

**PROCEDURE**  
**FOR THE ORGANIZATION AND OPERATION OF THE MARKET FOR STANDARDIZED**  
**MEDIUM- AND LONG-TERM PRODUCTS ADMINISTERED BY THE**  
**ROMANIAN COMMODITIES EXCHANGE**  
**(ROMANIAN COMMODITIES EXCHANGE) S.A.**

**GENERAL PROVISIONS**

**Art. 1.** - This procedure establishes the organized framework for trading natural gas on the medium- and long-term standardized products market (hereinafter referred to as the "Market"), through electronic trading platforms administered by the Romanian Commodities Exchange S.A., hereinafter referred to as "BRM," as a licensed operator in the administration of centralized natural gas markets. This procedure is issued in application of ANRE President's Order No. 105/2018, as subsequently amended and supplemented.

**TERMINOLOGY**

**Art.**

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

- **Competent authority** - National Energy Regulatory Authority (ANRE);
- **Broker** - a natural person employed by the economic operator or a brokerage company, whose main duties are to enter and maintain orders during trading sessions/auctions and who has the right to engage the liability of the economic operator he represents in relation to BRM;
- **Counterparty** - the role assumed by BRM through which it intervenes through a novation process in a Transaction, becoming a common buyer for sellers and a common seller for buyers, in accordance *with the Romanian Commodities Exchange's Clearing, Settlement, and Risk Management Regulations as Counterparty*;
- **Participation Agreement** – standard agreement defined by the centralized market operator, concluded with participants, which provides for the mutual rights and obligations of the parties regarding participation in the centralized markets administered by BRM;
- **Novation agreement** (Annex 4 to this Procedure) - agreement applicable by law to a participant who has concluded a transaction on the centralized natural gas market administered by the Romanian Commodities Exchange and whose counterparty to the transaction refuses to conclude a standard agreement (Annex 2 to this Procedure). The novation agreement is between the participant and the Romanian Commodities Exchange as Counterparty. The novation agreement applies only to participants who are not Clearing Members of the Romanian Commodities Exchange Counterparty;

- **The Transmission and System Operator (TSO)**, in this case S.N.T.G.N. Transgaz S.A.;
- **Sell and/or buy order** - an offer submitted by a participant, consisting of a price-quantity pair and other specific attributes, which represents the participant's firm commitment;
- **Participant** – economic operator in the natural gas sector/end customer who signs the Agreement for participation in the energy markets administered by the Romanian Commodities Exchange S.A.
- **Price** – the price at which the transaction was executed, recorded and displayed by the trading system;
- **Best price** – the price of the trading order with the highest execution priority, namely the highest purchase price or the lowest sale price of a tradable product;
- **Simple competitive trading procedure** - set of rules and mechanisms for bidding, negotiation, and trading established by this procedure. It involves the launch of standard tradable products based on an order submitted by an initiating broker, who has the exclusive right to enter orders for one of the directions (sale/purchase or purchase only, according to the specific regulations in force). Other brokers have the right to register only orders in the opposite direction to the order entered by the initiating broker;
- **Double competitive trading procedure** - set of rules and mechanisms for bidding, negotiation, and trading established by this procedure. It involves the launch of standard tradable products by BRM during a trading session;
- **Standard product** – product defined within the BRM trading system, in accordance with the "Centralized list of standardized products tradable on the natural gas market for short-term standardized products and on the market for medium- and long-term standardized products, the market for long-term flexible products, and the market for medium- and long-term standardized derivative products," hereinafter referred to as *the "Centralized List"* and in accordance with the provisions of ANRE President's Order No. 105/2018 approving the General Rules on Centralized Natural Gas Markets, as subsequently amended and supplemented, concerning the sale and purchase of natural gas for a period equal to/greater than one calendar month;
- **Flexible product** - a product that can be traded on the BRM trading system, in accordance with the "Centralized List" and the provisions of ANRE President's Order No. 105/2018 approving the General Rules on Centralized Natural Gas Markets, as amended and supplemented, having as its object the sale and purchase of natural gas for a period equal to/greater than one calendar month;
- **Trading report** - a report generated by the BRM trading systems of each Participant for their own transactions, containing complete data on the orders entered and transactions concluded: report number, trading session date, name of the traded product, daily quantity [MWh/day] and total traded quantity [MWh], delivery period (according to the traded product), identification number of each transaction ("ID"), name of the

winner of the opposite side, the status of the Participants in the transaction (Seller/Buyer), the traded quantity and the winning price of each transaction [lei/MWh], the timestamp of the transaction;

- **Post-trade report** – statement issued by the Counterparty system to each participant for transactions accepted by the Counterparty, including the level of collateral posted by the participant in the margin account opened with the counterparty, amounts retained to cover margin risk, amounts available for trading or, as the case may be, margin calls, in accordance with the counterparty's regulations;
- **Counterparty Regulations** – set of rules and procedures consisting of *the Romanian Commodities Exchange's Clearing, Settlement and Risk Management Regulations* as Counterparty and *the Instructions* issued by the RCE for the application of these regulations;
- **Trading Session** – the period during which the single or double competitive trading procedure is carried out, in which sell and/or buy orders may be entered, modified, suspended or cancelled and transactions may be concluded – if the matching conditions established by the trading system algorithms are met;
- **Trading systems** - computer systems operated and administered by BRM for the purpose of executing transactions;
- **Transaction** - an operation concluded in the trading system following the matching of a sell order with a buy order, according to the specific algorithms of the trading platforms;
- **Transaction transferred to the Counterparty** - post-trade operation whereby a transaction is transferred to the BRM Counterparty as a result of the refusal of a Participant, party to a transaction, to conclude the Standard Contract (Annex 2 to this Procedure) as a post-trade operation with the counterparty to the transaction. The Participant requesting this operation must be a Clearing Member of the Counterparty at the time of the request;
- **Transaction accepted by the Counterparty** – post-trade operation whereby BRM, as Counterparty, assumes the rights and obligations of a Participant resulting from the transaction, in the sense of interposing itself between the latter and the other counterparty to the transaction;
- **Initiating order** – intention to buy and/or sell, materialized by entering an offer on the trading platforms, consisting of a quantity-price pair.

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

## STANDARD AND FLEXIBLE PRODUCTS ADMITTED TO TRADING

### Art.

(1) In accordance with *the "Centralized List,"* on 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 transfer of ownership (PVT), delivery profile (constant daily profile), and delivery duration, which will be traded based on **the standard contract, Annex 2** to this procedure, **or the Counterparty mechanism**:

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

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

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

**C.** Standard products, both in terms of transfer of ownership (PVT), delivery profile (constant daily profile), and delivery duration, which are traded based on **the contract proposed by the participant initiating** the trading order:

- MONTH (delivery interval - month)
- QUARTER (delivery interval - quarter)
- SEMESTER (delivery interval - semester)
- COLD SEASON (delivery interval - quarters IV and I)
- WARM SEASON (delivery interval - quarters II and III)
- GAS YEAR (delivery period - gas year)

- CALENDAR YEAR (delivery period - calendar year).
- MULTIPLE OF GAS DAYS (delivery period - multiple of gas days), equal to/greater than one calendar month.

**D.** Medium- and long-term flexible products, delivered in PVT, whose total quantity and price may be adjusted during the contract execution period only in accordance with the conditions of the initiating offer. These products are tradable on the basis of an EFET contract/pre-agreed contract/contract proposed by the participant initiating the trading order.

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

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

### **Art. 4**

- (1) Participation in trading on the medium- and long-term market is permitted to holders of valid supply or trader licenses issued by ANRE for the sale of natural gas, distribution license holders, storage license holders in the natural gas sector, and end customers who have previously concluded a balancing and access contract with the TSO.
- (2) Distribution operators and storage operators may participate in trading exclusively for the purpose of purchasing natural gas. End customers who have concluded a balancing and access contract to the PVT with the TSO have the right to trade on the buy side, and on the sell side they have the right to sell natural gas only in order to efficiently balance their own portfolio.
- (3) Participation in trading is also permitted to the TSO for the purpose of undertaking physical balancing actions of the national transmission system (NTS), purchasing natural gas volumes necessary to cover the technological consumption of the NTS, and establishing the minimum mandatory natural gas stock.

1.1. The standard products referred to in Article 3(1)(A) have the following characteristics:

- suspensive delivery term of at least 2 (two) working days from the date of conclusion of the transaction.
- have as their object the transfer of ownership rights in the PVT over quantities of natural gas to be delivered to the PVT, on a daily basis, for a period of time exceeding one gas day;
- the transfer is carried out on the basis of the trading report generated by the BRM trading systems;
- the subject 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 obligation to offer, acting on the basis of an order declared to be issued on the basis of the obligation to offer, offers to sell/purchase natural gas are launched for trading with the specifications "PARTIAL/TOTAL";
- offers are of the simple quantity (MWh/day) - price (lei/MWh, with a maximum of two decimal places) type; the quantity traded under such a contract is 1 MWh/day;
- the price and number of standard contracts related to a concluded transaction remain fixed during the term of the standard contract. The price and quantity traded, as shown in the trading report issued by BRM, shall be mandatorily stipulated in the concluded contract(s);

- from the moment the bid is matched with the offer, the transaction is executed after one or more time intervals of  $\Delta t = 2$  minutes have elapsed to allow other participants to submit improved offers;

## 1.2. Features regarding post-trading and contract conclusion:

1.2.1. Following the conclusion of a transaction, participants shall ensure post-trade operations through the following two options:

- Through the Counterparty mechanism if the transaction is based on an order with a mandatory Counterparty condition (CCP check) in accordance with the provisions of Art. 18.
- by concluding the standard BRM contract (Annex 2 to this Procedure) or by assigning the transaction to the Counterparty with the agreement of the parties after the transaction.

### 2.2.1 Mechanism for assigning and accepting a transaction to the Counterparty:

- A transaction may be assigned to the Counterparty only if the applicant also holds the status of Clearing Member in accordance with the *Romanian Commodities Exchange's Clearing, Settlement and Risk Management Regulations as Counterparty*.
  - A transaction is considered accepted by the Counterparty if both Participants in the transaction hold sufficient collateral in accordance with the Counterparty's regulations.
  - A transaction accepted under the Counterparty mechanism remains permanently in the counterparty system.
  - The Counterparty shall keep daily records of risks in accordance with the Counterparty's regulations until all delivery/payment obligations related to the transaction have been settled.
  - Participants with Clearing Member status with the Counterparty and with a Novation Agreement to the Counterparty mechanism, part of 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.
  - Both participants shall benefit from the clearing and settlement regime provided by the Counterparty system in accordance with the Counterparty's regulations.
- vii. The standard products listed in Article 3(1)(B) and (C) have the following characteristics:
- suspensive delivery term of at least 2 (two) business days from the date of conclusion of the transaction.
  - have as their object the transfer of ownership rights in PVT over quantities of natural gas that cannot be modified after the conclusion of the transaction;
  - the transfer is carried out on the basis of the trading report issued by the BRM trading systems;
  - to be delivered in PVT, at a constant profile (MWh/day) as established in the Initiator Order posted and established by contract in accordance with the Initiator Order for a period of more than one day;
  - the clauses of the sale-purchase contracts cannot be modified after the date of the transaction. The price is expressed in lei/MWh, and the traded quantity is expressed in MWh/day, in the constant profile established by contract; these elements cannot be modified after the date of the transaction.

Participants admitted to transactions on the medium and long-term market who opt to trade standard products on the basis of a pre-agreed contract (EFET or other type) are required to submit the following documents, signed, to the BRM together with the initiating order:

- the agreed contract, which will 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 will lead to a corresponding postponement of the auction date.

Access to trading in the respective products, by issuing response orders, is permitted exclusively to participants who are on the list submitted.

For trading natural gas based on contracts defined by the participant initiating the trading order, access to trading the respective product, by issuing response orders, is permitted to any participant registered on the Medium and Long Term Market who meets the conditions set out in the Participation Agreement signed with BRM.

is permitted to any participant registered on the medium and long-term product 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 for the trading process to be carried out in clear and transparent conditions shall be made by the market operator at least 5 (five) working days before the auction date.

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

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

- they have as their object the transfer of ownership rights in PVT over quantities of natural gas;
- the quantity is expressed in MWh/day, and the quantity traded under such a contract is 1 MWh/day or an integer multiple of 1 MWh/day;
- The delivery period is at least 1 month;
- the transfer of ownership is carried out on the basis of the trading report issued by the BRM trading systems;
- the quantities of natural gas are to be delivered in PVT, in the profile established in the Initiator Order transmitted and published by BRM and established by the contract associated with it;
- The total quantity and price may vary during the contract execution period only in accordance with the conditions set out in the Initiator Order. The price is expressed in lei, and the traded quantity is expressed in MWh/day;
- The maximum variation limit of the contracted quantity and the price adjustment formula are stipulated in the Initiator Order (Annex 3) and the contract template submitted by the initiating participant to the BRM for publication.

Separately, participants admitted to trading on the medium- and long-term market who opt to trade flexible products on **the basis of a pre-agreed contract/EFET** are required to submit the following documents, signed, to the BRM together with the Initiating Order:

- the agreed contract, which will 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 shall

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 a corresponding postponement of the auction date.

Access to trading products traded under a **pre-agreed contract/EFET** is granted by issuing opposite orders. Access is granted exclusively to participants on the list submitted.

Access to trading products traded under a **contract proposed by the initiator of the order** is granted by issuing opposite orders. Access is granted to any participant registered on the Medium and Long Term 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 for conducting the trading process under clear and transparent conditions shall be made by the market operator at least 5 (five) business days prior to the auction date. The initiating participant may also set a time interval  $\Delta t$ , applicable between the moment of matching opposite orders and the moment of concluding the transaction, during which other participants may submit improved offers.

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

## TRADING PROCEDURES

**Art. 5.** The trading procedures used in the centralized natural gas markets administered by BRM are:

- **simple competitive trading procedure** – for products defined by BRM in Art. 3 (1), points B, C, and D.
- **double competitive trading procedure** – for standard products defined in Article 3(1)(A)

The trading schedule is Monday to Friday between 10:00:00 and 15:00:00, except for days declared as public 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. (11). For clarification, during this interval, order operations (entry, modification) are not taken into account for the conclusion of a transaction.

## A. SIMPLE COMPETITIVE TRADING PROCEDURE

### I. REQUIREMENTS

**Art.**

(1) To launch trading of the standard product, the centralized market participant shall send BRM an initiating order in accordance with the template in **Annex 3** to this procedure, mentioning at least the following elements:



- the name of the participant initiating the order and/or the authorized representative;
- the name of the standard product, in accordance with this procedure;
- the quantity offered for trading, expressed in MWh;
- the starting price of the auction (mandatory). This may or may not be made public at the launch of the product, depending on the initiator's choice; it shall be expressed in Lei, with 2 decimal places;
- the date on which the trading session is requested to be held;
- 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 bidding process.

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

(3) BRM will request clarification from the initiator of the order if the initiating orders are formulated in such a way that they clearly cannot be traded, for example: price and/or quantity clearly disproportionate to a real trading intention, as reasonably assessed by BRM, product with a delivery period prior to the initiation of the order, etc. If the initiator of the order maintains their position without valid arguments, BRM will not consider the order.

(4) The operator of the medium- and long-term product market shall publish the initiating order and accompanying documents/information at least 5 (five) working days before the date on which the auction is scheduled.

## II. GUARANTEES

### Art. 7

(1) In order to register an order for trading, participants shall provide the BRM with a guarantee, which is automatically calculated by the dedicated BRM platform as a product of the quantity in the order, the price entered in the platform, and a percentage of 0.5%.

(2) The guarantee referred to in paragraph (1) may be provided in one of the following forms:

- a letter of guarantee from a bank valid for a minimum of 20 working days after the date on which the auction was scheduled.
- The guarantee provided by participants on account of an order for which a transaction has been concluded shall remain at the disposal of the BRM until a copy of the sales contract has been sent to the BRM.

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

(4) During the period mentioned in the previous paragraph, the guarantee established in the account on the basis of which a transaction was concluded cannot be used as collateral in the case of participation in the trading of another product.

(5) The guarantees established shall be enforced by BRM to compensate the injured party in the following situations:

- a) the participants do not sign the natural gas sale and purchase agreement;
  - b) the sale and purchase contract does not specify the same quantity as negotiated, the same price as negotiated;
- (6) If the sale and purchase agreement is not signed by one of the parties, the other party to the agreement is considered the injured party. BRM shall transfer the guarantee of the party at fault to the injured party within 15 working days from the date of conclusion of the transaction.
- (7) In the event that neither party to the transaction signs the sale and purchase agreement or in the event that the sale and purchase agreement does not contain the elements negotiated during the auction, BRM will retain the guarantees of both parties to the transaction, which will be used to compensate the other participants in the trading session within three (3) business days from the date of the session. BRM has the right to sanction Participants who do not sign the contract corresponding to the type of transaction or conclude sale and purchase agreements with elements other than those negotiated during the auction, by suspending them from trading for a period of between 1 week and 6 months, depending on the severity and repeated nature of their violations.

#### **Art. 8**

- (1) After fulfilling the obligations set forth in Article 7, paragraph (3), the guarantee shall be returned to the participant, with the possibility of maintaining it at the BRM, at the participant's request, for the purpose of registering future orders.
- (2) Guarantees shall be returned within 3 (three) business days from the date of submission of a written request, indicating, for those constituted by payment order, the account and bank where the amounts will be returned.

**Art. 9.** Trading sessions are held according to the schedule published by the BRM on its website.

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

**Art. 10.** The phases of the auction process are as follows:

- (1) The simple competitive trading mechanism is carried out in three phases, in accordance with the following general criteria for order operations:
- A participant may only enter orders in one direction, either to sell or to buy, depending on their status in the auction and the direction of the initiating order.
  - The entry and modification of orders shall be validated by the trading system subject to the prior existence of the auction participation guarantee, calculated by the trading system as a percentage of the value of the trading order, multiplied by the quantity and price of the order entered.
  - When entering an order on the trading platform, the participant must select at least the direction, price, total quantity, and validity period in the order ticket.

#### **PHASE I**

- (2) The initiating Participant's order is automatically entered by the trading system at the opening of the auction, in accordance with the conditions of direction, i.e. purchase/sale, quantity, and price, of the initiating offer, and cannot be canceled or modified in terms of quantity during the entire auction, including in phases 2 and 3. The initiating participant cannot enter another order into the trading system regardless of the direction and attribute of the initiating order.

(3) The following order operations are permitted in this phase:

- price changes for the initiating order
- the introduction of orders contrary to the meaning of the initiating order
- price changes in the sense of improving the offer for orders contrary to the initiating order

(4) The following order and transaction operations are not permitted during this phase:

- concluding transactions
- cancellation of orders
- order modifications to reduce the quantity for orders contrary to the initiating order.

## **PHASE II**

(5) During this phase, the following order and transaction operations are permitted:

- 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 opposite to the initiating order
- conclusion of transactions

(6) The following order operations are not permitted during this phase:

- cancellation of orders
- order modifications to reduce the quantity for orders contrary to the initiating order.

## **PHASE III**

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

- conclusion of transactions
- price changes for the initiating order

(8) The following order operations are not permitted in this phase:

- entering new orders
- modifications of any kind to orders that are contrary to the initiating order
- canceling orders

(9) The following option is predefined for the validity period of orders:

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

(10) The duration of each bidding phase is predefined at 10 minutes. The duration of the phases may be modified following a request from the initiating participant, agreed upon by BRM.

## **IV. ORDER MATCHING**

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

- (1) For the initiating sell order of the initiating Participant, the sell order is matched with a buy order at the same price or a higher price, for the maximum quantity determined by the competition of the 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 offers, the matching order is determined chronologically, based on the oldest timestamp.
- (2) For sell orders entered by any Participant other than the initiating Participant,

the sell order is matched with an initiating buy order at the same price or a higher price, for the maximum quantity determined by the competition of the quantities mentioned in the two opposite orders, at the price of the sell order.

- (3) For the initiating purchase order of the initiating Participant, the purchase order is matched with a sale order at the same price or at a lower price, for the maximum quantity determined by the competition between the quantities mentioned in the two opposite orders, at the best price of the sale order. To the extent that the matching conditions are met for more than two opposite offers, the matching order is determined chronologically, based on the oldest timestamp.
- (4) For purchase orders entered by any Participant except the initiating Participant, the purchase order is matched with an initiating sale order at the same price or at a lower price for the maximum quantity determined by the competition of the quantities mentioned in the two opposite orders, at the price of the purchase order.
- (5) BRM shall notify trading participants by electronic message that the conditions for matching two offers have been met. The electronic message shall contain the price in Lei and the traded quantity [MWh/day].
- (6) If, at the end of the trading session, the initiating order is not fully traded, the initiating broker may reintroduce the initiating order for the remaining uncovered quantity in another trading session at a later date.

## **V. TRADING REPORT**

### **Article 12.**

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

- the report number,
- the date of the trading session,
- name of the traded product,
- daily quantity [MWh/day],
- delivery period (according to the traded product),
- the identification number of each transaction ("ID"),
- name of the winner(s),
- the status of the Participants in the transaction (Seller/Buyer),
- traded quantity,
- the winning price of each transaction [lei],
- timestamp 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 are published on the BRM website, in accordance with the provisions of Article 21 of

the "Regulations on the organized trading framework on centralized natural gas markets administered by the Romanian Commodities Exchange (Romanian Commodities Exchange) S.A.".

## **A. DOUBLE COMPETITIVE TRADING PROCEDURE**

**Article 13.** Standard products are launched for trading at the initiative of and by the BRM, as follows:

- (1) The launch of a standard product for delivery periods of less than one month shall be made at least two 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 interval.

**Art. 14.** The trading session under the double competitive procedure for standard products referred to in Art. 3 (1) point 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. **GUARANTEES**

## **I. GUARANTEES**

### **Art. 15**

- (1) In order to be able to register an order for trading, participants shall provide BRM with a guarantee, which is automatically calculated by the platform as the product of the quantity in the order, the price entered in the platform, and the percentage of 2%.
- (2) In the case of orders entered with a condition of execution by the Counterparty, the necessary guarantees shall be calculated in accordance with the TRADING PROCEDURE ON THE CENTRALISED NATURAL GAS MARKETS ADMINISTERED BY THE ROMANIAN COMMODITIES EXCHANGE (ROMANIAN COMMODITIES EXCHANGE) S.A., UNDER THE CONDITIONS OF USE OF A CLEARING HOUSE/ COUNTERPARTY.
- (3) The guarantee referred to in paragraph (1) may be constituted in one of the following forms:
  - payment order;
  - bank guarantee letter.
- (4) The guarantee provided by participants on behalf of an order for which a transaction has been concluded shall remain at the disposal of the BRM until:
  - a) the signing of the contract and the provision of the first guarantee provided for in the contract, if the parties trade on the basis of the BRM standard contract provided for in Annex 2. If the contract requires it, the parties opt for advance payment as an alternative to providing a guarantee, the guarantee shall remain at the disposal of the BRM until the first advance payment is made.
  - b) Establishment of guarantees provided for under the obligation of Clearing Member of the Counterparty system or provided for in the Novation Agreement (Annex 4 to this Procedure), as applicable, for transactions accepted by the Counterparty.

Paragraphs (5) – (9) of this article shall apply only in the case of option (a) above.

- (5) The sale and purchase agreement (in electronic format) shall be sent to the BRM within a maximum of 5 (five) business days from the date of the transaction, but no later than 2 (two) business days

before the start of deliveries.

(6) During the period mentioned in the previous paragraph, the guarantee established in the account on the basis of which a transaction was concluded may not be used as a guarantee in the case of participation in the trading of another standard product.

(7) The participation guarantees provided are enforced by BRM to compensate the injured party in the following situations:

- a) one of the participants does not sign the natural gas sale and purchase agreement;
- b) the sale and purchase agreement does not specify the same quantity as negotiated and/or the same price as negotiated;
- c) the participant does not make the first payment/does not provide the first guarantee under the contract, in accordance with the terms stipulated in that contract.

(8) BRM shall transfer the guarantee provided by the party at fault to the aggrieved party within 3 working days of confirming the case of fault.

(9) If neither party 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, BRM will retain the guarantees of both parties to the transaction. BRM has the right to sanction Participants who do not sign the sale contract or conclude sale and purchase contracts with elements other than those negotiated during the auction by suspending them from trading for a period of between 1 month and 6 months, depending on the severity and repeated nature of the Participant's violations (repeated nature means a situation where more than 3 violations have been recorded in the last 12 months).

(10) This paragraph applies to the collateral referred to in paragraphs (3) and (4)(b) of this Article. Where the Participants to the transaction do not sign a contract, the transaction being accepted by the Counterparty, the following specific conditions relating to collateral shall 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 acting as Clearing Member.
- ii. For all participants who are not Clearing Members, part of a transaction that is accepted by the Counterparty, the guarantee and payment method is in accordance with the Novation Agreement to the Counterparty mechanism (Annex 4 to this procedure) cumulatively with the counterparty's regulations regarding the minimum acceptable risk level.
- iii. The Counterparty has the right to execute the guarantee referred to in Article 15, paragraph (1) of this procedure if a Participant, party to the transaction assigned to the Counterparty, does not supplement the level of guarantees in accordance with the counterparty's regulations within the deadline, in which case BRM will retain the aforementioned guarantee.

#### **Art.**

(1) After fulfilling the obligations provided for in Art. 15, paragraphs 4 and 5, the guarantee shall be returned to the participant, with the possibility of maintaining it at BRM, at the participant's request, for the purpose of registering future orders.

(2) Guarantees shall be returned within 3 (three) business days from the date of submission of a written request, indicating, for those constituted by payment order, the account and bank where the amounts will be returned.

## II. STAGES OF THE TRADING SESSION

### Art. 17

(1) Starting with the opening of the trading session, brokers enter orders. These are validated only if they cumulatively meet the following conditions:

- mention of the quantity, price, and validity period of the order;
- the existence in the margin account of an amount available greater than or equal to the margin required for trading the order.
- Mentioning option methods:
  - through the BRM Standard Contract by selecting the "STANDARD" checkbox when entering the electronic order. This option is automatically preset by the system and can be changed by the participant as needed.
  - through the Counterparty by selecting the "CCP" checkbox when entering the electronic order.

(2) The elements to be entered by the participant when launching the offer are:

- the meaning of the offer (sale/purchase);
- minimum natural gas volume: for periods greater than or equal to one week, the minimum volume is 1 contract of 1 MWh/day multiplied by the number of days in the tradable interval. The total minimum tradable volume is defined automatically for each product;
- the price for products will be expressed in Lei/MWh, a positive number, with a maximum of 2 (two) decimal places. If there is an active  $\Delta t$  on the market, orders that are not subject to the bidding obligation may be entered 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;
- Check "STANDARD" or "CCP", as applicable.

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

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

- 4) In terms of validity period, orders are of the following types:
- ZI – valid for the trading session
  - GTD – valid until a date specified in the order ticket
  - GTC – valid until canceled
  - GTSV – valid until a specified time, i.e. until the date and time specified in the order ticket
- Note: a GTSV order may enter delta T with an opposite order, but if the order's validity period expires during this overlap, the order will be automatically canceled and, implicitly, canceled from delta T.
- 5) In terms of execution, orders are of the following types:
- IOC – with immediate execution, either partially or in full. The unexecuted quantity is canceled instantly.
  - FOK – with immediate execution in full. The quantity is executed in full or canceled.
- (4) (7) Orders may only be entered through the Trading System provided by BRM.

### III. MATCHING OF ORDERS

#### Art. 18.

- (1) Buy and sell orders are automatically matched on the trading platform based on the best price. In the event of a price tie, bids shall be ordered by timestamp, with the oldest being displayed first. The timestamp is updated whenever the broker changes the price, quantity, or validity, or in the event of partial execution of an order.
- (2) Purchase and sale orders with the "CCP" check mark are traded based on the TRADING PROCEDURE ON CENTRALIZED NATURAL GAS MARKETS ADMINISTERED BY THE ROMANIAN COMMODITIES EXCHANGE (ROMANIAN COMMODITIES EXCHANGE) S.A., UNDER THE CONDITIONS OF USE OF A CLEARING HOUSE/COUNTERPARTY.
- (3) Trading is carried out by correlating orders according to the option expressed by the participant when entering the electronic order.
- Buy/sell orders with the counterparty mechanism option are traded only on the basis of the Counterparty mechanism.
  - The rest of the buy/sell orders can be traded based on the BRM standard contract.
- (4) The trading system does not correlate the following types of orders:
- The "CCP" checkbox and the "STANDARD" checkbox if the correlation is performed as a result of the introduction/modification of an order with the "CCP" checkbox.
- (5) For clarity, we mention that, as an exception, it is permitted to correlate an order marked "STANDARD" with an order marked "CCP" if the correlation is made as a result of changing an order marked "STANDARD" to an order marked "CCP" at the time of entering the order.
- (6) In the situation referred to in paragraph (5) of this article, the participants in the transaction implicitly agree to the automatic transfer of the transaction to the Counterparty and to trading in accordance with the TRADING PROCEDURE ON CENTRALIZED NATURAL GAS MARKETS ADMINISTERED BY THE ROMANIAN COMMODITIES EXCHANGE (ROMANIAN COMMODITIES EXCHANGE) S.A., UNDER THE CONDITIONS OF USE OF A CLEARING HOUSE/COUNTERPARTY.



- (7) For sell orders, the sell order is matched with a buy order at the same price or a higher price, for the maximum quantity determined by the competition between the 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 offers, the matching order is determined in descending order starting from the best purchase price, and in the event of a price tie, in ascending order starting from the oldest timestamp.
- (8) For buy orders, the buy order is matched with a sell order at the same price or a lower price, for the maximum quantity determined by the competition between the 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 is determined in descending order starting from the best sale price, and in the event of a price tie, in ascending order starting from the oldest timestamp. Functioning of the  $\Delta t$  interval:
- From the moment the demand is matched with the offer, the transaction is executed after a time interval of  $\Delta t = 2$  minutes or, where applicable, extended as a result of the introduction of improved price offers;
  - The time interval  $\Delta t$  is automatically extended by 2 minutes if improved purchase and/or sale price offers intervene in the transaction. For the avoidance of doubt, parties whose bids are correlated may not modify their bids or their validity in any way within a time interval of  $\Delta t = 2$  minutes.
  - The time interval is extended each time from the moment of the first improved price offer, within the initial or extended 2-minute interval, as applicable.
  - The transaction will be executed automatically at the end of the  $\Delta t$  time interval, regardless of the number of extensions, as applicable.
  - At the start of the  $\Delta t$  time interval, as well as at each extension, BRM will notify all trading participants, via electronic message on the trading platform and email, that the conditions for matching two bids have been met, thus giving all interested parties the opportunity to improve their bids and continue the auction. The electronic message will contain the price, the quantity offered for sale, and the quantity offered for purchase.
- (9) Completion of the transaction and setting of the price at the end of the  $\Delta t$  interval
- After the correlation carried out in accordance with paragraph (2) or (3) above, the transaction shall only be carried out after one or more successive time intervals  $\Delta t$  have elapsed, as appropriate.
  - The transaction is concluded on the basis 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 2-minute time interval  $\Delta t$ , as follows:
      - i) at the purchase order price, if the timestamp is prior to the aggressive sale order;
      - ii) at the price of the sell order, if the timestamp is earlier than the aggressor buy order;
      - iii) within a transaction, a single sell order is matched with a single buy order,

- iv) the transaction is executed within the maximum limit of the quantities correlated between supply and demand; for the remaining unexecuted quantity, the trading procedure is resumed in the same manner as for a new uncorrelated order, with the timestamp for the partially executed order being updated;
- If, during the first interval  $\Delta t$ , one of the offers is improved (as a result of the introduction/modification of an offer with a higher purchase price or the introduction/modification of an offer with a lower sale price), resulting in the start of one or more other successive intervals  $\Delta t$ , the transaction is executed at the best price, determined as follows:
- i) the highest purchase price if it was the last one offered, regardless of whether it relates to a newly entered order or a modification of an existing order;
  - ii) the lowest selling price if it was the last one offered, regardless of whether it relates to a newly entered order or a modification of an existing order;
  - iii) within a transaction, a single sell order is matched with a single buy order;
  - iv) the transaction is carried out within the maximum limit of the quantities matched between bid and ask; for the remaining unexecuted quantity, the trading procedure is resumed in the same way as for a new order.
- (10) If the transaction was executed only for part of the quantity specified in an order marked as 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 divided into the maximum interval remaining until the end of the trading session, regardless of the duration of this interval.
- (12) The parties may request the cancellation of erroneous transactions in accordance with the Market Conduct Procedure.
- (13) Transfer of a transaction to the Counterparty. This article strictly refers to the situation where the transaction takes place between two opposite orders with the "STANDARD" check mark.
- i. The parties may unilaterally request the transfer of a transaction to the Counterparty under the following conditions:
- ✓ If they are already a Clearing Member of the Counterparty.
  - ✓ At any time during the trading session, after the conclusion of a transaction but no later than 3:30 p.m., by e-mail or fax on the day of the trading session
  - ✓ Acceptance by the other party to the transaction shall be made within a maximum of 15 minutes from receipt of the transfer request, with the information being transmitted via the trading platform and additionally by email or fax.
  - ✓ If the other party to the transaction does not accept it, the party that requested the transfer of the transaction to the Counterparty may cancel the transaction without any further formalities, without to owe compensation to BRM or to the other party to the transaction and without owing BRM a fee for canceling the transaction and without being subject to the penalties referred to in Article 15, paragraph 9, under the following cumulative conditions:
    - (i) the cancellation is requested within a maximum of 10 minutes after the other party's refusal of the transfer request to the Counterparty;
    - (ii) the participant who requested the cancellation has informed BRM before the trading session that the other party does not meet, for justified reasons

the creditworthiness conditions and customer due diligence requirements, as defined and monitored by the participant in accordance with its own procedures, for the conclusion of a bilateral transaction;

(iii) BRM reasonably believes that there are no other reasons why the participant intends to terminate the transaction or that the cancellation of the transaction would adversely affect trading on the market, including, without limitation, a significant change in the price of the traded product from the time the orders were matched to the time the cancellation request was submitted;

(iv) the request is not unreasonable or unjustified;

(v) the participant has not repeatedly and unjustifiably submitted requests to cancel transactions.

If the above cumulative conditions are not met, BRM will refuse to cancel the transaction.

- ii. The Counterparty's refusal shall be made within a maximum of 24 hours from the time of the transaction's conclusion. All transactions accepted by the Counterparty shall be maintained continuously in the counterparty system until the final execution of the conditions established by the executed transaction, in accordance with the Counterparty's regulations.
- iii. All rights and obligations arising from the transaction executed in the trading system and accepted in the Counterparty system shall be strictly observed by the parties to the transaction, with the Counterparty acting as an intermediary 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 shall be canceled within 24 hours of the transaction's conclusion, 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 shall be cancelled within 15 minutes of receiving the transfer request from a participant, with notification of the refusal being sent automatically via the trading platform and additionally by email or fax;
  - If the parties to the transaction do not submit the guarantees stipulated in Article 15, paragraph (10) of this procedure within a maximum of 24 hours from the moment of conclusion of the transaction.
  - All canceled transactions shall be published by the BRM, without disclosing the parties involved in the transaction, but only the elements of the transaction (transaction ID, date of the transaction, the product, the total quantity, the price, and the reason for the cancellation).

#### IV. TRADING REPORT

##### Art. 19.

(1) 15 minutes after the conclusion of a transaction, 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. name of the traded product,
- iv. total quantity traded [MWh],

- v. delivery period (according to the traded product),
- vi. the identification number of each transaction ("ID"),
- vii. the name of the winner,
- viii. the status of the auction participants (Seller/Buyer),
- ix. the quantity traded,
- x. the winning price of each transaction [lei/MWh],
- xi. the transaction timestamp.

At the end of the trading session, the trading system will provide participants with a final report that will include, if applicable, changes resulting from the registration of accepted transactions 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 transaction is recorded in the counterparty system, participants will be provided with a daily post-trade report on the status of their account, in accordance with 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.

## **FEES AND COMMISSIONS**

### **Art.**

(1) For the activities and services provided, BRM charges participants in the centralized market fees and commissions as follows:

- a) Annual registration and maintenance fee;
- b) Trading commission;
- c) Administration fee (clearing and settlement fee), applicable to transactions accepted by the BRM Counterparty;

(2) Fees for additional operational activities provided by BRM to participants.

(3) In the event of failure to pay the obligations referred to in paragraph (1) by the due date, BRM has the right to suspend the participant's access to trading sessions until the obligations are honored.

(4) The applicable fees and commissions are published in the category dedicated to fees and commissions in the section on documents common to natural gas markets on the BRM website at <https://brm.ro/reglementare-gaze-naturale/>.

**Art. 21.** Fees and commissions charged as operator of the centralized natural gas market are established based on the decision of the BRM Board of Directors. BRM is required to inform Participants in writing by

sending an email regarding the establishment and/or modification of fees and commissions at least 30 calendar days before the new fees/commissions come into force and are published on the BRM website.

## **REGIME FOR SUBMITTING, ADMINISTERING, AND RESOLVING DISPUTES**

**Art. 22.** The interested party may submit a written complaint to BRM within 1 (one) day from the date of the trading session; the stipulated term is considered a limitation period. The complaint shall be resolved as follows:

(1) BRM shall register and forward the complaint to the party concerned and request the party concerned to provide its opinion on the resolution of the complaint within 1 (one) day of receiving the complaint;

(2) The party concerned is required to send its opinion on the complaint to the BRM within 1 (one) day of the request;

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

## **PUBLICATI**

### **ON Art. 23.**

**(1)** For transactions concluded on the standardized and flexible products market on the medium and long-term products market, BRM shall publish the following information daily on its website at the end of the trading interval:

a) the volumes traded and the number of transactions concluded in this regard - for each product separately;

b) the minimum trading price of the day - for each product;

c) maximum trading price of the day - for each product individually;

d) the average trading price for the day - for each product, calculated as a weighted average weighted average;

e) the current average price - for each product - for tradable products within a longer time interval, calculated as the weighted average of all transactions carried out from the beginning of the trading interval for that product until the end of the trading day;

f) the variation in the current average price compared to the average/current price of the previous day - for each product individually;

g) the closing price of the trading day - the price of the last transaction concluded, for each individual product;

h) the variation in the closing price of the day compared to the closing price of the previous day - for each product individually;

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

(2) For transactions concluded on the flexible products market, the meaning of the offer, the maximum limit of variation in the contracted quantity, the delivery period, and the price adjustment formula shall be publicly available at all times, starting from the publication of the trading session on the BRM website, within the Initiator Order and the contract template submitted by the initiating participant.

**Art. 24.** The operator of the medium and long-term product market shall send ANRE detailed information on each transaction concluded on the centralized natural gas market in each trading session by 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, subject to public consultation in accordance with ANRE Order No. 105/2018. The only version binding on BRM is the one posted on its website.

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

**ANNEX 1**

to the procedure

<b>PRODUCT NAME</b>	<b>CODING</b>
Month (delivery interval – month);	BRM_GAS_PHFM_nn-yyyy ( <i>nn</i> represents the number of the month in the year from 1 to 12 and <i>yyyy</i> – the year of delivery)
2. 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> represents the year of delivery)
3. Semester (delivery interval – semester)	BRM_GAS_PHFS_Sn-yyyy ( <i>n</i> represents the number of the half-year in the year from 1 to 2 and <i>yyyy</i> represents the year of delivery)
4. Cold season (delivery period – calendar quarters IV and I);	BRM_GAS_PHFCS-yyyy ( <i>aaaa</i> – year of delivery completion)
5. Warm season (delivery period – calendar quarters II and III);	BRM_GAS_PHFWS-aaaa ( <i>aaaa</i> – year of delivery)
Gas year (delivery period – gas year);	BRM_GAS_PHFGY-aaaa ( <i>aaaa</i> – year of delivery completion)
Calendar year (delivery period – calendar year);	BRM_GAS_PHFY-aaaa ( <i>aaaa</i> – year of delivery)

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

PRODUCT NAME	CODING
1. MONTH / BRM_GAS_PHEM	BRMM_month-yyyy (name of the respective month)
2. QUARTER / BRM_GAS_PHEQ	BRMQ_Qn-yyyy (no. from 1 to 4)
3. SEMESTER /BRM_GAS_PHEFS	BRMGS_Sn-aaaa (no. from 1 to 2)
4. COLD SEASON/BRM_GAS_PHEFCS	BRMGN_CS – yyyy
5. WARM SEASON/ BRM_GAS_PHEFWS	BRMGN_WS – yyyy
6. GAS YEAR / BRM_GAS_PHEFGY	BRMGY-yyyy
7. CALENDAR YEAR /BRM_GAS_PHEFY	BRMY – yyyy



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

<b>PRODUCT NAME</b>	<b>CODING</b>
1. MONTH / BRM_GAS_PHFM	BRMM_month-yyyy (name of the respective month)
2. QUARTER / BRM_GAS_PHFQ	BRMQ_Qn-yyyy (number from 1 to 4)
3. SEMESTER /BRM_GAS_PHFS	BRMGS_Sn-aaaa (no. from 1 to 2)
4. COLD SEASON/BRM_GAS_PHFCS	BRMGN_CS – aaaa
5. WARM SEASON/ BRM_GAS_PHFWS	BRMGN_WS – yyyy
6. GAS YEAR / BRM_GAS_PHFGY	BRMGY-yyyy
7. CALENDAR YEAR /BRM_GAS_PHFY	BRMY – yyyy
10. MULTIPLE OF GAS DAY/	BRM_MULTIPLE-yyyy

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

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

**ANNEX**  
To the procedure

**FRAMEWORK CONTRACT  
FOR THE SALE AND PURCHASE OF NATURAL GAS**  
No. .... / .....

## **I. The contracting**

### **parties Art. 1**

....., with registered office in ....., str. .... nr. ...., postal code ....., jud. ., registered with the Trade Register under no. J...../...../....., unique registration code RO ....., having account opened at bank....., number IBAN ..... represented by by ..... as a natural gas supplier in accordance with Natural Gas License No. .... issued by ANRE, hereinafter referred to as the "SELLER".

and

....., with registered office in ....., str. .... nr. ...., postal code ....., jud. ., registered with the Trade Register under no. J...../...../....., unique registration code RO ....., having account opened at bank....., number IBAN ..... represented by by ..... acting as....., hereinafter referred to as the "BUYER".

The parties, hereinafter referred to individually as "Party" and collectively as "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**

### **agreement Art. 2**

- (1) The subject matter of the Contract is the trading between the Seller and the Buyer of certain quantities of natural gas, related to medium- and long-term standardized products approved by decision of the ANRE president, expressed in energy units ("Contracted Quantity"), quantities intended for sale on the natural gas market in accordance with legal provisions.
- (2) The quantities, prices, and products traded by the Parties during the trading sessions held on the medium- and long-term standardized products market are in accordance with the Trading Report issued by the operator of the centralized natural gas markets and are set out in Annex 1, which forms an integral part of this Contract.
- (3) The transfer of ownership takes place at the Virtual Trading Point (VTP), 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 to the VTP on a daily basis.

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

### **deliver Art. 3**

- (1) The quantities of natural gas traded are firm, with the Seller assuming the obligation to deliver and invoice them to the Buyer, and the Buyer assuming the obligation to take delivery and pay for them at the price resulting from the trading session, according to the Trading Report issued and transmitted to the Parties by BRM, in

compliance with the provisions of Chapter V of the "Procedure for the organization and functioning of the market for medium- and long-term standardized products administered by BRM." The parties shall notify OTS of 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 uncollected quantity as a penalty and to declare the termination of this Agreement unilaterally, by operation of law, without court intervention and without any other prior formalities other than written notification of termination, if the non-delivery or non-takeover of the traded quantities of natural gas is repeated by the other party (starting with the second offense).
- (3) The value of the imbalances generated by one Party to the other Party shall be calculated in accordance with the legal provisions in force and shall be payable by the Party at fault to the Party to which they were generated.

#### IV. Term of the

##### Agreement Art. 4

- (1) This Contract shall be concluded **for the period corresponding to the product traded on the medium and long-term standardized products market administered by BRM.**
- (2) **The term** of the contract is the period determined in time between the moment of conclusion of the transaction and the moment of extinction of all obligations related to payments, deliveries/takeovers of natural gas at operations with the related guarantees.
- (3) After the expiration of the Term, the Parties shall no longer be bound by the terms and conditions of this Agreement, except to the extent necessary to enforce the rights and obligations of the Parties as they arise from this Agreement

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

##### Art. 5

- (1) The delivery/takeover of natural gas shall be carried out at the PVT in accordance with Annex 1 to this Agreement, on a daily basis.
- (2) The expenses incurred for the delivery/takeover of natural gas in the PVT shall be borne in accordance with the provisions of the legislation in force, as follows:
  - a) The Seller agrees to bear all costs, including but not limited to taxes, duties, or tariffs imposed by any governmental authority on or in connection with natural gas prior to or upon delivery to the Buyer at the PVT;
  - b) The Buyer agrees to bear all costs, including but not limited to taxes, fees, or tariffs imposed by any governmental authority on or in connection with natural gas after its acceptance by the Buyer at the PVT.

#### VI. Contract Price. Guarantee of Payment of Price. Terms and Conditions of Payment

##### Art.

- (1) The price of natural gas that is the subject of transactions between the parties ("Contract Price") is the price established following trading on the medium- and long-term standardized products market administered by BRM, in accordance with Annex 1 "Trading Annex" to this Contract;
- (2) The price referred to in paragraph (1) does not include VAT and excise duties, which shall be added as applicable in accordance with the legal provisions.
- (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. In this regard, **in the case of the distribution operator, at the Seller's request**, the latter shall submit, after the end of the month of delivery, a declaration on its own responsibility for the purpose of not imposing excise duty on the gas.
- (4) The guarantee of payment for the natural gas contracted/delivered for each contractual week/month of delivery and the risk of non-takeover of the natural gas contracted by the Buyer shall be provided in one of the following ways:

- For the MONTH product, by:

- **advance payment** of the total traded quantity, at least 2 Business Days before the first day of delivery, or
- by the Buyer issuing a **bank guarantee letter** in favor of the Seller; the original bank guarantee letter shall be sent to the Seller within a maximum of 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business 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 term of validity of the bank guarantee letter is 35 days from the last day of the month of delivery.

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

- For the QUARTER product, by:

- the presentation of a **performance bond (SGB)**, within a maximum of 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business Days before the start of deliveries, the amount thereof representing the Contract Value for a delivery period of 30 days, followed by **the advance payment** of the equivalent of a delivery period of one month of the Contract Value, at least 2 Business Days before the first day of delivery.
  - After confirmation of payment for the second month of delivery, the cumulative value of the guarantees (through advance payment and SGB) will be reduced to the equivalent of the last delivery months
- or presentation of a **performance bond (SGB)**, within a maximum of 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business 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 days before the start of the delivery period, **the bank guarantee letter** shall be **completed** with the amount representing the Contract Value corresponding to a delivery period of 60 days. The bank guarantee letter may be enforced

by the Seller for non-payment of the price and penalties applied in accordance with the provisions of this Contract.

- After confirmation of payment for months 1 and 2 of delivery, the value of the bank guarantee letter shall be reduced accordingly, maintaining coverage only for the remaining unpaid period.

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

- For SEMESTER, SEASON, and YEAR products, payment will be guaranteed by:
  - the presentation of a **performance bond (SGB)** within a maximum of 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business Days before the start of deliveries, its amount representing the Contract Value for a delivery period of 30 days, and at least 2 Business Days before the start of the delivery period, complete **the bank guarantee letter** with the amount representing the Contract Value for a delivery period of 30 days and make **an advance payment** of the amount representing the Contract Value for a delivery period of 30 days after the end of each delivery month or;
  - by submitting a **performance bond (SGB)** within a maximum of 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business 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 days before the start of the delivery period, **the bank guarantee letter** shall be **completed** with the amount representing the Contract Value corresponding to a delivery period of 60 days. The bank guarantee letter may be enforced 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 third and second to last months, the cumulative value of the bank guarantees shall be reduced accordingly so that it covers only the months remaining to be delivered until the end of the contract.

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

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

- (i) For the MONTH product, by establishing a **performance guarantee** in the form of a bank guarantee letter by the Seller, for the benefit of the Buyer, which will be sent to the Buyer, in original, no later than 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business Days before the start of deliveries, and which shall cover the entire amount representing the Contract Value, and may be enforced by the Buyer for non-delivery and non-payment of penalties applied in accordance with the provisions of this Contract. The term of validity of the bank guarantee letter is 10 days after the last day of delivery.
- (ii) For the products, QUARTER shall establish a **performance bond** in the form of a letter of guarantee to the Seller, for the benefit of the Buyer, a bank guarantee letter which shall be sent to the Buyer, in original, no later than 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business Days before

the start of deliveries, and which will cover the amount representing the Contract Value for a period of 30 days of delivery, which may be enforced by the Buyer for

failure to deliver and pay the penalties applied in accordance with the provisions of this Agreement.

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

(iii) For SEMESTER, SEASON, and YEAR products, by establishing a **performance bond by the Seller** in the form of a bank guarantee letter, for the benefit of the Buyer, which shall be sent to the Buyer, in original, no later than 5 Business Days from the date of signing the Contract by both parties, but no less than 2 Business Days before the start of deliveries, and which will cover the amount representing the Contract Value for a period of 60 days of delivery, which may be enforced 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 Business Days from the beginning of the last month of delivery, the value of the bank guarantee letter shall be reduced to 30 days of the Contract Value.

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

- (6) Breach of the obligation to make advance payment or to submit the bank guarantee letter within the deadline shall entitle the other Party to terminate this Agreement unilaterally due to the fault of the other Party and to invoice the latter for the value of the undelivered or uncollected quantity as a penalty.
- (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, in order to cover the guaranteed amount at all times. 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 favor the bank guarantee letter is issued shall be obliged to return it to the other Party, upon written request, within 2 working days from the date of full fulfillment of the obligations it guarantees. In the case of using advance payment as a means of guarantee, the Party in whose favor 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 bond** may be enforced by either Party in the event that the other Party fails to comply with any of its contractual obligations, namely failure to take delivery/delivery and failure to pay.

## Art. 7

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

- At least 2 days before the start of deliveries, if the invoice is subject to advance payment;
- Within a maximum of 20 days from the end of each month of delivery, for the other invoices issued under the Contract, with a payment due date of the 25th of the month following the month of delivery.

(2) The 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 issuing or sending invoices shall result in a corresponding extension of the payment terms.

(3) Payment for natural gas shall be made by the Buyer by bank transfer, based on the invoices issued by

to the Seller. Payment by bank transfer or any other payment instruments shall be deemed to have been made on

the date on which the Seller's bank account is credited with the amount representing the invoiced value. Payment shall be made to the Seller's account indicated on the invoice.

- (4) The Buyer shall explicitly mention the invoice to be paid in the payment order and shall send, at the Seller's request, a copy thereof to the correspondence addresses specified in Article 14.
- (5) Failure to pay the invoices issued under this article by the due date entitles the Seller to:
  - a) not deliver natural gas under the Contract, without giving rise to any contractual obligations/liabilities on the part of the Seller, in the event of non-payment of advance invoices;
  - b) charge a late payment interest rate equal to the level of surcharges for late payment of obligations to the consolidated state budget, calculated for each day of delay, starting with the day immediately following the Due Date, until full payment of the debt, including the day of payment;
  - c) limiting/interrupting the supply of natural gas with prior notification to the Buyer within 24 (twenty-four) hours of sending a notification to this effect to the Buyer and the TSO;
  - d) unilateral termination of this Agreement due to the Buyer's fault, 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) business days from the date of receipt of the invoice by fax or email, and shall pay the undisputed amount by the payment deadline, in accordance with Article 7(1). The Buyer's objections regarding the invoiced amounts presented in the explanatory note shall be reconciled between the Parties within 5 (five) business days from the date of receipt of the explanatory note. The Buyer's objections regarding the invoiced amounts presented in the explanatory note shall be reconciled between the Parties within 5 (five) working days from the date of receipt of the claims made by the Buyer. For amounts disputed but subsequently established by mutual agreement or court decision to be owed by the Buyer, the Buyer shall pay, in addition to the amount owed, a penalty calculated in accordance with the provisions of Art. 3 para. (2). If, following the dispute, a reduction in the invoiced amounts has been established, the Buyer shall be refunded any amounts and related penalties calculated in accordance with Art. 3 para. (2), already paid, corresponding to the respective reduction. The procedure provided for in this Article 7(6) shall not prevent the enforcement of the guarantee provided by the Buyer in accordance with Article 6(4).

## **VII. Taxes and**

### **duties Art. 8**

- (1) In accordance with legal provisions, the Seller agrees to be responsible for and pay or arrange for the payment of all taxes and/or duties imposed by any governmental authority and associated with the natural gas delivered under this Agreement, prior to its delivery to the Buyer.
- (2) In accordance with legal provisions, the Buyer agrees to be responsible for and pay or arrange for the payment of all taxes and/or duties imposed by any government authority and associated with the natural gas delivered under this Contract, after receiving it 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 any penalties or interest charges - when applicable – in accordance with the contractual provisions and collect their value;



- b) to charge the Buyer for the value of the imbalances created by the latter and to collect their equivalent value;
- c) to suspend natural gas deliveries to the Buyer, in accordance with the provisions of Article 7(5)(b); to enforce the bank guarantee letter issued by the Buyer in accordance with Article 6(4), in the event of a delay in payment by the Buyer.
- d) to execute the bank guarantee letter issued by the Buyer in accordance with Art. 6(4), in the event of a delay in payment by the Buyer.

(2) The Seller has the following main obligations:

- a) to deliver to the Buyer the quantities of natural gas established in accordance with this Contract, based on the Trading Annex, which is an integral part of the Contract;
- b) to ensure the specified parameters of the natural gas supplied, in accordance with the legislation in force;
- c) to hold and maintain in force, throughout the duration of the Contract, the licenses and authorizations necessary for the delivery/takeover of natural gas in the PVT and to comply with their provisions;
- d) to ensure the delivery to the Buyer of the quantity of natural gas contracted under the terms of this contract;
- e) to return the performance bond to the Buyer within 1 (one) business day from the moment of payment of all financial debts, if the contract has been terminated;
- f) to resume the supply of natural gas to the Buyer within a maximum of 24 (twenty-four) hours from the date of cessation of the reason for the interruption, except in cases of force majeure and necessity;
- g) to provide a performance bond in the form of a bank guarantee valid from the date of issue, with a guaranteed value equal to the amount specified in Article 6(5). Art. 10

#### **Art. 10**

(1) The buyer has the following main rights:

- a) to request and take delivery of the quantities of natural gas, in accordance with the provisions of this Contract and all Trading Annexes that form an integral part of the Contract;
- b) invoice the Seller for the value of the imbalances created by the Seller and collect their equivalent value;
- c) claim damages from the Seller in the event of limitations and/or interruptions in the supply of natural gas, in situations other than those permitted in this Agreement or by applicable law, caused by its fault, as determined by a technical expert. For the avoidance of doubt, fault must be proven.
- d) to execute the bank guarantee letter issued by the Seller in accordance with Article 6(5) in the event of non-delivery of natural gas by the Seller.

(2) The Buyer shall have the following main obligations:

- a) to take delivery and/or pay for the quantities of natural gas made available by the Seller in accordance with the provisions of this Contract;
- b) to pay in full and on time the value of the natural gas purchased under the terms of this Contract;

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

To provide a performance guarantee by means of a bank guarantee letter valid from the date of issue, with the guaranteed value being the amount specified in Article 6(4).

## **IX. Confidentiality clause**

### **Art. 11**

- (1) The parties undertake to treat all information, data, and documents that have come to their knowledge during and/or on the occasion of the conclusion and during the performance of this Agreement as confidential information and assume responsibility for maintaining their confidentiality.
- (2) The following data, documents, and information are exempt from the provisions of Art. 11(1):
  - a) those for which the prior written consent of the other contracting party has been obtained;
  - b) those that are in the public domain at the time of their disclosure;
  - c) those requested by the competent state authorities on the basis of a legal obligation.
- (3) If one of the Parties breaches the confidentiality obligation under 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 paragraph (1) shall remain valid for 5 years from the date of termination of this Agreement.

## **X. Contractual liability**

### **Art. 12**

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

## **XI. Termination of the**

### **Agreement Art. 13**

- (1) This Agreement shall terminate upon:
  - a) the end of the Term of the Agreement;
  - b) in the event that one of the Parties ceases to hold the authorizations/licenses necessary to perform its obligations under this Agreement;
  - c) if force majeure events prevent the Parties from fulfilling their contractual obligations under the Agreement;
  - d) upon termination by either Party, under the terms and conditions set forth in this Agreement;
  - e) upon termination by operation of law in the event of bankruptcy or dissolution, as applicable, of the contractual partner.
- (2) The termination of this Agreement shall have no effect on the contractual obligations assumed by the Parties and not yet performed.

## XII. Notifications

### Art. 14

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

For the Seller:

Headquarters: \_\_\_\_\_, \_\_\_\_\_, no. \_\_\_\_\_, county/district \_  
 Tel: +4 \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 E-mail for general inquiries: \_\_\_\_\_  
 REMIT manager: \_\_\_\_\_  
 GMOIS Manager: \_\_\_\_\_  
 Billing Manager: \_\_\_\_\_  
 Contracting Manager: \_\_\_\_\_

For the Buyer:

Headquarters: \_\_\_\_\_, \_\_\_\_\_, no. \_\_\_\_\_, county/district \_  
 Tel: +4 \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 E-mail for general inquiries: \_\_\_\_\_  
 REMIT manager: \_\_\_\_\_  
 GMOIS Manager: \_\_\_\_\_  
 Billing Manager: \_\_\_\_\_  
 Contracting Manager: \_\_\_\_\_

- (2) If the notification is made by post, it shall be sent by registered letter with acknowledgment of receipt and shall be deemed to have been received by the addressee on the date indicated by the receiving post office on the acknowledgment of receipt.
- (3) Verbal notifications shall not be taken into account by either Party unless they are confirmed by one of the means provided for in the preceding paragraphs.
- (4) Any change in the mailing address of either Party shall be notified in accordance with the provisions of paragraph (1) above at least 5 (five) calendar days before it takes effect, otherwise the notifications shall be considered validly communicated even if the recipient has moved from the address or similar, or if the recipient has not collected the document.

## XIII. Change of circumstances

### Art.

- (1) "Change in circumstances" means: the entry into force or amendment of any legal requirement, rule, methodology, or recommendation of an authority that was not in force at the time of signing this Agreement.
- (2) Changes in circumstances may include, but are not limited to: the introduction of new taxes or fees, a change in the methods of taxation or charging, an increase/decrease in any existing taxes and fees; any amendment or addition to the Network Code for the National Transmission System in force shall be considered a change in circumstances within the meaning of this Agreement.
- (3)

In the event of a change in circumstances affecting the provisions of this Agreement, the Parties undertake to sign an addendum reflecting such change. Changes may not relate to the quantity, price, and/or profile of standard products.

#### **XIV. Force Majeure**

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

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

#### **XV. Applicable law**

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

- (1) This Contract, as well as the rights and obligations of the Parties resulting from its execution, shall be governed by Romanian law in force.
- (2) The Parties agree that all disputes arising from 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 settled by the competent courts.

#### **XVI. Assign**

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

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

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

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

In the event of a change in legal form/judicial reorganization, the Parties undertake to communicate, within a maximum of 5 (five) calendar days from that date, the manner in which the mutual contractual obligations will be taken over.

##### **Art.**

The Parties undertake, one towards the other, to hold, throughout the duration of the Agreement, the approvals necessary for the fulfilment of the obligations stipulated therein.

##### **Art.**

The provisions of this Agreement are supplemented by the provisions of the Civil Code, as well as other legal regulations in force. If any provision of the Agreement is invalid or unenforceable in any respect under applicable laws and regulations, the validity, legality, and enforceability of the other provisions of the Agreement shall not be affected in any way thereby, and the Agreement shall continue to be effective. The invalid or unenforceable provisions shall be deemed to be replaced by an appropriate and equitable provision which, to the extent permitted by law, is as close as possible to the intention and purpose of the invalid or unenforceable provision, unless the Parties agree to amend/supplement them by an addendum.

#### **Art. 22.**

The fact that one of the Parties does not invoke any of the provisions of this Agreement at a given moment cannot be interpreted as a waiver of the right to invoke it at a later date, does not amount to an amendment of this Agreement, and does not give rise to any right whatsoever in favor of the other Party or a third party.

#### **Art. 23.**

The Parties declare that they have all the experience and knowledge necessary to enter into this Agreement, that this Agreement is entered into with full knowledge of its effects, and that they are fully aware of and understand all legal, technical, and commercial aspects related to the conclusion, execution, and termination of this Agreement.

#### **Art. 24**

Either Party shall be entitled to claim payment of amounts due under this Agreement within 3 years of their due date.

#### **Art.**

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

#### **XVIII. Anne**

#### **xes Art. 26**

The following annexes form an integral part of this Agreement:

Annex 1. Trading Annex  
Annex 2. Terminology

Assumes and undertakes the responsibility of the company:

**SELLER**

**BUYER**

(Company name)

(Company name)

Legal representative

Legal representative

**Trading Annex**

**Annex 1**  
to the contract

The specific and commercial terms and conditions of the contract set out below shall reflect in detail the elements of the

Trading Report No. .... / ..... The information provided in this annex shall prevail over other contractual provisions relating to the same subject matter.

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

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

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

<b>Delivery period</b> (begins and ends at 07:00 on the gas day)	<b>Total traded quantity</b> (MWh)	<b>Daily delivered quantity</b> (MWh/day)	<b>Price</b> (LEI/MWh)	<b>Handover/Takeover in PVT</b>

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

This annex was concluded following trading on the centralized market for medium- and long-term products administered by BRM.

**Traded product** (*check the appropriate product*):

- ☐ **MONTH**
- ☐ **FIRST QUARTER**
- ☐ **SECOND QUARTER**
- ☐ **THIRD QUARTER**
- ☐ **FOURTH QUARTER**
- ☐ **FIRST SEMESTER**
- ☐ **SECOND SEMESTER**
- ☐ **COLD SEASON**
- ☐ **WARM SEASON**
- ☐ **GAS YEAR**
- ☐ **CALENDAR YEAR,**

Assumes and undertakes the responsibility of the company:

**SELLER**

(Company name)

\_\_\_\_\_

Legal representative

**BUYER**

(Company name)

\_\_\_\_\_

Legal representative

**Annex 2**  
to the contract

**Terminology**

**"Network Code for the National Natural Gas Transmission System"** - normative act regulating the conditions and rules for using the National Natural 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 provisions of the Contract during the Delivery Period;

**"Due Date"** - the date and/or dates on which the amounts payable are debited from the Seller's account with the equivalent value of the invoices issued in accordance with the provisions of the Contract. If that date corresponds to a Non-Working Day, it shall be considered the immediately following Working Day;

**"Natural gas"** – free gas from methane gas deposits, gas dissolved in crude oil, gas from gas fields associated with crude oil deposits, as well as gas resulting from the extraction or separation of liquid hydrocarbons;

**"Transmission system operator (TSO)"** – a natural or legal person that carries out the activity of natural gas transmission and is responsible for the operation, maintenance, and, if necessary, development of the transmission system in a given area and, where applicable, its interconnections with other systems, as well as for ensuring the long-term capacity of the system, in order to meet the demand for natural gas transmission;

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

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

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

**"Contract Value"** - represents the value obtained by multiplying the Contracted Quantity by the Contract Price, to which VAT is added in accordance with the legal provisions;

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

**"Non-Business Day"** means any Saturday or Sunday or any public holiday on which banks are closed for business in Romania.

**Art. 2.** The other terms used in this Procedure have the meaning provided in the "Regulations on the organized framework for trading standardized products on centralized natural gas markets administered by the Romanian Commodities Exchange S.A." and in the relevant legislation in force.

The company assumes and undertakes responsibility for:

**SELLER**

**BUYER**

(Company name)

(Company name)

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

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

**ANNEX 3**

to the procedure

**INITIATING ORDER**

(model)

Participant	
Beneficiary	
Standard product	
Active type	
Gas origin	
Quantity	
Maximum variation limit of the contracted quantity*	
Direction: Sale/purchase	
Starting price of the auction	
Price adjustment formula*	
Delivery condition: PVT	
Delivery start date	
Other details	
Proposed date and time for the meeting	

**We acknowledge and undertake** to comply with the provisions of the Regulation on the organised trading framework on centralised natural gas markets administered by the Romanian Commodities Exchange (Romanian Commodities Exchange) S.A., approved by ANRE Presidential Order No. 223/2018, as amended, and the trading procedures on the centralized natural gas markets administered by the Romanian Commodities Exchange (Romanian Commodities Exchange) S.A..

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

**Client:**

**Approved**  
**affiliated member/shareholder member**

(First name, last name)

(Authorized signature and stamp)



**ANNEX 4**

To the procedure

**Novation Agreement****I. Contracting Parties****Art. 1**

The parties to the novation agreement (hereinafter referred to as the "Novation Agreement") are, on the one hand, the Romanian Commodities Exchange, as counterparty (hereinafter referred to as the "Counterparty" or "RCE") and the participants in the centralized natural gas market (hereinafter referred to individually as the "Selling Beneficiary" or "Seller," respectively "Buyer Beneficiary" or "Buyer" and collectively "Beneficiaries"), who do not have the status of Clearing Member and MC Acceptance Agreement with BRM as Counterparty and who have concluded a transaction (hereinafter referred to as the "Transaction") on the medium and long-term product market, and has been refused by their counterparty in the transaction.

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

**II. Subject matter of the contract****Art. 2 Acceptance of the transaction by the Counterparty**

- (1) The counterparty substitutes itself in a transaction concluded on the medium- and long-term market for standardized products, in accordance with Art. 3, paragraph (1), point A of the Procedure for trading medium- and long-term products, through the Novation Agreement, becoming the Buyer for the Seller and the Seller for the Buyer.
- (2) The Novation Agreement is an integral part of the Procedure for the Organization and Functioning of the Medium- and Long-Term Standardized Products Market, being applicable to all participants in this market from the date of conclusion of a transaction. The Agreement shall take effect on the date on which the Counterparty accepts the request for assignment of the concluded transaction, submitted by any of the parties to the Transaction who refuse to conclude the Standard Agreement (Annex 2 to the Procedure for trading medium- and long-term products) with the counterparty to the transaction.
- (3) The obligations for the physical delivery and takeover of natural gas remain with the parties to the Transaction, with the Counterparty acting as a financial guarantor for the fulfillment 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 value of the natural gas traded in accordance with the transaction concluded. BRM, as Counterparty, guarantees through specific risk management mechanisms and through the guarantee fund the takeover and delivery of natural gas in accordance with the transaction concluded by another supplier in case of non-compliance with the delivery/takeover conditions induced by one party to the concluded transaction.
- (5) The quantities, prices, and delivery periods shall be those negotiated by the parties during the trading sessions on the medium- and long-term standardized products market administered by BRM; they shall be subject to trading annexes for each individual transaction, identical in form and completed in full, in accordance with the model presented in Annex 1 to this Framework Agreement;
- (6) The transfer of ownership shall take place at the Virtual Trading Point (VTP), based on the trading report made available to the Parties by the centralized market operator -

BRM; the quantities of natural gas traded shall be delivered to the VTP on a daily basis.

### **III. Take-up obligation/Delivery obligation Art.**

**3**

- (1) The quantities of natural gas traded are firm, with the Supplier, as Seller, assuming the obligation to deliver them to the PVT and, as Buyer, to take delivery of them and pay at the price resulting from the trading session, according to the Trading Report issued and sent to the Parties by BRM, in accordance with the provisions of Chapter V of the "Procedure for the organisation and functioning of the medium and long-term standardised products market administered by BRM".
- (2) Failure by any of the Beneficiaries to fulfill, in whole or in part, the obligation to deliver or take delivery of the traded quantities of natural gas shall entitle the Counterparty to collect the value of the undelivered or, as the case may be, uncollected quantity. Correlatively, the Party whose obligation is not fulfilled shall be liable for the payment of the amount representing the value of the quantity of gas for which the obligation to deliver or take delivery has not been fulfilled. In the event of non-compliance, the Counterparty shall enforce the guarantees provided by the Beneficiary, within the limits of the latter's obligations, as provided for in Article 6.1 of this contract.
- (3) The equivalent value of the imbalances generated by the Supplier shall be calculated in accordance with the legal provisions in force and shall be payable by the Supplier to the Central Counterparty.

### **IV. Term of the**

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

- (1) This Agreement shall take effect on the date on which the Counterparty accepts the Beneficiary's request to assign the concluded transaction. The Agreement shall remain in force until all obligations arising from the conclusion of the Transaction on the medium- and long-term standardized products market administered by BRM have been fulfilled.
- (2) After the expiry of the Term, the Parties shall no longer be bound by the terms and conditions of this Agreement, except to the extent necessary to enforce the rights and obligations of the Parties arising from this Agreement prior to the end of the Term.
- (3) If at any time any provision or clause of this Novation Agreement is or will be declared illegal, void, ineffective, or unenforceable in any way under applicable law and jurisdiction, the legality, validity, and enforceability of the other provisions of the Novation Agreement shall not be affected or influenced.

**V. Delivery/takeover of natural gas, measurement of natural gas****Art. 5**

The delivery/takeover of natural gas shall be carried out at the PVT on the date set in accordance with the trading report on a daily basis, based on the nominations made by the Counterparty to the TSO as a result of the transaction concluded on the platform.

The expenses incurred for the delivery/takeover of natural gas in the PVT shall be borne in accordance with the provisions of the legislation in force, as follows:

- a) The Beneficiary Seller agrees to bear the payment of all costs, including but not limited to taxes, fees, or tariffs imposed by any government authority on or in connection with natural gas before or at the time of its delivery to the Buyer in the PVT;
- b) The Buyer agrees to bear all costs, including but not limited to taxes, fees, or tariffs imposed by any governmental authority on or in connection with the natural gas after it has been taken over by the Buyer at the PVT.

**VI. Contract Price. Guarantee of Payment of Price. Terms and Conditions of Payment****Art. 6.1.**

- (1) The price of natural gas that is the subject of transactions transferred and accepted by the Counterparty is the price established following trading on *the medium- and long-term standardized products market administered by BRM*.
- (2) The price referred to in paragraph (1) does not include VAT and excise duties, which shall be added as applicable 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) Payments and deliveries of traded natural gas are guaranteed for the Buyer Beneficiary and the Seller Beneficiary through the Central Counterparty's centralized risk management system, through the margin system in accordance with the Central Counterparty's regulations, BRM. The beneficiaries shall submit guarantees in this regard up to a minimum level set by the Counterparty based on the daily report issued by it for each participant, party to a transaction accepted by the Counterparty. The beneficiary is obliged to submit to the Central Counterparty, based on the Margin Call, in accordance with the counterparty's regulations, the required guarantees. The request for additional collateral based on the Margin Call, if applicable, shall be made through a direct debit mechanism on a daily basis.
- (5) Payments to a Beneficiary Seller shall be made on a daily basis throughout the entire delivery period at a constant rate in accordance with the transaction. Payments shall be made in accordance with the counterparty's regulations.
- (6) Payments from a Buyer Beneficiary shall be made by direct debit throughout the delivery period in a constant profile according to the transaction. Payments shall be made in accordance with the counterparty's regulations.

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

1) In the event of refusal to accept the transaction by the Counterparty, the subject matter of the novation agreement shall become null and void. In this case, the transaction shall be cancelled in accordance with the PROCEDURE FOR

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

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

7.1. The Beneficiary Seller/Buyer shall comply with the regulations *of* the Central Counterparty (*Clearing, Settlement and Risk Management Regulations and Procedure*) with regard to invoicing and contract execution. The Buyer/Seller Beneficiary shall be treated by the Central Counterparty as a Clearing Member in relation to the rights and obligations concerning the guarantee and payment of transactions assigned to the Central Counterparty.

7.2. The seller and the Counterparty shall issue the invoices related to the contract on a monthly basis, by the 5th of each month at the latest.

**VII. Taxes and duties**

**Article 8**

- 1) In accordance with legal provisions, the Seller agrees to be responsible for and pay or arrange payment of all taxes and/or duties imposed by any government authority and associated with the natural gas delivered under this Contract, prior to delivery.
- 2) In accordance with legal provisions, the Buyer agrees to be responsible for and pay or arrange for the payment of all taxes and/or duties imposed by any government authority and associated with the 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. to invoice the Central Counterparties for the quantity of natural gas delivered and any penalties or interest charges, where applicable, in accordance with the contractual provisions, and to collect their value;
  - ii. to enjoy the rights assimilated to those of a Clearing Member on 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 in accordance with the procedure for medium and long-term products;
  - ii. to ensure the specified parameters of the natural gas delivered, in accordance with the legislation in force;
  - iii. to hold and maintain in force, throughout the duration of the Contract, the licenses and authorizations necessary for the delivery/takeover of natural gas in the PVT and to comply with their provisions;
  - iv. to ensure the delivery of the quantity of natural gas contracted under the terms of this contract, including in accordance with the notification made by the Counterparty;
  - v. to provide a performance bond in the form of a bank guarantee valid from the date of issue, with the guaranteed value being the amount specified in Article 6.1.

## **Article 10**

1) The Beneficiary Buyer has the following main rights:

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

2) The Beneficiary Buyer has the following main obligations:

- i. to take delivery of and pay for the quantities of natural gas made available by the Counterparty under the terms of this Agreement, including in accordance with the notification to the TSO made by the Counterparty;
- ii. to pay in full and on time the value of the natural gas purchased under the terms of this Agreement;
- iii. to hold and maintain in force, throughout the duration of the Contract, the licenses and authorizations necessary for the delivery/takeover of natural gas in the PVT and to comply with their provisions;
- iv. to provide a performance bond in the form of a bank guarantee valid from the date of issue, with the guaranteed value being that specified in Article 6.1.

## **IX. Confidentiality clause**

### **Article 11**

- i. The parties undertake to treat all information, data, and documentation that they have become aware of during and/or in connection with the performance of this Contract as confidential information and assume responsibility for maintaining its confidentiality.
- ii. The parties undertake to keep 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 data, documents, and information are exempt from the provisions of Art. 11(1):
  - a. those for which the prior written consent of the other contracting party has been obtained;
  - b. those which are in the public domain at the time of their disclosure;
  - c. those requested by the competent state authorities, based on a legal obligation.
- iv. If one of the Parties breaches the confidentiality obligation under 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 paragraph (1) shall remain valid for 5 years after the termination of this Agreement.

## **X. Contractual liability**

### **Art.**

Each Party shall be liable only for the performance and fulfillment of its contractual obligations, as stipulated in the contract, in compliance with the provisions of the applicable legislation in force. The Counterparty shall not be liable in any way for the performance of the obligations assumed by a participant in the transaction if the Counterparty refuses to accept the transaction.

## **XI. Termination of the**

### **Contract Art. 13**

- 1) This Contract shall terminate upon:
  - a) By operation of law, upon expiry of the Contract Term;
  - b) in the event that one of the Parties ceases to hold the authorizations/licenses necessary to perform its obligations under this Agreement. In all cases, the Party shall remain bound by the obligation provided for in Article 3(2);
  - c) if force majeure events prevent the Parties from fulfilling their contractual obligations under the Agreement;
- 2) Termination of this Agreement shall have no effect on the contractual obligations assumed by the Parties and not yet performed.

## **XII. Notifications**

### **Article 14**

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

For the Counterparty:

\_\_\_\_\_

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

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

Fax: \_\_\_\_\_

E-mail for general inquiries: \_\_\_\_\_

REMIT Manager: \_\_\_\_\_

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

Contracting Manager: \_\_\_\_\_

For BENEFICIARY:

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

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

Fax: \_\_\_\_\_

E-mail for general inquiries: \_\_\_\_\_  
REMIT manager: \_\_\_\_\_  
GMOIS Manager: \_\_\_\_\_  
Billing Manager: \_\_\_\_\_  
Contracting Manager: \_\_\_\_\_

1. If the notification is made by post, it shall be sent by registered letter with acknowledgment of receipt and shall be deemed to have been received by the addressee on the date indicated by the receiving post office on the acknowledgment of receipt.
2. Verbal notifications shall not be taken into account by either Party unless they are confirmed by one of the means provided for in the preceding paragraphs.
3. Any change in the mailing address of either Party shall be notified in accordance with the provisions of paragraph (1) above at least 5 (five) calendar days prior to becoming effective, otherwise the notifications shall be deemed validly communicated even if the change is not notified in accordance with the provisions of paragraph (1) above. Otherwise, notifications shall be deemed to have been validly communicated even if marked "addressee moved" or similar, or if the document is not collected by the addressee.

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

#### **Art. 15**

1. "Change of circumstances" means: the entry into force, amendment of the text or interpretation of any legal requirement, rule, methodology or recommendation of an authority that was not in force at the time of signing this Agreement.
2. Changes in circumstances may include, but are not limited to: the introduction of new taxes or fees, a change in the methods of taxation or fee collection, an increase/decrease in any existing taxes and fees, or a change in the methodology envisaged at the date of conclusion of this Agreement regarding the substantiation or recommendation and/or application of the elements used to determine the Contract Price; any amendment or addition to the Network Code for the National Transmission System in force shall be considered a change in circumstances within the meaning of this Agreement.
3. In the event of a change in circumstances affecting the provisions of this Agreement, the Parties undertake to sign an addendum reflecting such change.

### **XIV. Force Majeure**

#### **Art. 16**

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

the occurrence of the Force Majeure event;

## **XV. Applicable law**

### **Art. 17**

- 1) This Contract, as well as the rights and obligations of the Parties resulting from its execution, shall be governed by the Romanian legislation in force.
- 2) The Parties agree that all disputes arising from 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 settled by the competent courts.

## **XVI. Assign**

### **ment Art.**

### **18**

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

## **XVII. Final clauses**

### **Art. 19**

In the event of a change in legal form/judicial reorganization, the Parties undertake to communicate, within a maximum of 5 (five) calendar days from that date, the manner in which the mutual contractual obligations will be taken over.

### **Art.**

The Parties undertake, one towards the other, to hold, throughout the duration of the Agreement, the approvals necessary for the fulfilment of the obligations stipulated therein.

### **Art.**

The provisions of this Agreement are supplemented by the provisions of the Civil Code, as well as other legal regulations in force. If any provision of the Agreement is invalid or unenforceable in any respect under applicable laws and regulations, the validity, legality, and enforceability of the other provisions of the Agreement shall not be affected in any way thereby, and the Agreement shall continue to be effective. The invalid or unenforceable provisions shall be deemed to be replaced by an appropriate and equitable provision which, to the extent permitted by law, is as close as possible to the intention and purpose of the invalid or unenforceable provision, unless the Parties agree to replace them by an addendum.

### **Article 22.**

The fact that one of the Parties does not invoke any of the provisions of this Agreement at a given moment cannot be interpreted as a waiver of the right to invoke it at a later date, does not amount to an amendment of this Agreement, and does not give rise to any rights in favor of the other Party or a third party.

### **Art. 23.**

The parties declare that they have all the experience and knowledge necessary to enter into this Agreement, ~~that~~ this Agreement is entered into with full knowledge of its effects, and that they are fully aware of and understand all legal, technical, and commercial aspects related to the conclusion, execution, and termination of this Agreement.