading session shall be published on the BRM website, in accordance with the provisions of Article 21 of the

"Regulation on the organized framework for trading on the centralized natural gas markets administered by the Romanian Commodities Exchange S.A.".

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

**Art.13.** The launch of standard products for trading shall be at the initiative and by the BRM as follows:

(1) The launch of a standard product for delivery periods of at least one week/month shall be made at least 5 working days before the first day of the delivery interval;

(2) The launch of a standard product for periods exceeding one month shall be made at least one month before the first day of the delivery period.

**Art. 14.** The trading session on the double competitive procedure for the standard products listed in Art. 3 (1) pt. A, tradable on the basis of the standard contract, respectively on the basis of the ANRE standard contract or the Counterparty mechanism as the case may be, shall be conducted electronically and is described below.

## I. GUARANT

### EES Art. 15

(1) In order to be able to register an order for trading, participants will provide the BRM with collateral, which is automatically calculated by the platform as the product of the order quantity, the price entered into the platform and the 2% percentage.

(2) In the case of orders entered with execution condition through a Counterparty, the required collateral will be calculated according to the procedure TRANSACTION PROCEDURES ON CENTRALISED NATURAL GAS MARKETS MANAGED BY ROMANIAN COMMODITIES EXCHANGE S.A., UNDER THE CONDITIONS OF THE USE OF A CLEARING HOUSE/COUNTERPARTY

(3) The guarantee provided for in paragraph. (1) may take one of the following forms:

- payment order;
- bank guarantee letter.

(4) The collateral provided by participants on account of an order for which a transaction has been concluded remains at the disposal of the BRM until:

- a) signing the contract, if the parties are trading under the standard ANRE contract;
- b) the signing of the contract and the provision of the first collateral required by the contract, if the parties are trading under the standard BRM contract, as set out in Annex 2. If the contract requires/the parties opt for advance payment as an alternative to the provision of collateral, the collateral will remain at the disposal of BRM until the first advance payment is made.
- c) The provision of the collateral required under the Clearing Member obligation of the Counterparty system or set out in the Novation Agreement (Appendix 4 to this Procedure), as the case may be, for transactions accepted by the Counterparty.

Paragraphs (5) to (9) of this Article apply only to options (a) and (b) above.

(5) The sale-purchase contract (in electronic format) will be sent to the BRM no later than 5 (five) working days from the date of the transaction, but no later than 2 (two) working days before the start of deliveries.

(6) During the period referred to in the previous paragraph, the collateral lodged for the account of the order on the basis of which a transaction has been concluded may not be used for collateral when participating in the trading of another standard product.

(7) The guarantees of participation established shall be executed by the BRM to compensate the injured party in the following situations:

- a) one of the participants does not sign the gas purchase contract;
- b) the same quantity as negotiated and/or the same price as negotiated is not completed in the sales contract;
- c) the participant does not make the first payment/does not provide the first guarantee under the contract concluded, according to the deadline stipulated in that contract.

(8) BRM shall transfer the security lodged by the party at fault to the injured party within 15 working days of notification of the case of fault by the injured party.

(9) If neither of the parties to the transaction signs the sale and purchase agreement or if the sale and purchase agreement does not contain the elements negotiated during the auction, the BRM will retain the collateral of both parties to the transaction. The BRM has the right to sanction Participants who do not sign the sale contract or enter into sale-purchase contracts with other

items other than those traded during the auction by suspension from trading for a period of between 1 month and 6 months, depending on the seriousness and repetitive nature of the Participant's violations (repetitive nature means a situation where more than 3 violations have occurred in the last 12 months).

(10) This paragraph shall apply to the collateral security referred to in this Article in paragraph 1. (2) and (3), lit. If the Participants in the transaction do not sign a contract and the transaction is accepted by the Counterparty, the following specific collateral requirements apply:

- i. The collateral required by the Counterparty shall be that applicable under the Counterparty's rules for participants in a transaction assigned and accepted by the Counterparty who are Clearing Members.
- ii. For all participants that are not Clearing Members, part of a transaction that is accepted by the Counterparty, the collateral and payment arrangements shall be in accordance with the Counterparty Mechanism Novation Agreement (Annex 4 to this procedure) in conjunction with the Counterparty's regulations on the minimum level of risk accepted.
- iii. The Counterparty shall have the right to enforce the collateral referred to in Article 15(1) of this procedure in the event that a Participant party to the transaction transferred to the Counterparty does not timely supplement the collateral level in accordance with the Counterparty's regulations, in which case the BRM shall retain the collateral referred to.

#### **Art. 16**

(1) Once the obligations set out in Article 15(3) and (4) respectively have been fulfilled, the collateral shall be returned to the participant, with the possibility of keeping it with the BRM, at the participant's request, for the purpose of registering future orders.

(2) The refund of the guarantees shall be made within 3 (three) working days from the date of submission of a written request, indicating, in the case of those made by payment order, the account and bank where the amounts are to be refunded.

## **II. STEPS OF THE TRANSACTION SESSION**

#### **Art. 17**

(1) From the opening time of the trading session brokers place orders. They are validated only if they cumulatively meet the following conditions:

- the quantity, price and validity period of the order;
- the existence in the collateral account of an available amount greater than or equal to the amount of collateral required in the event of trading of the order.
- Mention the option to trade by one of the following methods:
  - via the BRM Standard Contract by choosing the 'STANDARD' tick when entering the

electronic order. This option is automatically preset by the system and can be modified, if necessary, by the participant.

- via the Counterparty by choosing to enter the electronic order of the 'CCP' tick.

- through the ANRE Contract by selecting the "GRP" tick when entering the electronic order. This option is only available to participants who are under the obligation to offer natural gas in accordance with Order no. 143/2020 on the obligation to offer natural gas on the centralized markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh, as subsequently amended and supplemented.

(2) The items to be entered by the participant at the launch of the offer are:

- the meaning of the offer (sale/purchase);
- the specification "PARTIAL/TOTAL", for the orders that are part of the obligation to bid in accordance with Order No 143/2020 on the obligation to offer natural gas on centralized markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh, as amended and supplemented, respectively Order of the President of ANRE No 144/2020 on the obligation of natural gas market participants to bid on centralized markets;
- minimum volume of natural gas: 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 trading interval. The total minimum tradable volume is defined automatically for each individual product;
- the price for products will be expressed in Lei/MWh, positive number, with a maximum of 2 (two) decimal places. In the case of an active  $\Delta t$  in the market, orders that are not subject to the bidding obligation may be placed at a minimum step of 0.1 lei/MWh;
- the validity period of the order (optional); if not filled in, the system will automatically generate the end date of the trading session;
- specifically in the case of holders of the obligation to offer under Order No 143/2020 on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh , they shall specify in the order ticket whether or not the order is to be taken into account for the fulfilment of the obligation to offer;
- Tick "STANDARD", "GRP" or "CCP" as appropriate.

(3) Orders entered can be maintained by brokers, except for the  $\Delta t$  interval for brokers managing correlated orders, as follows:

- change the price with a minimum bidding step of 0.01 lei/MWh, and if there is an active correlation, the minimum bidding step is 0.10 lei/MWh;
- change of quantity;
- modification of the validity period of the order.

If the sales order in the range  $\Delta t$  is of the **GRP** type (**obligation to offer according to Order No 143/2020** on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh, as amended), then orders in the



opposite direction that cumulate the quantity equal to the sales order will not be allowed:

- cancellation;
- quantity reduction;
- price reduction.

If the sum of the quantities in the buy order exceeds the quantity of the sell order in  $\Delta t$ , then the last buy order has the right to reduce its quantity, but only to the minimum quantity necessary for the sum of all the orders in that direction to equal the quantity of the sell order.

For clarity, within the  $\Delta t$  interval, new orders are allowed to be entered by both brokers managing correlated bids and other participants.

(4) BRM assumes no responsibility for the correctness of the orders of the holders of the obligation to offer, in accordance with Order no. 143/2020 *on the obligation to offer natural gas on the centralized markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh*, as amended, respectively Order of the President of ANRE no. 144/2020 *on the obligation of natural gas market participants to bid on the centralised markets*, including but not limited to compliance with the obligations regarding the quantities offered, the initial bid price and/or, where applicable, the minimum number of orders placed as laid down in Order No. 144/2020 of the President of ANRE, as amended and *supplemented*. 143/2020 *on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh*, as subsequently amended and supplemented, respectively Order of the President of ANRE no. 144/2020 *on the obligation of natural gas market participants to offer on the centralised markets*. , as well as the conclusion and execution of the ANRE standard contract, in the form provided for by Order No 143/2020 *on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh*, as subsequently amended and supplemented.

(5) Orders can only be placed through the Trading System provided by BRM.

### **III. CORROLIATION OF**

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

- (1) Buy and sell orders are automatically sorted in the trading platform according to the best price. In the event of a price tie, bids will be ordered by time stamp, with the oldest bids being displayed first. The timestamp is updated whenever the broker changes the price, quantity, validity or partial execution of an order.
- (2) The buy and sell orders with the tick "CCP" are traded under the TRADING PROCEDURE ON THE CENTRALISED NATURAL GAS MARKETPLACEMENTS MANAGED BY THE ROMANIAN COMMODITIES EXCHANGE S.A., UNDER THE CONDITIONS OF THE USE OF A CLEARING/ COUNTERPARTY.
- (3) Trading is carried out by matching orders in sense according to the option expressed by the participant when entering the electronic order.  
The sales orders subject to the obligation to offer in accordance with Order no. 143/2020 *on the obligation to offer natural gas on the centralized markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh*, as amended, shall be traded exclusively on the basis of the ANRE contract.  
Buy/sell orders with the counterparty facility option are only traded under the Counterparty Facility. The remaining buy/sell orders can be traded under the standard BRM contract.

- (4) The trading system does not perform correlation between the following types of orders:
- Tick "CCP" and tick "GRP"
  - Tick "CCP" and tick "STANDARD" if the correlation is made as a result of entering/modifying an order with the tick "CCP".
- (5) For the sake of clarity, we mention that by exception it is allowed to link a "STANDARD" ticked order with a "CCP" ticked order if the linking is made as a result of the modification of a "STANDARD" ticked order into a "CCP" ticked order at the time of order entry.
- (6) In the situation referred to in paragraph (5) of this Article, the participants in the transaction implicitly accept the automatic transfer of the transaction to the Counterparty and the trading according to the TRANSACTION PROCEDURE ON THE CENTRALISED NATURAL GAS MARKETPLACE Administered by the ROMANIAN COMMODITIES EXCHANGE S.A., UNDER THE CONDITIONS OF THE USE OF A CLEARING HOUSE/COUNTER.
- (7) For sell orders, the sell order is matched with a buy order at the same or higher price for the maximum quantity determined by the competing quantities mentioned in the two opposite orders at the best price of the buy order. To the extent that the matching conditions are met for more than two opposite tenders, the matching order shall be determined in descending order from the best purchase price and, in the case of equal prices, in ascending order from the oldest time stamp.
- (8) For buy orders, the buy order is matched with a sell order at the same or lower price for the maximum quantity determined by the competing quantities mentioned in the two opposite orders. To the extent that the matching conditions are met for more than two opposite offers, the matching order shall be determined in descending order from the best sale price and, in the event of a price tie, in ascending order from the oldest time stamp. Operation of the  $\Delta t$  interval:
- From the moment of matching demand and supply, the transaction is completed after the passage of a time interval of  $\Delta t = 2$  minutes or, if necessary, extended due to the introduction of improved price offers;
  - The time interval  $\Delta t$  is automatically extended by 2 minutes if improved bids and/or offers intervene in the transaction. For the avoidance of doubt, parties whose bids are matched may not change their bids or their validity in any way within a time interval of  $\Delta t = 2$  minutes.
  - The extension of the time interval is made each time from the time of the enhanced price premium within the initial or extended 2-minute interval, as appropriate.
  - The transaction will be completed automatically at the close of time  $\Delta t$ , regardless of the number of extensions, if any.
  - At the start of the time interval  $\Delta t$ , as well as at each extension, the BRM will notify all trading participants, by electronic message in the trading platform and email, that the conditions for matching two bids have been met, thus giving the opportunity to all interested parties to improve their bids and continue the auction. The e-mail will contain the price, the quantity offered for sale and the quantity offered for purchase.
- (9) Making the trade and setting the price at the end of the interval  $\Delta t$
- After correlation according to para. (2) or (3) above, respectively, the transaction shall be carried out only after the passage of one or more successive time intervals  $\Delta t$ , as appropriate.

- The transaction shall be concluded on the principle of price-time priority and subject to the possibility of obtaining improved price offers as follows:

- If there is no improved offer at the end of the first time interval  $\Delta t$  of 2 minutes so:
  - i) at the price of the buy order, if the time stamp is earlier than the aggressor sell order;
  - ii) at the price of the sell order, if the time stamp is earlier than the aggressive buy order;
  - iii) a single sell order is matched with a single buy order in a transaction,
  - iv) the transaction is carried out within the maximum limit of the quantities correlated between bid and offer; for the remaining unexecuted quantity, the trading procedure is resumed in the same way as for a new uncorrelated order with the time stamp update for the partially executed order;
- If during the first  $\Delta t$  interval an improvement in one of the bids is achieved (due to the introduction/modification of a higher bid price or the introduction/modification of a lower offer price), with the consequence of starting one or more other successive  $\Delta t$  intervals, the transaction is carried out at the best price, determined as follows:
  - i) the highest bid price if it was the last one offered, regardless of whether it relates to a newly entered order or an amendment to an existing order;
  - ii) the lowest sale price if it was the last one offered, regardless of whether it relates to a newly entered order or an amendment to an existing order;
  - iii) a single sell order is matched with a single buy order in a transaction;
  - iv) the transaction is carried out within the maximum limit of the quantities correlated between bid and offer; for the quantity remaining unexecuted, the trading procedure is resumed in the same way as for a new order.

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

(11) At the end of the trading session if a time interval  $\Delta t$  is initiated that would exceed the closing time of the session it will be fractioned to the maximum interval remaining until the end of the trading session regardless of the length of this interval.

(12) Parties may request the cancellation of erroneous trades under the Market Participant Conduct Procedure.

(13) Transferring a transaction to the Counterparty. This article refers strictly to the situation where the transaction takes place between 2 opposite orders with the tick "STANDARD".

- i. The parties may unilaterally request the transfer of a transaction to the Counterparty under the following conditions:
  - ✓ If they are a Clearing Member of the Counterparty.
  - ✓ At any time during the trading session, after a trade has been completed but no later than 15:30, by e-mail or fax on the day of the trading session.
  - ✓ Acceptance of the transaction by the other party shall take place within a maximum of 15 minutes after receipt of the transfer request, the information being sent via the

- trading platform automatically and additionally by e-mail or fax.
- ii. Rejection by the Counterparty shall be made within a maximum of 24 hours from the time of the transaction. All trades accepted by the Counterparty will be maintained continuously in the Counterparty system until final execution of the terms and conditions set by the executed trade, according to the Counterparty's regulations.
  - iii. All rights and obligations resulting from the transaction executed in the trading system and accepted in the Counterparty's system shall be strictly observed by the parties to the transaction, with the Counterparty interposing itself between the buyer and the seller and guaranteeing for each party to the transaction, as buyer for the seller and seller for the buyer.
  - iv. All transactions rejected by the Counterparty will be cancelled within 24 hours from the time the transaction is completed as follows:
    - If the transaction price deviates significantly from the weighted average price of the recently traded product or similar products in the absence of a recent trading history, the transaction will be cancelled within 15 minutes of receipt of the transfer request from a participant, with information on the rejection being sent via the trading platform automatically and additionally by e-mail or fax;
    - If the parties to the transaction fail to deposit the securities stipulated in Article 15, paragraph (9) of this procedure within a maximum of 24 hours from the time of the conclusion of the transaction;
    - All cancelled trades will be published by the BRM, without disclosure of the parties involved in the trade, but only of the elements of the trade (trade ID, trade completion date, product, total quantity, price and reason for cancellation).

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

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

(1) 15 minutes after the close of a trade, the trading system generates an electronic report that is sent to all brokers participating in the trading session, containing the following elements:

- i. report number,
- ii. the date of the trading session,
- iii. the name of the product traded and whether it is part of the offer obligation under Order 143/2020,
- iv. total quantity traded [MWh],
- v. delivery period (according to the product traded),
- vi. the identification number of each transaction ("ID"),
- vii. the name of the winner,
- viii. the quality of the Participants in the auction (Seller/Buyer),
- ix. quantity traded,
- x. the auction price of each transaction [RON/MWh],
- xi. time stamp of the transaction.

At the end of the trading session, the trading system will provide participants with a final report which will include, if applicable, changes resulting from the registration of accepted trades in the Counterparty's system, with the identity of the winner (point vii) being replaced by the identity of the BRM Counterparty.

From the moment a trade is registered in the counterparty system, participants will be provided with a daily post-trade report on the account status, according to the Counterparty's regulations.

(2) The trading report is sent to all brokers participating in the trading session in electronic format.

The results of the trading session are published on the BRM website, in accordance with ANRE regulations.

## **RATES AND COMMISSIONS**

**Art. 20** (1) For the activities and services performed, BRM shall charge participants in the centralised market the following fees and commissions:

a) annual registration fee (lei/participant/year);

b) centralised natural gas market administration fee according to the fee schedule, applied only to participants - party to the transaction;

c) a one-time fee, charged to the originator, if the competitive plain vanilla trading session ends without trading.

d) clearing - settlement fee, applicable to transactions accepted by the BRM Counterparty according to the fee schedule, applied only to participants - part of the transaction accepted in the Counterparty system.

(2) In the event of non-payment of the obligations referred to in paragraph 1 by the due date, the BRM shall have the right to suspend the participant's access to trading sessions until the obligations have been met.

**Art. 21.** The tariffs and fees charged as operator of the centralised natural gas market shall be established on the basis of the decision of the BRM Board of Directors and shall be published on the BRM website.

## **THE ARRANGEMENTS FOR LODGING, ADMINISTERING AND SETTLING APPEALS**

**Art. 22.** The interested party may submit a written objection to the BRM within 1 (one) day from the date of the trading session; the stipulated time limit shall be considered as a time limit. The settlement shall be as follows:

(1) The BRM shall register and forward the lodged objection to the party concerned and shall request the party concerned to give its views on the resolution of the lodged objection within 1 (one) day from the date of receipt of the objection;

(2) The party concerned is obliged to send the BRM its views on the objection within 1 (one) day of the request;

(3) The BRM shall, together with the party concerned, formulate and transmit to the interested parties the reply to the complaint within a maximum of 5 (five) days from the date of its registration, as well as the measures taken.

## PUBLICATION

### Art. 23.

(1) For trades concluded in the Standardised and Flexible Products Market on the Medium and Long Term Products Market, the BRM will publish the following information daily at the end of the trading session on its website:

- a) the volumes traded and the number of transactions concluded - for each product;
- b) minimum trading price of the day - for each individual product;
- c) maximum trading price of the day - for each product;
- d) average price of the trading day - for each individual product, calculated as an average weighted;
- e) the average discounted price - per product - for tradable products within a broader time frame, calculated as a weighted average of all trades made from the start of the trading period of the product in question to the end of the trading day;
- f) the change in the average updated price compared to the average/updated price of the previous day - for each product;
- g) closing price of the trading day - the price of the last transaction closed, for each product;
- h) the change in the closing price of the day compared to the previous day's closing price - for each individual product;
- i) the number of registered market participants who have submitted at least one bid to the market, regardless of whether it is for sale or purchase.

(2) For trades concluded in the flexible products market, the meaning of the offer, the maximum limit of variation of the contracted quantity, the delivery period and the price adjustment formula will be published at all times, as soon as the trading session is published on the BRM website, in the Initiating Order and the contract template submitted by the initiating participant.

**Art. 24.** The Market Operator of the Medium and Long Term Product Market shall submit monthly to ANRE detailed information on each transaction concluded on the centralised natural gas market in each trading session by no later than the 10th of the current month for the previous month, in accordance with ANRE regulations.

### Art.25.

BRM reserves the right to amend and/or supplement this procedure, with the completion of the public consultation process in accordance with ANRE Order no. 105/2018. The only version opposable to the BRM is the one posted on its website.

**A. STANDARD TRADABLE PRODUCTS UNDER  
THE STANDARD BRM  
CONTRACT/COUNTERPARTY FACILITY**

<b>PRODUCT NAME</b>	<b>CODING</b>
1. Week (delivery interval - week);	BRM_GAS_PHFW_nn-aaaa ( <i>nn</i> is the number of weeks in the year from 01 to 53 and <i>yyyy</i> - the year of commencement of delivery)
2. Month (delivery interval - month);	BRM_GAS_PHFM_nn-yyyy ( <i>nn</i> represents the number of months in the year from 1 to 12 and <i>yyyy</i> - year of delivery)
3. Quarter (delivery interval - quarter)	BRM_GAS_PHFQn-yyyy ( <i>n</i> represents the quarter of the year from 1 to 4 and <i>yyyy</i> - year of delivery)
4. Semester (delivery interval - semester)	BRM_GAS_PHFS_Sn-yyyy ( <i>n</i> represents the number of semesters in the year from 1 to 2 and <i>yyyy</i> - year of delivery)
5. Cold season (delivery interval - calendar quarters IV and I);	BRM_GAS_PHFCS-yyyy ( <i>yyyy</i> - year of completion of delivery)
6. Warm season (delivery interval - calendar quarters II and III);	BRM_GAS_PHFWS-aaaa ( <i>yyyy</i> - year of delivery)
7. Gas year;	BRM_GAS_PHFGY-aaaa ( <i>yyyy</i> - year of completion of delivery)
8. Calendar year (delivery period - calendar year)	BRM_GAS_PHFY-yyyy ( <i>yyyy</i> - year of delivery)

**B . STANDARD TRADABLE PRODUCTS****ON THE BASIS OF STANDARD CONTRACTS/PRE-AGREED CONTRACTS**

<b>PRODUCT NAME</b>	<b>CODING</b>
1. WEEKEND/BRM_GAS_PHWK	BRMWK_ zz-ll-yyyy (where z is the first day of the weekend)
2. WEEK /BRM_GAS_PHFV	BRMW_ss-yyyy (ss from 01 to 53)
3. MONTH / BRM_GAS_PHFM	BRMM_month-yyyy (name of the respective month)
4. QUARTER / BRM_GAS_PHFQ	BRMQ_Qn-yyyy (no. 1 to 4)
5. SEMESTER /BRM_GAS_PHFS	BRMGS_Sn-yyyy (no. 1 to 2)
6. COLD SEASON/BRM_GAS_PHFCS	BRMGN_CS - yyyy
7. WARM SEASON/ BRM_GAS_PHFWS	BRMGN_WS - yyyy
8. GAS YEAR / BRM_GAS_PHFGY	BRMGY-aaaa
9. CALENDAR YEAR /BRM_GAS_PHFY	BRMY - aaaa



**C. STANDARD PRODUCTS TRADABLE UNDER  
CONTRACTS PROPOSED BY THE  
PARTICIPANT INITIATING THE TRADE  
ORDER**

<b>PRODUCT NAME</b>	<b>CODING</b>
1. WEEK /BRM_GAS_PHFV	BRMW_ss-yyyy (ss from 01 to 53)
2. MONTH / BRM_GAS_PHFM	BRMM_month-yyyy (name of the respective month)
3. QUARTER / BRM_GAS_PHFQ	BRMQ_Qn-yyyy (no. 1 to 4)
4. SEMESTER /BRM_GAS_PHFS	BRMGS_Sn-yyyy (no. 1 to 2)
5. COLD SEASON/BRM_GAS_PHFCS	BRMGN_CS - yyyy
6. WARM SEASON/ BRM_GAS_PHFWS	BRMGN_WS - yyyy
7. GAS YEAR / BRM_GAS_PHFGY	BRMGY-aaaa
8. CALENDAR YEAR /BRM_GAS_PHFY	BRMY - aaaa
9. GAS DAY MULTIPLE/	BRM_MULTIPLU-aaaa

**D. FLEXIBLE PRODUCTS TRADABLE UNDER EFET/PRE-ARRANGED/PROPOSED CONTRACTS  
BY THE PARTICIPANT INITIATING THE TRADE ORDER**

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

**FRAMEWORK CONTRACT  
FOR BUYING AND SELLING NATURAL GAS**  
nr ...../.....

**I. Contracting Parties**

**Art. 1**

....., with registered office at ....., ..... str. nr. ...., postal code .....,  
jud. ...., registered at the Trade Register under No. J..... /..... / ....., unique registration code  
EN ....., having an account with bank....., IBAN number.....  
legally represented by ....., as natural gas supplier under Natural  
Gas License No. \_\_\_\_\_ issued by ANRE, hereinafter referred to as  
"VANZATOR".

**and**

....., with registered office at ....., ..... str. nr. ...., postal code .....,  
jud. ...., registered at the Trade Register under No. J..... /..... / ....., unique registration code  
EN ....., having an account with bank....., IBAN number.....  
legally represented by ....., as natural gas supplier under Natural  
Gas License No. \_\_\_\_\_ issued by ANRE/ as a consumer  
final, hereinafter referred to as "BUYER"

The Parties, hereinafter individually referred to as the "Party" and collectively as the "Parties", have  
agreed to enter into this Natural Gas Sale and Purchase Agreement ("Agreement") subject to the  
following terms and conditions:

**II. Subject matter of the**

**contract Art. 2**

- (1) The object of the Contract is the trading between the Seller and the Buyer of certain quantities of  
natural gas, under standardized conditions, according to the products available on the medium  
and long term standardized products market administered by BRM expressed in energy units  
("Contracted Quantity"), in accordance with **Annex no. 1**, "Trading Annex", quantities intended  
for trading on the natural gas market in Romania;
- (2) The quantities, prices and delivery periods shall be those traded by the parties during the trading  
sessions on the Medium and Long Term Standardised Products Market administered by BRM;  
they shall be the subject of trading annexes for each individual transaction, identical in form and  
fully completed, in accordance with the model set out in Annex 1 to this Master Agreement;

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

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

#### **deliver Art. 3**

- (1) The quantities of natural gas traded are firm, with the Seller assuming obligation to deliver and invoice the Buyer, and the Buyer to take delivery and pay at the price resulting from the trading session, according to the Trading Report, issued and transmitted to the Parties by the BRM, in accordance with the provisions of Chapter V of the "Procedure for the organization and operation of the medium and long-term standardized products market administered by the BRM". The Parties shall nominate the OTS the quantities delivered and taken over, in accordance with the provisions of Annex No. 1.
- (2) Failure to deliver or take delivery of the traded quantities of natural gas, in whole or in part, shall entitle the aggrieved party to invoice the party at fault for the value of the undelivered or untaken quantity by way of penalty and to unilaterally terminate this Contract if the undelivered or untaken quantities of traded natural gas are repeatedly delivered or taken delivery of by the other party.
- (3) The compensation for imbalances caused by one Party to the other Party shall be calculated in accordance with the legal provisions in force and shall be due to the Party at fault to the Party to which they were caused.

### **IV. Duration of the**

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

- (1) This Contract is concluded **for the period of the product traded on the Medium and Long Term Standardised Products Market administered by BRM.**
- (2) **The period of validity of** the contract is the period determined in time between the moment of conclusion of the transaction and the moment of settlement of all obligations related to payments, deliveries/purchases of natural gas and related collateral transactions.
- (3) After the expiration of the Term, the Parties shall not be bound by the terms and conditions of this Agreement except to the extent necessary to carry out the rights and obligations of the Parties as they arise under this Agreement prior to the end of the Term.

### **V. Delivery/pick-up of natural gas, metering of natural gas Art. 5**

- (1) The delivery/pick-up of natural gas shall be carried out in the PVT at the time set out in Annex 1 to this Contract, in a constant daily profile.
- (2) The transfer of ownership of natural gas from the Seller to the Buyer is carried out in the PVT on the basis of the trading report made available to the Parties by the centralized market operator - BRM.

- (3) The costs incurred for the delivery/pick-up of gas in the PVT will be borne in accordance with the provisions of the legislation in force, as follows:
- a) Seller agrees to bear all costs not limited to taxes, duties or charges imposed by any governmental authority on or in connection with the Natural Gas prior to or at the time of delivery to Buyer in the PVT;
  - b) Buyer agrees to bear all costs, without limitation to taxes, duties or charges imposed by any governmental authority on or in connection with the Natural Gas after Buyer's takeover of the Natural Gas in PVT.

## **VI.Contract Price. Price Payment Guarantee. Terms and conditions of payment**

### **Art. 6**

- (1) The price of natural gas traded between the parties ("Contract Price") is the price determined as a result of trading on the Medium and Long Term Standardized Product Market administered by BRM, in accordance with Annex 1 "Trading Annex";
- (2) The price referred to in paragraph 1 does not include VAT and excise duties, which shall be added where appropriate in accordance with the law.
- (3) The obligations to declare and pay excise duty to the consolidated state budget for natural gas purchased under this Contract shall be determined in accordance with the provisions of tax legislation.
- (4) The guarantee of the payment of the contracted/delivered natural gas value for each contractual delivery week/month and the risk of non-delivery of contracted natural gas by the Buyer will be done in one of the following ways:
  - For the WEEK product, by:
    - **payment in advance of** the total quantity transacted, at least 2 working days before the first day of delivery.
  - For the MONTH product, by:
    - **payment in advance of** the total quantity transacted, at least 2 working days before the first day of delivery, or
    - by the Buyer's execution of a **bank guarantee letter** for the benefit of the Seller; the bank guarantee letter shall be sent to the Seller, in original, not later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days before the first day of delivery and shall cover the entire amount representing the Contract Value, and may be enforced by the Seller for non-payment of the price and penalties applied in accordance with the provisions of this Contract. The validity period of the bank guarantee letter is 35 days from the last day of the month of delivery.

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

- For the QUARTER product, by:
  - the submission of a **performance bond (SGB)**, not later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days before the commencement of deliveries, the amount of which represents the Contract Value for a delivery period of 30 days, followed by the **advance payment** of a delivery period of one month of the Contract Value, at least 2 Working Days before the first day of delivery
    - After confirmation of payment for the 2nd month of delivery, the cumulative value 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)**, not later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days before the start of delivery, the amount of the SGB representing the Contract Value for a delivery period of 30 days, and at least 2 days before the start of the delivery period the **bank guarantee letter shall be completed** with the amount of the Contract Value for a delivery period of 60 days. The bank guarantee letter 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 payment of months 1 and 2 of delivery, the amount of the bank guarantee letter will be reduced accordingly, maintaining cover only for the remaining outstanding period.

The validity period of the bank letter of guarantee is 35 days from the last day of the month of delivery for both types of guarantee.

- For SEMESTER, SEASON and YEAR products, payment will be guaranteed by:
  - the submission of a **performance bond (SGB)** , not later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days before the start of deliveries, the amount of which represents the Contract Value for a delivery period of 30 days, and at least 2 Working Days before the start of the delivery period, complete the **bank guarantee letter** with the amount of the Contract Value for a 30-day delivery period and make **advance payment** of the amount of the Contract Value for a 30-day delivery period after the end of each month of delivery or;
  - by submitting a **performance bond (SGB)**, not later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days before the start of deliveries, the amount of which shall be the Contract Value for a delivery period of 30 days, and at least 2 days before the start of the delivery period the **bank guarantee letter shall be completed** with the amount of the Contract Value for a delivery period of 60 days. The bank guarantee letter 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 confirmation of payments for the penultimate and penultimate months, the cumulative amount of the bank guarantees will be reduced accordingly so that it only covers the months remaining to be delivered until the end of the contract.

The validity period of the bank letter of guarantee is 35 days from the last day of the month of delivery for both types of guarantee.

- (5) The Seller's guarantee of natural gas delivery will be made in one of the following ways:
- (i) For the WEEK product, the Seller does not constitute a warranty.
  - (ii) For the MONTH product, by the provision of a **performance bond** in the form of a bank guarantee letter by the Seller to the benefit of the Buyer, to be submitted to the Buyer, in original, not later than 5 Working Days from the date of signature of the Contract by both parties, but not less than 2 Working Days prior to the commencement of deliveries and covering the full amount of the Contract Value, enforceable by the Buyer for non-delivery and non-payment of penalties applied in accordance with the provisions of this Contract. The validity period of the bank guarantee letter is 10 days after the last day of delivery.
  - (iii) For the products, QUARTER, by providing a **performance guarantee** in the form of a letter of guarantee to the Seller for the benefit of the Buyer, which letter of guarantee shall be sent to the Buyer, in original, no later than 5 Working Days after the date of signature of the Contract by both parties, but not less than 2 Working Days prior to the commencement of deliveries, and which shall cover the amount of the Contract Value for a period of 30 days of delivery, enforceable by the Buyer for non-delivery and non-payment of penalties applied in accordance with the provisions of this Contract.
    - a. Within a maximum of 5 Working Days from the beginning of the last month of delivery, the amount of the bank guarantee letter will be reduced to 30 days of the Contract Value.
- The validity period of the bank guarantee letter is 10 days after the last day of delivery.
- (iv) For SEMESTER, SEASON and YEAR products, by the provision of a **performance guarantee** in the form of a bank guarantee letter by the Seller, for the benefit of the Buyer, which bank guarantee letter shall be sent to the Buyer, in original, no later than 5 Working Days from the date of signature of the Contract by both parties, but not less than 2 Working Days prior to the commencement of deliveries, and which shall cover the amount of the Contract Value for a period of 60 days of delivery, enforceable by the Buyer for non-delivery and non-payment of penalties applied in accordance with the provisions of this Contract.
    - a. Within a maximum of 5 Working Days from the beginning of the penultimate month of delivery, the value of the bank guarantee letter will be reduced to 60 days of the Contract Value;

- b. Within a maximum of 5 Working Days from the beginning of the last month of delivery, the amount of the bank guarantee letter will be reduced to 30 days of the Contract Value.

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

- (6) Failure to make the advance payment or to transmit the bank guarantee letter on time shall entitle the other Party to unilaterally terminate this Contract due to the fault of the other Party and to invoice the latter as a penalty for the value of the undelivered or uncollected quantity.
- (7) The Party providing the bank guarantee shall be obliged to replenish the guarantee covered by the bank guarantee letter after each execution thereof by the other Party or to renew the bank guarantee letter, if necessary, to cover the guaranteed amount at any time. All fees related to the bank guarantee letter and its execution shall be borne by the Party providing the bank guarantee.
- (8) The Party in whose favour the bank guarantee letter is constituted shall be obliged to return it to the other Party, upon its written request, within 2 working days from the date of full performance of the obligations it guarantees. In case of using the advance payment as a means of guarantee, the Party in favour of which the payment is made shall be obliged to return the advance payment to the other Party or, depending on the agreement of both Parties, to offset it against the last month's payment.
- (9) **The performance guarantee** may be enforced by either Party in the event that the other Party fails to comply with any of its contractual obligations, i.e. non-delivery/non-delivery and non-payment.

#### **Art. 7**

- (1) The Seller will issue the Buyer an invoice as follows:
  - At least 2 days before the start of deliveries if the invoice is payable in advance;
  - No later than 20 days after the end of each month of delivery, for other invoices issued under the Contract, with a Payment Due Date by the 25th day of the month following the month of delivery.
- (2) Invoices drawn up by the Seller in accordance with 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 the issue or transmission of invoices shall result in a corresponding extension of payment terms.
- (3) Payment for natural gas shall be made by the Buyer by bank transfer on the basis of invoices issued by the Seller. Payment by bank transfer or by any other payment instrument shall be deemed to have been made on the date on which the Seller's bank account is credited with the amount of the invoice value. Payment shall be made to the Seller's account indicated on the invoice.
- (4) The Buyer shall explicitly mention in the payment order the invoice to be paid and shall, at the Seller's request, send a copy thereof to the correspondence addresses provided for in Article 14.



- (5) Failure to pay invoices issued under this Article when due shall entitle the Seller to:
- a) non-delivery of natural gas under the Contract, without giving rise to any contractual obligation/liability on the part of the Seller, in the event of non-payment of advance invoices;
  - b) the levying of a rate of default interest equal to the level of the surcharges for non-payment on time of obligations to the consolidated state budget, calculated for each day of delay, starting from the day immediately following the Due Date, until the debt is paid in full, including the day of payment;
  - c) limiting/interrupting the supply of natural gas with prior notification to the Buyer within twenty-four (24) hours of notification to the Buyer and OTS;
  - d) unilaterally terminate this Contract through the fault of the Buyer if the delay in payment exceeds 10 days.
- (6) If an amount invoiced by the Seller is disputed in whole or in part by the Buyer, the Buyer shall submit an explanatory note to the Seller containing its objections within 5 (five) working days from the date of receipt of the invoice by fax or electronic mail and shall pay the remaining undisputed amount by the payment deadline, in accordance with Article 7 para. (1). The Buyer's objections to the invoiced amounts set out in the explanatory note shall be reconciled between the Parties within 5 (five) working days from the date of receipt of the Buyer's claims. For amounts disputed but subsequently established by amicable settlement or court decision to be due by the Buyer, the Buyer shall pay, in addition to the amount due, a penalty calculated in accordance with the provisions of Article 3 para. (2). If, as a result of a dispute, a reduction in the invoiced amounts has been agreed, the Buyer shall be refunded any sums and penalties calculated in accordance with Article 3 (2). (2), already paid, corresponding to that reduction. The procedure provided for in this Article 7 (7) shall be as follows 6 shall not prevent the Buyer from enforcing the security lodged in accordance with Art. 6 para. (4).

## **VII. Fees and taxes**

### **Art. 8**

- (1) In accordance with the provisions of law, Seller agrees to be responsible for and to pay or cause to be paid all taxes and/or duties imposed by any governmental authority and associated with natural gas delivered under this Contract prior to delivery to Buyer.
- (2) In accordance with the provisions of law, the Buyer agrees to be responsible for and to pay or cause to be paid all taxes and/or duties imposed by any governmental authority and associated with the natural gas delivered under this Contract upon receipt thereof from the Seller.

## **VIII. Rights and**

### **Obligations Art. 9**

- (1) The seller has the following main rights:
  - a) to invoice the Buyer for the quantity of natural gas delivered and for penalties or penalty interest - where applicable - in accordance with the contractual provisions and to collect the consideration;

- b) invoice the Buyer for the value of the imbalances created by it and collect the countervalue thereof;
- c) to stop deliveries of natural gas to the Purchaser, subject to the provisions of Article 7(7). (5)(b);
- d) execute the bank guarantee letter provided by the Buyer in accordance with Art. 6 para. (4) in the event of late payment by the Buyer.

(2) The seller has the following main obligations:

- a) to deliver to the Buyer the quantities of natural gas determined pursuant to this Contract on the basis of the Trading Annex which forms an integral part of the Contract;
- b) ensure the specified parameters of the natural gas delivered, in accordance with the legislation in force;
- c) to hold and keep in force, throughout the duration of the Contract, the licences and authorisations required for the supply/pick-up of natural gas in the PVT and to comply with their provisions;
- d) ensure the delivery to the Buyer of the quantity of natural gas contracted for under the terms of this contract;
- e) to return the performance guarantee to the Buyer within 1 (one) working day of the payment of all financial debts, if the contract has been terminated;
- f) to resume the delivery of natural gas to the Buyer within a maximum of twenty-four (24) hours from the date of termination of the reason for interruption, except in cases of force majeure and state of necessity;
- g) provide a performance guarantee by means of a bank letter of guarantee valid from the date of issue, having as the guaranteed value the amount referred to in Article 6 para. (5).

#### **Art. 10**

(1) The buyer has the following main rights:

- a) to call for and take delivery of quantities of natural gas in accordance with the provisions of this Contract and all Trading Annexes which form an integral part of the Contract;
- b) invoice the Seller for the value of the imbalances created by the Seller and collect the countervalue;
- c) to claim , fault resulting from a technical expert's report. For the avoidance of doubt, fault must be proven.
- d) execute the bank guarantee letter established by the Seller in accordance with Art. 6 para. (5) in the event of non-delivery of natural gas by the Seller.

(2) The buyer has the following main obligations:

- a) to take over and or pay for the quantities of natural gas made available by the Seller under the terms of this Contract;
- b) to pay in full and on time for the natural gas purchased under the terms of this Contract;
- c) to hold and keep in force, throughout the duration of the Contract, the licences and authorisations required for the supply/pick-up of natural gas in the PVT and to comply with their provisions;
- d) To provide a performance guarantee by means of a bank letter of guarantee valid from the date of issue, having as guaranteed value the amount specified in Article 6 paragraph. (4).

#### **IX. Confidentiality clause Art.**

##### **11**

- (1) The parties undertake to treat all information, data and documentation that come to their knowledge during and/or in the course of the performance of this Contract as confidential information and assume responsibility for keeping it confidential.
- (2) Are exempted from the provisions of Art. 11 para. (1) the following data, documents and information:
  - a) those for the disclosure of which the prior written consent of the other Contracting Party has been obtained;
  - b) those which at the time of disclosure are in public circulation;
  - c) those requested by the competent state bodies, based on a legal obligation.
- (3) If either Party breaches its duty of confidentiality with respect to this Agreement by disclosing non-public information to unauthorized third parties, it shall be liable to pay damages to the injured Party.
- (4) The provisions of para. (1) shall remain valid for 5 years after termination of this Contract.

#### **X. Contractual liability Art.**

##### **12**

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

#### **XI. Termination of**

##### **Contract Art. 13**

- (1) This Contract shall terminate on:
  - a) the end of the Contract Period;
  - b) in the event that one of the Parties ceases to hold the authorisations/licences necessary to perform the obligations under this Contract;

- c) in the event that force majeure events prevent the Parties from fulfilling their contractual obligations under the Contract;
  - d) by termination by either Party under the terms of this Agreement;
  - e) by automatic termination in the event of bankruptcy or dissolution, as the case may be, of the contractual partner.
- (2) Termination of this Contract shall have no effect on the contractual obligations assumed by the Parties and not yet performed.

## **XII. Notificati**

### **onns Art. 14**

- (1) The parties agree that during the course of this Agreement, all notices or communications between them shall be in writing and shall be sent by fax and/or e-mail, registered mail with acknowledgement of receipt, or by courier to the addresses indicated below:

For the Seller:

Headquarters: \_\_\_\_\_, nr. \_\_\_\_\_, county/sector \_\_\_\_  
Tel: +4 \_\_\_\_\_  
Fax: +4 \_\_\_\_\_  
Email general enquiries: \_\_\_\_\_  
REMIT Officer: \_\_\_\_\_  
Responsabil GMOIS: \_\_\_\_\_  
Responsible Billing: \_\_\_\_\_  
Responsible Contracting: \_\_\_\_\_

For the Buyer:

Headquarters: \_\_\_\_\_, nr. \_\_\_\_\_, county/sector \_\_\_\_  
Tel: +4 \_\_\_\_\_  
Fax: +4 \_\_\_\_\_  
Email general enquiries: \_\_\_\_\_  
REMIT Officer: \_\_\_\_\_  
Responsabil GMOIS: \_\_\_\_\_  
Responsible Billing: \_\_\_\_\_  
Responsible Contracting: \_\_\_\_\_

- (2) If notification is made by post, it shall be sent by registered letter with acknowledgement of receipt and shall be deemed to have been received by the addressee on the date stated by the receiving post office on the acknowledgement of receipt.
- (3) Verbal notifications shall not be taken into account by either Party unless confirmed by one of the means set out in the preceding paragraphs.
- (4) A change in the mailing address of either Party shall be notified in accordance with paragraph. (1) above at least five (5) calendar days before it becomes effective, failing which notifications shall be deemed to have been validly served even if the addressee has moved from the address or similar or if the addressee fails to return the document.

### **XIII. Change of circumstances Art.**

**15**

- (1) "Change in Circumstances" means: the coming into force, change in text or change in interpretation of any legal requirement, rule, methodology or recommendation of an authority which was not in force at the date of signing this Contract.
- (2) Change in Circumstances may include, but are not limited to: the introduction of new taxes or charges, a change in the manner in which taxes or charges are levied, an increase/decrease in any of the existing taxes and charges, or a change in the methodology considered at the time of entering into this Contract, relating to the basis or recommendation and/or application of the elements used in determining the Contract Price; any amendment and supplement to the National Transmission System Network Code in effect shall also be considered a Change in Circumstances for purposes of this Contract.
- (3) In the event of a change in circumstances affecting the provisions of this Contract, the Parties undertake to sign an amendment reflecting such change.

### **XIV. Force Majeure**

#### **Art. 16**

- (1) Force majeure is a future, unforeseeable and insurmountable event which exempts the Party invoking it from liability in the event of partial or total non-performance of the obligations assumed by the Contract, if it is invoked in accordance with the law.
- (2) The Party claiming force majeure shall notify the other Party within forty-eight (48) hours of the occurrence of the event, followed by the submission of supporting documents within five (5) calendar days of the same date; the Party concerned shall also take all possible measures to limit the consequences of such event.
- (3) Cases of Force Majeure will be certified by the Romanian Chamber of Commerce and Industry.
- (4) If force majeure does not cease within 30 (ten) calendar days, the Parties shall have the right to request the automatic termination of the Contract, without either of them claiming damages.
- (5) The occurrence of an Event of Force Majeure shall not relieve the Parties of their obligations due up to the date of the occurrence of the Event of Force Majeure;

### **XV. Applicable legislation**

#### **Art. 17**

- (1) This Contract, as well as the rights and obligations of the Parties resulting from its performance are subject to the Romanian legislation in force.
- (2) The parties agree that all disagreements arising out of the interpretation, performance or termination of this Agreement shall be settled amicably.
- (3) Otherwise, any dispute arising out of or in connection with this Agreement, including its conclusion, performance or termination, shall be resolved by the competent courts.

## **XVI. Disposa**

### **I Art. 18**

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

## **XVII. Final clauses**

### **Art. 19**

In the event of a change of legal form/judicial reorganisation, the Parties undertake to communicate, within a maximum of 5 (five) calendar days from this date, the manner of taking over the mutual contractual obligations.

### **Art. 20**

The parties shall be obliged to each other to hold the necessary approvals for the performance of the obligations stipulated in the Contract throughout the term of the Contract.

### **Art. 21**

The provisions of this Contract shall be supplemented by the provisions of the Civil Code and other legal regulations in force. If any provision of the Contract is invalid or unenforceable in any respect under applicable laws and regulations, the validity, legality and enforceability of the other provisions of the Contract shall not be affected in any way thereby and the Contract shall continue in full force and effect. Invalid or unenforceable provisions shall be deemed superseded by an adequate and equitable provision which, to the extent permitted by law, comes 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 its replacement by an addendum.

### **Art. 22.**

The fact that one of the Parties does not avail itself, at any given time, of any of the provisions of this Contract, shall not be construed as a waiver of the right to avail itself of it at a later date, shall not amount to a modification of this Contract, nor shall it give rise to any right whatsoever in favour of the other Party or any third party.

### **Art. 23.**

The parties declare that they have all the necessary experience and knowledge 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.

### **Art. 24.**

Either Party shall have the right to demand payment of amounts due under this Contract within 3 years of the date on which they fall due.

### **Art. 25**

This Contract has been drawn up today, \_\_\_\_, in two (2) original copies, one for each Party, and shall be effective as of \_\_\_\_\_

## **XVIII. Attachments**

**Art. 26**

The following annexes form an integral part of this Contract:

Annex 1. Transaction Annex Annex 2.  
Terminology

It assumes and engages the responsibility of the company:

**SELLERBUYER**

(Company name)(Company

name)

Legal representativeLegal representative

**Annex 1**  
on contract

### Trading Annex

The specific and commercial contracting conditions set out below will reflect in detail the elements of the Trading Report No. .... / ..... The information set out in this annex shall prevail over other contractual provisions dealing with an identical subject matter.

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

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

➤ **DELIVERY PERIOD / QUANTITY OF NATURAL GAS / PRICE / DELIVERY POINT  
-PRELUTION**

Delivery period (starts and ends at 07:00 on the gas day)	Total quantity traded (MWh)	Quantity delivered daily (MWh/day)	Price (LEI /MWh)	Drop-off/Pick-up point

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

This annex was concluded following trading on the centralized markets organized and administered by Bursa Romana de Marfuri (Romanian Commodity exchange ) SA - Central medium and long-term commodity market, **Product** (please tick the appropriate product):

- WEEK**
- MONTH**
- FIRST QUARTER**
- SECOND QUARTER**
- THIRD QUARTER**
- FOURTH QUARTER**
- FIRST SEMESTER**
- SECOND SEMESTER**
- COLD SEASON**
- WARM SEASON**
- GAS YEAR**



**CALENDAR YEAR,**

It assumes and engages the responsibility of the company:

**SELLERBUYER**

(Company name)(Company

name)

\_\_\_\_\_

\_\_\_\_\_

Legal representativeLegal representative

### Terminology

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

**"Competent Authority"** - the National Energy Regulatory Authority (ANRE); **"Contracted Quantity"** - a volume of natural gas sold by the Seller to the Buyer in accordance with the Contract during the Delivery Period;

**"Due Date"** - the date and/or dates on which payment amounts debit the Seller's account with the value of invoices issued under the Contract. If that date corresponds to a Non-Business Day, it shall be deemed to be the immediately following Business Day;

**"Natural gas"** means free gases from methane gas fields, gases dissolved in crude oil, gases in the gas field associated with crude oil fields, and gases resulting from the extraction or separation of liquid hydrocarbons;

**'transmission system operator'** means a natural or legal person who carries out the function of natural gas transmission and is responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term capacity of the system to meet the demand for the transmission of natural gas;

**"Delivery Period"** - means the period defined by the parties for each individual transaction;

**"Contract Price"** - means the price of natural gas/MWh, resulting from the transaction, to be paid by the Buyer to the Seller for natural gas contracted under the Contract;

**"National Transmission System"** (NTS) - the natural gas transmission system located on the territory of Romania and publicly owned by the State;

**"Contract Value"** - means the value obtained by multiplying the Contract Quantity by the Contract Price plus VAT in accordance with the legal provisions;

**"Business Day"** - means any day, other than Saturday or Sunday or any legal holiday, on which banks are generally open for business in Romania;

**"Non-Business Day"** - means any Saturday or Sunday or any legal holiday on which banks are closed for any operations in Romania;

It assumes and engages the responsibility of the company:

### SELLERBUYER

(Company name)(Company

name)

\_\_\_\_\_  
Legal representativeLegal representative

**INITIATING  
ORDER**

(model)

Participant	
Beneficiary	
Standard product	
Active type	
Origin of the gas	
Quantity	
Maximum limit of variation of contracted quantity*	
Ordinary meaning: Sale/purchase	
Starting auction price	
Price adjustment formula*	
Delivery condition : PVT	
Date of commencement of delivery	
Other clarifications	
Proposed date and time of the meeting	

**We have taken cognizance of and undertake** to comply with the provisions of the Regulation on the organized framework for trading on the centralized natural gas markets administered by Bursa Romana de Mărfuri (Romanian Commodities Exchange) S.A., approved by the Order of the President of ANRE no. 223/2018 with subsequent amendments, and of the trading procedures on the centralized natural gas markets administered by Bursa Romana de Mărfuri (Romanian Commodities Exchange) S.A..

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

**Client:**

**Vizat**  
**affiliate member/shareholder member**

(Name, first name)  
(Authorised signature and stamp)

## Contract of Novation

### I. Contracting Parties

#### Art. 1

The parties to the novation contract (hereinafter the "Novation Contract") are, on the one hand, the Romanian Commodity Exchange, as counterparty (hereinafter the "Counterparty" or "BRM") and the participants in the centralized natural gas market (hereinafter, individually, the "Selling Beneficiary" or "Seller"), respectively "Buying Recipient" or "Buyer" and collectively "Recipients"), who are not Clearing Members and MC Acceptance Agreements with BRM as Counterparty and who have entered into a transaction, (the "Transaction"), in the medium and long term product market, and have been rejected by their Counterparty in the Transaction.

The parties hereto are hereinafter referred to individually as the "Party" and collectively as the "Parties".

### II. Object of the contract

#### Art. 2.1. Acceptance of the transaction by the Counterparty

- (1) The Counterparty substitutes itself in a transaction concluded in the medium and long term products market of standardized products, according to Article 3, paragraph (1), point A of the Medium and Long Term Products Trading Procedure, by the Novation Contract, becoming Buyer for Seller and Seller for Buyer.
- (2) The Novation Agreement is an integral part of the Procedure for the Organisation and Functioning of the Medium and Long-Term Standardised Products Market and is applicable to all participants in this market from the date of the conclusion of a transaction. The Contract shall take effect from the date on which the Counterparty accepts the request for assignment of the completed transaction submitted by any of the parties to the Transaction who refuse to enter into the Standard Contract (Annex 2 to the Medium and Long Term Commodities Trading Procedure) with the counterparty to the Transaction.
- (3) The obligations of physical delivery and takeover of natural gas remain with the parties to the Transaction, with the Counterparty acting as financial guarantor for the performance of all financial obligations, but without making any deliveries or takeovers of natural gas in its own name.
- (4) BRM as Counterparty guarantees the payment of the countervalue of the natural gas traded according to the concluded transaction. BRM as Counterparty guarantees through specific risk management mechanisms as well as through the guarantee fund the takeover and delivery of natural gas under the concluded transaction by another supplier in case of failure to comply with the delivery/takeover conditions induced by a part of the concluded transaction.
- (5) The quantities, prices and delivery periods shall be those traded by the parties during the trading sessions on the Medium and Long Term Standardised Products Market administered by BRM; they shall be the subject of trading annexes for each individual transaction, identical in form and fully completed, in accordance with the model set out in Annex 1 to this Master Agreement;
- (6) The transfer of ownership is done in the Virtual Trading Point (PVT), on the basis of the trading report made available to the Parties by the centralized market operator -

BRM; quantities of traded natural gas are to be delivered to PVT 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 in PVT and as Buyer to take them over and pay at the price resulting from the trading session, according to the Trading Report, issued and transmitted to the Parties by BRM, in accordance with the provisions of Chapter V of the "Procedure for the organization and operation of the medium and long-term standardized products market administered by BRM".
- (2) Failure by any of the Beneficiaries to fulfil, in whole or in part, the obligation to deliver or take delivery of the quantities of natural gas traded shall entitle the Counterparty to collect the consideration for the quantity not delivered or, as the case may be, not taken delivery of. In turn, the Party whose obligation is not fulfilled shall be liable to pay the amount representing the countervalue of the quantity of gas for which the obligation to deliver or take over has not been fulfilled. The Counterparty shall, in the event of non-fulfilment, enforce the securities provided by the Recipient, to the extent of the obligations assumed by the latter, as set out in Art. 6.1 of this contract.
- (3) The countervalue of imbalances generated by the Supplier shall be calculated in accordance with the legal provisions in force and shall be due to the Supplier to the Central Counterparty.

### **IV. Duration of the**

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

- (1) This Agreement shall take effect from the date on which the Counterparty accepts the Beneficiary's request to assign the completed transaction. The Contract shall remain in force until all obligations arising from the conclusion of the Transaction in the Medium and Long Term Standardised Products Market administered by BRM have been discharged.
- (2) After the expiration of the Term, the Parties shall not be bound by the terms and conditions of this Agreement except to the extent necessary to carry out the rights and obligations of the Parties as they arise under this Agreement prior to the end of the Term.
- (3) If at any time any provision or clause of this Novation Agreement is or shall be declared illegal, void, ineffective or unenforceable in any manner under applicable law and jurisdiction, the legality, validity and enforceability of the remaining provisions of the Novation Agreement shall not be affected or impaired.

## **V. Delivery/pick-up of natural gas, metering of natural gas Art. 5**

The delivery/pick-up of natural gas shall be carried out in the PVT at the time set according to the trading report in a constant daily profile, based on nominations made by the Counterparty to the OTS following the transaction concluded on the platform.

Expenses incurred for the delivery/pick-up of natural gas in the PVT will be borne in accordance with the legislation in force, as follows:

- a) The Buyer agrees to bear all costs without limitation of taxes, duties or charges imposed by any governmental authority on or in connection with the Natural Gas prior to or at the time of delivery to the Buyer in the PVT;
- b) The Purchaser agrees to bear all costs, not limited to taxes, duties or charges imposed by any governmental authority on or in connection with the Natural Gas after the Purchaser's takeover of the Natural Gas in the PVT.

## **VI. Contract Price. Price Payment Guarantee. Conditions and terms of payment**

### **Art. 6.1.**

- (1) The price of natural gas subject to transactions transferred and accepted by the Counterparty shall be the price established as a result of trading on the *Medium and Long Term Standardised Products Market administered by BRM*,
- (2) The price referred to in paragraph 1 does not include VAT and excise duties, which shall be added where appropriate in accordance with the law.
- (3) The obligations to declare and pay excise duty to the consolidated state budget for natural gas purchased under this Contract shall be determined in accordance with the provisions of tax legislation.
- (4) The collateralisation of payments and deliveries of traded natural gas is done for the Buying and Selling Beneficiary through the Central Counterparty's centralised risk management system, through the margin system according to the BRM Central Counterparty regulations. Beneficiaries will deposit collateral up to a minimum level set by the Counterparty on the basis of the daily report issued by the Counterparty for each participant, part of a transaction accepted by the Counterparty. The Beneficiary is obliged to deposit the required collateral at the Central Counterparty's disposal, on the basis of the Margin Call, in accordance with the Counterparty's regulations. The request for additional collateral under the Margin Call, if applicable, shall be made by direct debit mechanism on a daily basis.
- (5) Collections for a Selling Payee will be made on a daily basis for the entire delivery period in constant profile as per the transaction. Collections are made in accordance with the counterparty's regulations.
- (6) Payments from a Buying Recipient will be made by direct debit over the entire delivery period in constant profile as per the transaction. Payments shall be made in accordance with the counterparty's regulations.

### **Art.6.2. Specific clauses on transaction guarantee risk**

1) In case of refusal of acceptance of the transaction by the Counterparty, the object of the novation contract becomes void. In this case the transaction shall be cancelled in accordance with ~~the~~

ORGANIZATION AND FUNCTIONING OF THE MEDIUM- AND LONG-TERM  
STANDARDIZED PRODUCTS MARKET ADMINISTERED BY THE ROMANIAN  
COMMODITY EXCHANGE.

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

7.1. The Beneficiary Seller/Buyer complies with the Central Counterparty's regulations (*Clearing, Settlement and Risk Management Rules and Procedure*), in relation to the invoicing and the execution of the Contract. The Buying/Selling Beneficiary is assimilated from the Central Counterparty's point of view to a Clearing Member in relation to the rights and obligations concerning the guarantee and payment of the transactions assigned to the Central Counterparty.

7.2. The Seller and the Counterparty shall issue invoices relating to the contract on a monthly basis, no later than the 5th of each month.

**VII. Fees and taxes**

**Art. 8**

- 1) In accordance with the provisions of law, Seller agrees to be responsible for and to pay or cause to be paid all taxes and/or duties imposed by any governmental authority and associated with natural gas delivered under this Contract prior to delivery.
- 2) In accordance with the provisions of law, Buyer agrees to be responsible for and to pay or cause to be paid all taxes and/or duties imposed by any governmental authority and associated with natural gas delivered under this Contract upon receipt thereof.

**VIII. Rights and**

**Obligations Art. 9**

- 1) The Beneficiary Seller has the following main rights:
  - i. invoice the Central Counterparty for the quantity of natural gas delivered and for penalties or penalty interest - where applicable - in accordance with the contractual provisions and collect the countervalue thereof;
  - ii. benefit from the rights of a Clearing Member in the Counterparty system.
- 2) The Beneficiary Seller has the following main obligations:
  - i. to deliver the quantities of natural gas established under this Contract, based on the Trading Report according to the medium and long term products procedure;
  - ii. ensure the specified parameters of the natural gas delivered, in accordance with the legislation in force;
  - iii. to hold and keep in force, throughout the duration of the Contract, the licences and authorisations required for the supply/pick-up of natural gas in the PVT and to comply with their provisions;
  - iv. ensure the delivery of the contracted quantity of natural gas under the terms of this contract, including in accordance with the notification made by the Counterparty;
  - v. provide a performance guarantee by means of a bank letter of guarantee valid from the date of issue and having as its guaranteed value the amount specified in Article 6.1.

## **Art. 10**

1) The Beneficiary Buyer has the following main rights:

- i. to request and take delivery of quantities of natural gas in accordance with the provisions of this Contract and all Trading Annexes which form an integral part of the Contract;
- ii. benefit from the rights of a Clearing Member in the Counterparty system.

2) The Beneficiary Buyer has the following main obligations:

- i. to take over and pay for the quantities of natural gas made available by the Counterparty under the terms of this Contract, including in accordance with the notification to the OTS made by the Counterparty ;
- ii. to pay in full and on time for the natural gas purchased under the terms of this Contract;
- iii. to hold and keep in force, throughout the duration of the Contract, the licences and authorisations required for the supply/pick-up of natural gas in the PVT and to comply with their provisions;
- iv. provide a performance guarantee by means of a bank letter of guarantee valid from the date of issue, with the guaranteed value as specified in Article 6.1.

## **IX. Confidentiality clause Art.**

### **11**

- i. The parties undertake to treat all information, data and documentation that come to their knowledge during and/or in the course of the performance of this Contract as confidential information and assume responsibility for keeping it confidential.
- ii. The parties undertake to keep strictly confidential 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.
- iii. The following are exempted from the provisions of Art. 11 para. (1) the following data, documents and information:
  - a. those for the disclosure of which the prior written consent of the other Contracting Party has been obtained;
  - b. those which at the time of disclosure are in public circulation;
  - c. those requested by the competent state bodies, based on a legal obligation.
- iv. If either Party breaches its duty of confidentiality with respect to this Agreement by disclosing non-public information to unauthorized third parties, it shall be liable to pay damages to the injured Party.
- v. The provisions of para. (1) shall remain valid for 5 years after 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, subject to the provisions of applicable law in force.

The Counterparty shall not be liable in any way for the performance of the obligations assumed by a Participant under the Transaction if the Counterparty refuses to accept the Transaction.

## **XI. Termination of**

### **Contract Art. 13**

1) This Contract shall terminate on:

- a) As of right, at the end of the Contract Period;
- b) in the event that one of the Parties ceases to hold the authorisations/licences necessary to perform the obligations under this Contract. In all cases, the Party shall remain bound by the obligation laid down in Article 3(3). (2);
- c) in the event of force majeure events preventing the Parties from fulfilling their contractual obligations under the Contract;

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

## **XII. Notificati**

### **ons Art. 14**

1) The parties agree that during the course of this Agreement, all notices or communications between them shall be in writing and shall be sent by fax and/or e-mail, registered mail with acknowledgement of receipt, or by courier to the addresses indicated below:

For the Counterparty :

\_\_\_\_\_

Headquarters: \_\_\_\_\_, \_\_\_\_\_, nr. \_\_\_\_\_, county/sector \_\_\_\_

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

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

Email general enquiries: \_\_\_\_\_

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

Billing Manager: \_\_\_\_\_

Contracting Officer: \_\_\_\_\_

For the BENEFICIARY:

Headquarters: \_\_\_\_\_, \_\_\_\_\_, nr. \_\_\_\_\_, county/sector \_\_\_\_

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

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

Email general enquiries: \_\_\_\_\_

REMIT Officer: \_\_\_\_\_

Responsabil GMOIS: \_\_\_\_\_

Responsible Billing: \_\_\_\_\_

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

1. If notification is made by post, it shall be sent by registered letter with acknowledgement of receipt and shall be deemed to have been received by the addressee on the date stated by the receiving post office on the acknowledgement of receipt.
2. Verbal notifications shall not be taken into account by either Party unless confirmed by one of the means set out in the preceding paragraphs.
3. A change in the mailing address of either Party shall be notified in accordance with paragraph. (1) above at least five (5) calendar days before it becomes effective, failing which notifications shall be deemed to have been validly served even if the addressee has moved from the address or similar or if the addressee fails to return the document.

### **XIII. Change of circumstances Art.**

#### **15**

1. "Change in Circumstances" means: the coming into force, change in text or change in interpretation of any legal requirement, rule, methodology or recommendation of an authority that was not in force at the date of signing this Agreement.
2. Change in Circumstances may include, but are not limited to: the introduction of new taxes or charges, a change in the manner in which taxes or charges are levied, an increase/decrease in any of the existing taxes and charges, or a change in the methodology considered at the time of entering into this Contract, relating to the basis or recommendation and/or application of the elements used in determining the Contract Price; any amendment and supplement to the National Transmission System Network Code in effect shall also be considered a Change in Circumstances for purposes of this Contract.
3. In the event of a change in circumstances affecting the provisions of this Contract, the Parties undertake to sign an amendment reflecting such change.

#### **XIV. Major Force**

##### **Art. 16**

- 1) Force majeure is a future, unforeseeable and insurmountable event which exempts the Party invoking it from liability in the event of partial or total non-performance of the obligations assumed by the Contract, if it is invoked in accordance with the law.
- 2) The Party claiming force majeure shall notify the other Party within forty-eight (48) hours of the occurrence of the event, followed by the submission of supporting documents within five (5) calendar days of the same date; the Party concerned shall also take all possible measures to limit the consequences of such event.
- 3) Cases of Force Majeure will be certified by the Romanian Chamber of Commerce and Industry.
- 4) If force majeure does not cease within 10 (ten) calendar days, the Parties shall have the right to request the automatic termination of the Contract, without either of them claiming damages.
- 5) The occurrence of an Event of Force Majeure shall not relieve the Parties of their obligations due up to the date of the occurrence of the Event of Force Majeure;

#### **XV. Applicable legislation**

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

- 1) This Contract, as well as the rights and obligations of the Parties resulting from its performance are subject to the Romanian legislation in force.
- 2) The parties agree that all disagreements arising out of the interpretation, performance or termination of this Agreement shall be settled amicably.
- 3) Otherwise, any dispute arising out of or in connection with this Agreement, including its conclusion, performance or termination, shall be resolved by the competent courts.

#### **XVI. Dispos**

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

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

#### **XVII. Final clauses**

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

In the event of a change of legal form/judicial reorganisation, the Parties undertake to communicate, within a maximum of 5 (five) calendar days from this date, the manner of taking over the mutual contractual obligations.

##### **Art. 20**

The parties shall be obliged to each other to hold the necessary approvals for the performance of the obligations stipulated in the Contract throughout the term of the Contract.

##### **Art. 21**

The provisions of this Contract shall be supplemented by the provisions of the Civil Code and other legal regulations in force. If one of the provisions of the Contract is lacking in

valid or unenforceable in any respect under applicable laws and regulations, the validity, legality and enforceability of the other provisions of the Contract shall not be affected in any way thereby and the Contract shall continue in full force and effect. Invalid or unenforceable provisions shall be deemed to have been replaced by an adequate and equitable provision which, to the extent permitted by law, comes 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 its replacement by an addendum.

**Art. 22.**

The fact that one of the Parties does not avail itself, at any given time, of any of the provisions of this Contract, shall not be construed as a waiver of the right to avail itself of it at a later date, shall not amount to a modification of this Contract, nor shall it give rise to any right whatsoever in favour of the other Party or any third party.

**Art. 23.**

The parties declare that they have all the necessary experience and knowledge 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.