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Instruction 1

on Guarantees to cover financial risks

Valid starting from: 20.03.2025

Definitions

In this Instruction, the following terms shall be interpreted as follows:

- 1.1. **Escrow Agent** - the commercial bank that will open the Escrow Account in favor of BRM to the order of its client (MC). The Escrow Agent will be the Central Account Bank or another bank approved by BRM.
- 1.2. **Central Account Bank** - Banca Comerciala Romana S.A., which acts as collecting institution in relation to BRM and at which BRM has opened the Central Account to be credited or has been credited with the amounts provided for in the Direct Debit Instructions issued by BRM and debited with the amounts provided for in the payment orders for the Romanian Market, respectively UniCredit Bulbank (Unicredit) acting as a collecting institution in relation to BRM/BETP and with which BETP has opened the Central Account to be credited or credited with the amounts set out in the Direct Debit Instructions, issued by BRM/BETP and debited with the amounts set out in the payment orders for the Bulgarian Market.
- 1.3. **Central Account** - the account opened with the Central Account Bank ((Banca Comerciala Romana S.A./UniCredit Bulbank) in the name of BRM/BETP, which is to be credited or has been credited with the amounts stipulated in the Direct Debit Instructions issued by BRM/BETP and debited with the amounts stipulated in the payment orders. This account is used for the collection and making of payments related to transactions concluded on the Romanian Market or on the Bulgarian Market, as the case may be.
- 1.4. **Direct Debit Agreement (DDA)** - an agreement between BRM and BCR as Collecting Institution, in accordance with the applicable national and European legislation on direct debiting, and the Collecting Institution's acceptance of BRM's use of the Direct Debit Instructions within a Direct Debit Scheme for the Romanian Market, respectively the agreement between BETP and Unicredit as Collecting Institution, in accordance with the provisions of the applicable national and European legislation on direct debiting, as well as the acceptance of the Collecting Institution regarding the use by BETP of the Direct Debit Instructions in a Direct Debit Scheme for the Bulgarian Market.

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- 1.5. **Escrow Account** - the collateral deposit account opened by the Participant with the Escrow Agent.
- 1.6. **Direct debiting** - a method of payment of an amount of money agreed between the purchasing MC and the BRM, which consists in the preauthorized debiting of the purchasing MC account by the Paying Institution based on the provisions of the Direct Debit Mandate, upon the request of the BRM/BETP and the corresponding crediting of the BRM/BETP account by the Central Account Bank based on the Direct Debit Agreement;
- 1.7. **Paying Institution** - the credit institution with which the Participant has opened the current account to be debited or has been debited with the amount specified in the Direct Debit Instruction.
- 1.8. **Direct Debit Instruction (DDI)** - a direct debit payment instruction issued by BRM/BETP to the Central Account Bank where BRM/BETP has opened the Central Account to be credited or has been credited by the paying institution where the MC has opened the current account to be debited or has been debited with the amount specified in the respective Direct Debit Instruction.
- 1.9. **Direct Debit Mandate** - a document that satisfies the legal requirements and by which a Participant grants a permanent but revocable authorization to BRM/BETP to issue Direct Debit Instructions on its current account opened with the Paying Institution and, respectively, the right of the Paying Institution to debit its current account with the amount provided in the Direct Debit Instructions issued by BRM/BETP.
- 1.10. **Letter of Bank Guarantee (SGB)** - the financial instrument by which a payment guarantee is constituted in favor of BRM/BETP by the Participant, in accordance with the provisions of this Contract.

All other capitalized terms or expressions shall have the meaning as defined in the Clearing, Settlement and Risk Management Rules of the Romanian Stock Exchange as Central Counterparty

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Direct debit

1. The MC shall enter into a Direct Debit Mandate for the benefit of BRM/BETP which is the basis on which the MC bank, as Paying Institution, shall debit the MC's Cash Account with the amount provided for in each Direct Debit Instruction issued by BRM/BETP and which shall be made available to the Central Account Bank upon its request.
2. Direct debiting will also be performed for Margin Call.

Guaranteeing transactions

1. In order to guarantee the Margins and to cover the financial exposure vis-à-vis the BRM, the CM may constitute the following types of Guarantees:

(i) Funds deposited by money order in favor of BRM/BETP

Letter of Bank Guarantee (SGB) in favor of BRM issued by the Central Account Bank or by another authorized commercial bank in Romania and accepted by BRM and/or Letter of Bank Guarantee (SGB) in favor of BRM issued by the Central Account Bank in Bulgaria.

(ii) Escrow account in favor of BRM at the Central Account Bank or at another commercial bank authorized in Romania and accepted by BRM, which will be constituted as Escrow Agent.

Escrow account in favor of BRM at the Central Account Bank in Bulgaria, which will act as Escrow Agent.

2. The SGB will be constituted, at the exclusive expense of the CM, as a commitment to be executed at the first and simple request of BRM/BETP. The SGB shall have an initial validity period of at least 3 months, which may be extended at the CM's sole expense. The MC shall provide the BRM/BETP with proof of the issuance of a new SGB, or, as the case may be, of the extension of the validity period of the existing SGB at least 5 days before the expiry date of each validity period, under penalty of the SGB not being taken into account.
3. The Escrow Account will be set up by signing an escrow agreement and depositing a sum of money into the Escrow Account. The Escrow Agreement will allow the Escrow Agent to transfer to BRM any amounts necessary to cover the Margins. The Escrow Agent will have no discretion as to the merits of BRM's request and will release the amounts requested by BRM upon BRM's request.
4. The MC is in default for all payment obligations under the Margins, direct debiting and/or execution of the Guarantees shall be effected without any prior notice to the MC by BRM

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and without any other formalities, except those expressly provided for in this Instruction.