

**PROCEDURE  
FOR THE ORGANIZATION AND FUNCTIONING OF THE MARKET IN  
STANDARDIZED PRODUCTS  
ON SHORT TERM, MANAGED BY THE COMPANY BURSA ROMÂNĂ DE  
MĂRFURI  
(ROMANIAN COMMODITIES EXCHANGE) S.A.**

**SCOP**

**Art. 1.** This procedure establishes the organized framework for trading natural gas on the Short-Term Standardized Products Market through an electronic trading platform managed by Bursa Română de Mărfuri SA, hereinafter referred to as "BRM".

The implementation of the Short-Term Products Market, with segments generically entitled "WITHIN-DAY MARKET GAS" and "DAY AHEAD MARKET GAS" respectively, creates a centralized and transparent framework for short-term wholesale transactions and allows for quick and non-discriminatory access to the resources available at a given moment in the market.

**Art.2.**

(a) In accordance with the "Centralized list of standardized products tradable within the natural gas market of short-term standardized products and within the market of medium and long-term standardized products" approved by ANRE Decision no. 1755/04.07.2023, on this centralized market segment BRM is entitled and organizes trading sessions for the following two types of standardized products:

- A. WITHIN-DAY (WDY) - transactions with immediate execution for natural gas deliverable at the Virtual Trading Point, in a constant hourly profile, in the time remaining until the end of the current gas day on the transaction closing date;
- B. DAY AHEAD (DAH) - for transactions with immediate execution for natural gas deliverable at the Virtual Trading Point, in a constant hourly profile, on the gas trade day following the trade closing date.

(b) The transfer of ownership takes place in the Virtual Trading Point, hereinafter referred to as "VTP", on the basis of the transaction report issued by the BRM electronic platform.

**SCOPE**

**Art.3.** This procedure applies to the participants of the Short-Term Standardized Products Market, in their relationship with BRM, in its dual capacity as a licensed operator for the administration of the centralized natural gas markets, respectively as a counterparty, which has the role of guaranteeing the execution of transactions from a financial point of view.

**Article 4.** (1) Participation in transactions on the Short-Term Product Market shall be allowed for economic operators which fulfill the following requirements:

- are holders of a valid license granted by ANRE for the commercialization of natural gas and have concluded a balancing and PVT access contract with the transmission and system operator;
- are distribution system operators and natural gas storage system operators, which have concluded a balancing and PVT access contract with the transmission system operator and have the right to trade exclusively on the purchase side;
- are final customers who have concluded a balancing contract with the transmission and system operator, they have the right to trade on the buying side; on the selling side they have the right to sell natural gas only to balance their own portfolio efficiently;
- is a transmission system operator (TSO) and participates in transactions solely for the purpose of undertaking the physical balancing of the National Transmission System (NTS).

(2) The actual participation in trading is permitted subject to the Short-Term Product Market Participant fulfilling the conditions set out in the Agreement on participation in the energy markets administered by BRM and in the Framework Agreement on the provision of counterparty services for the Short-Term Product Market - annexed to this Procedure.

## **TERMS, DEFINITIONS AND ABBREVIATIONS**

**Art. 5.** For the purposes of this procedure, the terms and abbreviations used shall have the following meanings:

- a) **Counterparty** - an entity that interposes itself financially between the seller and the buyer, becoming the buyer for the seller and the seller for the buyer, respectively, in order to ensure the settlement of the transaction concluded on the exchange on their behalf. BRM acts as counterparty in short-term transactions carried out on the Short-Term Products Market.
- b) **Competent authority** - National Energy Regulatory Authority (**ANRE**);
- c) **Participation agreement** - a standard agreement defined by the operator of the centralized market, which is concluded with the participants and sets out the mutual rights and obligations of the parties;
- d) **Broker** - an individual who is in an employment relationship with the economic operator or with a brokerage firm designated in the Participation Agreement, having as main attributions the placing and maintenance of orders during trading sessions and the right to engage the liability of the economic operator he represents in relation with BRM;
- e) **Framework Agreement for the provision of counterparty services for the Short-Term Products Market** (Annex 2 to this Procedure) - an agreement setting out the general terms and conditions for the settlement and collateralization of transactions to which the market participant adheres by concluding the Participation Agreement by ticking participation in the Short-Term Standardized Products Market;

- f) **Participant** - an economic operator in the natural gas sector that signs the Agreement on participation in the energy markets administered by BRM and has a balancing and PVT access contract in force with the transmission system operator;
- g) **Bid/offer** - is an offer submitted by a Participant, consisting of a price-quantity pair, with the attribute and validity period of the tradable product and representing the firm commitment of the Participant;
- h) **Transaction price** - the price resulting from the trading of products on the Short-Term Product Market on a transaction-by-transaction basis;
- i) **Trade Confirmation** - a notification accessed by the Short-Term Products Market participant through the trading system administered by the BRM, confirming a trade executed by it;
- j) **Trading limit** - the value or volumetric amount within which the Participant may trade during trading sessions, calculated in accordance with the provisions of the Framework Agreement for the provision of counterparty services for the short-term product market;
- k) **Collateral** - the amount of the bank letter of guarantee, and/or cash and/or collateral deposit deposited on the nominated ESCROW account with the bank approved by BRM, calculated and updated by BRM as Counterparty, against which the bids placed on the Short-Term Products Market are validated;
- l) **Trading session** - the program of the trading process during which bids and/or offers may be entered, modified, cancelled or suspended and transactions may be concluded, if matching conditions are met. The short-term product market managed by BRM operates 24 hours a day, 7 days a week;
- m) **Trading system** - a computerized system operated and managed by BRM, for the purpose of carrying out transactions on the Short-Term Natural Gas Products Market;
- n) **Trade** - an agreement concluded in the trading system following the matching of a bid and offer, resulting in a result recorded in the trading system, notified by trade confirmation.

The other terms used and other definitions used in this Procedure have the meaning provided in the "Regulation on the organized framework for trading standardized products on the centralized natural gas markets administered by the Romanian Commodities Exchange (Bursa Română de Mărfuri) S.A.", approved by the Order of the President of ANRE no. 105/2018, with subsequent amendments and additions, hereinafter referred to as "Regulation", as well as in the relevant legislation in force.

## **PRODUCTS INTENDED FOR TRADING**

**The** products that can be traded on the Short-Term Products Market are natural gas to be physically delivered on the remaining day of the trading day (WD), respectively on the gas day following the trade end date (DA), in a constant hourly profile. Trading sessions are conducted online, following a 24 hours/day, 7 days a week schedule, with the necessary limitations to match the traded product with the time remaining for the delivery day (the trading session is organized until 03:00, before the start of the gas day).

**Art. 7.** The subject of the transaction is a standard product or a multiple of standard products, and the only elements that can be modified by the interested parties during the trading sessions are the price per standard product and the number of standard products traded. The full description of the products is contained in Annex 1 to this Procedure.

**Art.8.** The participation and placing of bids, as well as the organization of trading sessions shall be carried out in accordance with this procedure.

Participation in the Short-Term Natural Gas Products Market administered by BRM is voluntary.

**Art. 9.** A participant in the Short-Term Gas Products Market may withdraw from trading activity on its own initiative on the basis of a written notice signed by the legal representative of the market participant.

**Art. 10.** The BRM shall sanction the economic operator participating in the Short-Term Natural Gas Products Market in the event that it does not comply with the provisions of the Participation Agreement, of the Framework Agreement for the provision of counterparty services for the Short-Term Products Market, of the Regulation and/or of this procedure, in accordance with the provisions of the Procedure on the conduct of market participation.

## **ORGANIZATION AND CONDUCT OF TRADING SESSIONS**

### **A. Trading WITHIN-DAY (WD)**

**Art. 11.** Trading sessions are organized by the Short-Term Products Market Operator for each delivery day. The BRM shall define the standard product for the trading day, identified by a unique alphanumeric code, comprising the name of the gas day in the form WD\_ zz\_ ll\_ yyyy, where WD is the acronym for WITHIN-DAY, where zz is the day expressed by two digits, ll is the month expressed by 2 digits, and yyyy is the year expressed by 4 digits.

**Art. 12.** Trading sessions are held online, following a 24 hours/day, 7 days a week schedule, with the necessary limitations to correlate the traded product with the time remaining on the delivery day (the trading session is organized until 03:00, so that the traded products can be physically delivered by the end of the gas day). During the trading session bids are entered by the participants of the Short-Term Product Market and may be modified and/or canceled. Bids consist of electronic orders with price and quantity (number of standard products) for the respective validity interval. Prices are expressed in RON/MWh and do not include VAT. The minimum quantity of a WITHIN-DAY product is 1 MWh. The order can contain any number of products multiple of 1 MWh.

**Art.13.** The bidding and trading process shall take place as follows:

(1) During the trading session, brokers shall place orders which are validated only if they fulfill the following cumulative conditions:

- a) indication of quantity and price;
- b) the existence on the margin account of an available amount equal to or greater than the amount of collateral required in the event of the order being traded.

(2) Orders placed may be maintained by brokers as follows:

- i. price change;

- ii. change the quantity.

(3) Buy and sell orders will be automatically sorted in the trading platform so that the best bids in terms of price are displayed first. In the event of a price tie, bids will be sorted by timestamp, with the oldest bids being displayed first.

(4) In the case of sell orders, the sell order shall be matched with a buy order at the same or a higher price for the maximum quantity determined by the competition of the quantities indicated in the two orders in opposite directions at the price of the sell order. To the extent that the matching conditions are fulfilled for more than two opposite orders, the order of matching shall be established chronologically according to the earliest time stamp.

(5) For buy orders, the buy order shall be matched with a sell order at the same or a lower price for the maximum quantity determined by the competition of the quantities indicated in the two orders in opposite directions at the price of the buy order. To the extent that the matching conditions are fulfilled for more than two opposite orders, the order of matching shall be established chronologically according to the earliest time stamp.

(6) In circumstances where the trade has been executed only in respect of a part of the quantity specified in an order, that order shall be maintained on the trading venue for the remaining quantity, unless the participant chooses to cancel the order.

## **B. Trading DAYAHEAD (DA)**

**Art. 14.** Trading sessions are organized by the Short-Term Products Market Operator for each delivery day. The BRM shall define the standard product for the trading day, identified by a unique alphanumeric code comprising the name of the gas day in the form DA\_ zz\_ ll\_ yyyy, where DA is the acronym for DAYAHEAD, where zz is the day expressed by two digits, ll is the month expressed by 2 digits and yyyy is the year expressed by 4 digits.

**Art. 15.** Trading sessions are conducted online, the platform being available on a daily schedule of 24 hours/day, 7 days a week (except for the transition from summer time to winter time and vice versa). Offers consist of electronic orders with price and quantity (number of standard products) and are valid for the validity period selected from the options available in the trading system. The minimum quantity of a DAY-AHEAD product is 1 MWh. The order can contain any number of products multiple of 1 MWh.

**Art. 16.** The bidding and trading process shall take place as follows:

(1) During the trading session, brokers shall place orders which shall be validated only if they cumulatively fulfill the following conditions:

- a. indication of quantity, price and shelf life;
- b. the existence on the margin account of an available amount equal to or greater than the amount of collateral required in the event of the order being traded.

(2) Orders placed may be maintained by brokers as follows:

- a. change in quantity, price and shelf life;
- b. cancel orders.

(3) Buy and sell orders will be automatically sorted in the trading platform so that the best bids in terms of price are displayed first. In the event of a price tie, bids will be sorted by timestamp, with the oldest bids being displayed first.

(4) In the case of sell orders, the sell order shall be matched with a buy order at the same or a higher price for the maximum quantity determined by the quantities specified in the two orders in opposite directions competing at the price of the sell order. In so far as the matching conditions are fulfilled for more than two orders in the opposite direction, the order of matching shall be determined chronologically according to the earliest time stamp.

(5) For buy orders, the buy order shall be matched with a sell order at the same or a lower price for the maximum quantity determined by the competition of the quantities mentioned in the two orders in opposite directions at the price of the buy order. To the extent that the matching conditions are fulfilled for more than two opposite orders, the order of matching shall be established chronologically according to the earliest time stamp.

(6) In circumstances where the trade has only been executed in respect of a part of the quantity indicated in an order, that order will be maintained on the trading platform for the remaining quantity, unless the participant chooses to cancel the order.

**Article 17.** (1) Transactions executed on the Short-Term Product Market shall result in firm obligations of the respective Short-Term Product Market Participant to sell natural gas, respectively to purchase natural gas, in accordance with the specifications of the confirmed transactions. BRM shall become the financial counterparty for each Short-Term Product Market Participant.

(2) In validating the bids, the system shall take into account the verification of the required collateral posted by the participant, calculated in accordance with the Framework Agreement for the provision of counterparty services for the short-term product market.

(3) Participants whose bids have been invalidated due to a mismatch between the amount of collateral and the transaction value shall be notified via messages on the trading system and shall have the following options:

- a. enter a modified bid so that the amount of the bid does not exceed the available validation guarantee;
- b. top up the guarantee fund so that the value of the bid is covered by the guarantee.

(4) Offering and trading shall take place between anonymous participants. After the end of a trading session, participants in the Short-Term Products Market shall have access, via the BRM's electronic system, to the confirmations of their transactions.

(5) BRM, as a counterparty, has the obligation to notify the transactions concluded on the Short-Term Products Market to the Transmission and System Operator, according to the provisions of the SNT Network Code.

**Art.18.** After the end of the trading sessions for a day, the BRM operator shall draw up payment statements and transaction reports recording the quantities of natural gas related to the buying/selling transactions and the amounts of payment obligations/collection rights. These statements shall be made available to the Short-Term Product Market Participant.

**Art.19.** Collections/payments related to the net amounts of collection rights/payment obligations for transactions concluded on the Short-Term Products Market shall be carried out through BRM as Counterparty.

The Framework Agreement for the provision of counterparty services for the short-term product market contains all provisions relating to the making of payments/collections, their terms and conditions.

## **FEES AND CHARGES**

**Art.20.** The operator of the centralized markets shall publish on its website the fees and commissions charged. Payment shall be made by participants within a maximum of 10 (ten) calendar days from the date of issue of the monthly invoice issued by BRM.

## **GUARANTEES**

**Art. 21.** In order to be able to trade, an economic operator must post collateral in accordance with the Framework Agreement for the provision of counterparty services for the short-term product market.

**Art.22.** If the economic operator is a party to the transaction, the collateral shall be blocked by the BRM until the confirmation of the transaction. During this period, the blocked collateral may not be used for the purpose of participating in another trading session.

**Art. 23.** The BRM has the right to execute the guarantee constituted under Article 21, as follows:

- a) in the case of the Buyer: if the Buyer fails to respond to two successive direct debit operations, the countervalue of the volumes which were the subject of the transaction and which have been transferred by BRM to the Seller's account shall be forfeited from the guarantee lodged;
- b) in the case of the Seller: if the Seller fails to deliver the traded quantity of natural gas, in whole or in part, the value of the traded and undelivered volumes shall be forfeited from the security lodged for the extension of the trading limit.

## **PUBLICATION OF INFORMATION**

**Art.24.** (1) For the transactions concluded within the short-term standardized products market, the BRM shall publish the following information daily on its website:

- a) the volumes traded for the following day and the number of transactions concluded for that day;
- b) the volumes traded for the rest of the gas trading day and the number of transactions concluded in this respect - for each product;
- c) minimum trading price - for each individual product;
- d) maximum trading price - for each individual product;
- e) average price - for each individual product, calculated as a weighted average;

- f) the closing price of the trading day - the last trading price recorded at the close of the market, on a product-by-product basis;
- g) the change in the day's closing price from the previous day's closing price - for each individual product;
- h) the number of registered market participants who have submitted at least one bid or offer on the market, irrespective of the bid or offer's direction - buy or sell.

(2) The BRM shall publish the information referred to in lit. a)-e) continuously with a maximum delay of 15 minutes and daily the information referred to in lit. f)-h).

(3) The BRM shall transmit to the OTS information on transactions concluded in the short-term standardized products market, in accordance with a mutually agreed protocol for the transmission of information.

**Article 25.** The data and information referred to in Article 24 paragraphs. (1) and (2) shall be published on the website of the BRM for a minimum period of 2 years.

### **TRANSITIONAL AND FINAL PROVISIONS**

**Art. 26.** Appeals shall be filed, administered and settled according to the following procedure:

(1) The interested party may lodge a written objection to the BRM within 1 (one) day from the date of the trading session; the stipulated time limit shall be considered as a limitation period;

(2) The BRM registers and forwards to the party concerned the appeal lodged;

(3) The BRM shall ask the party concerned for its views on the outcome of the appeal;

(4) The party concerned has the obligation to send to the BRM, within 1 (one) day of the request, the reply to the filed contestation;

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

**Art. 27.** Any amendments made to this procedure by the BRM shall enter into force only after the public consultation process has been carried out, in accordance with the provisions of ANRE President's Order no. 105/2018, with subsequent amendments and additions.

**Art. 28.** Annex No 1 forms an integral part of this procedure.



**DESCRIPTION AND CHARACTERISTICS OF STANDARD PRODUCTS  
TRADABLE ON THE SHORT-TERM PRODUCT MARKET**

<b>PRODUCT NAME</b>	<b>WITHIN - DAY (SYMBOL : WD)</b>
<b>DESCRIPTION</b>	Quantities of natural gas with physical delivery into the NTS. Delivered during the remaining hours of day Z, with a 3 h grace period.
<b>DELIVERY POINT</b>	VIRTUAL TRADING POINT (PVT)
<b>CONVENTIONAL VOLUME CONTRACT</b>	1 MWh/h
<b>UNIT OF MEASUREMENT CONTRACT</b>	1 MWh
<b>PRICE / UNIT OF MEASURE</b>	lei/MWh
<b>PAS MINIMUM PRICE</b>	0.01 Lei / MWh
<b>TRADING PERIOD</b>	7 days/week, 24 h/day
<b>PRODUCT NAME</b>	<b>DAY AHEAD (SYMBOL : DA)</b>
<b>DESCRIPTION</b>	Quantities of natural gas physically delivered to the NTS next day delivery, including Saturdays, Sundays and public holidays.
<b>DELIVERY POINT</b>	VIRTUAL TRANSACTION POINT (PVT)
<b>UNIT OF MEASUREMENT CONTRACT</b>	1 MWh
<b>CONVENTIONAL VOLUME CONTRACT</b>	1 MWh/h
<b>UNIT OF MEASURE PRICE</b>	lei/MWh
<b>PAS MINIMUM PRICE</b>	<b>0.01 Lei / MWh</b>
<b>TRADING PERIOD</b>	7 days/week, 24 h/day

## ANNEX 2

The procedure

### **AGREEMENT - FRAMEWORK FOR THE PROVISION OF COUNTERPARTY SERVICES FOR THE SHORT- TERM PRODUCT MARKET**

#### **1. Definitions**

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

- 1.1. **Escrow Agent** - the commercial bank approved by BRM, which will open the Escrow Account in favor of BRM on the order of its client (BRM DAY-AHEAD GAZ Participant).
- 1.2. **Central Account Bank (BCR)** - Banca Comercială Română S.A., which acts as a collecting institution in relation to BRM and with which BRM has opened the Central Account related to BRM DAY-AHEAD GAS to be credited or has been credited with the amounts set out in the Direct Debit Instructions issued by BRM and debited with the amounts set out in the payment orders.
- 1.3. **Debiting Bank** - The commercial bank with which the Participant has opened the account to be debited or has been debited with the amount specified in the direct debit instruction;
- 1.4. **Short-Term Products Market Central Account** - an account opened with the Central Account Bank in the name of BRM, which is to be credited or has been credited with the amounts stipulated in the Direct Debit Instructions issued by BRM and debited with the amounts stipulated in the payment orders. This account shall be used for the collection and payment of transactions concluded on BRM DAY-AHEAD GAZ.
- 1.5. **Agreement** - this Framework Agreement for the provision of counterparty services for the Short-Term Products Market.
- 1.6. **Direct Debit Agreement (DDA)** - the agreement between BRM and BCR as a Collecting Institution, in accordance with the applicable national and European legislation on direct debiting, and the Collecting Institution's acceptance of BRM's use of the Direct Debit Instructions within a Direct Debit Scheme.
- 1.7. **Escrow Account** - the collateral deposit account opened by the Participant with the Escrow Agent.
- 1.8. **Completion date - the banking day (z) on which the amount set out in the Direct Debit Instruction is credited to the Short-Term Product Market Central Account by the Collecting Institution. The finalization date of the interbank Direct Debit Instruction shall be the same as the interbank settlement date (clearing date).**
- 1.9. **Direct debit** - a method of payment of an amount of money agreed between the Buyer Participant and the BRM, which consists in the preauthorized debiting of the Buyer Participant's

account by the Paying Institution based on the provisions of the Direct Debit Mandate, upon the BRM's request and the corresponding crediting of the BRM's account by the Central Account Bank based on the Direct Debit Agreement; this payment method does not require prior authorization by the Buyer Participant of each direct debit instruction drawn on the account or, as regulated in the NBR Regulation no. 2/2016 on credit transfer and direct debit operations.

- 1.10. **Right of reimbursement - the right of a Participant to make a claim for reimbursement in relation to a Direct Debit Instruction (except B2B SDD) to the Paying Institution holding the Participant's account and, respectively, the right to receive the full amount of the Direct Debit Instruction, which claim must be made under the conditions provided for in the applicable national law.**
- 1.11. **BRM Payer Identifier (Payer Id) - information intended to identify the Paying Participant by the BRM (e.g. subscriber code).**
- 1.12. **Paying Institution** - the credit institution with which the Participant has opened the current account to be debited or has been debited with the amount set out in the Direct Debit Instruction.
- 1.13. **Direct Debit Instruction (DDI) - a direct debit payment instruction issued by the BRM to the Central Account Bank** where the BRM has opened the Central Account related to the BRM DAY-AHEAD GAS to be credited or has been credited by the paying institution where the Participant has opened the current account to be debited or has been debited with the amount specified in the respective Direct Debit Instruction.
- 1.14. **Interbank Direct Debit Instruction (Interbank DDI) - a direct debit payment instruction where the Central Account Bank** is different from the Paying Institution with which the Participant has opened the current account to be debited or has been debited with the amount set out in the Direct Debit Instruction.
- 1.15. **Intra-bank Direct Debit Instruction (Intra-bank DDI) - a direct debit payment instruction where the central account bank** is the same as the paying institution with which the Participant has opened the current account to be debited or has been debited with the amount specified in the Direct Debit Instruction (the Collecting Institution is identical to the Paying Institution).
- 1.16. **Trading Limit** - the value or volume amount within which the Participant may trade during the Trading Sessions, representing, for the Participant's buy orders, the aggregate of the Escrow Account balance and the amount covered by the Bank Guarantee Letter (SGB), and for the Participant's sell orders, the value/volume set by BRM under this Agreement.
- 1.17. **The maximum limit for the transmission period of Direct Debit Instructions - is five banking days (z-5) and represents the maximum number of days before the Completion Date (z) in which a Direct Debit Instruction can be entered into the settlement system of the Central Bank of Account;** Direct Debit Instructions may also be received from the BRM prior to the maximum limit of the transmission period, provided that they are uploaded to the **Central Account Bank's** computer system on a pending basis and entered into the Central Account Bank's settlement system within this limit, i.e. from date (z-5).
- 1.18. **The minimum time limit for the transmission period of Intra-bank Direct Debit**

**Instructions - depending on the MRO's request, may be one banking day (z-1) or zero days (z) and represents the minimum number of banking days before the Completion Date by which an Intra-bank Direct Debit Instruction can be in the settlement system of the Central Bank of Central Account.**

- 1.19. The minimum time limit for the transmission period of Interbank Direct Debit Instructions - is one banking day (z-1) and represents the minimum number of banking days before the Completion Date on which an Interbank Direct Debit Instruction can be entered into the settlement system of the Central Bank of Central Account.**
- 1.20. Direct Debit Mandate -** a document that satisfies the legal requirements and by which a Participant grants a permanent but revocable authorization to the BRM to issue Direct Debit Instructions on its current account with the Paying Institution and, respectively, the right of the Paying Institution to debit its current account with the amount provided for in the Direct Debit Instructions issued by the BRM.
- 1.21. Transaction report/payment statements -** documents issued by BRM to the Participant, in accordance with the provisions of this Agreement, summarizing the results of transactions and payment obligations, i.e. the collection rights based on the concluded transactions.
- 1.22. Unique Mandate Registration Number (UMR) - unique identifier of the mandate at interbank level.**
- 1.23. Virtual Trading Point (VTP) -** an abstract, single point on the National Transmission System between the points of entry into and exit from the National Transmission System, where the transfer of ownership of natural gas from one participant to another participant on the natural gas market is allowed;
- 1.24. Letter of Bank Guarantee (SGB) -** the financial instrument by which a payment guarantee is constituted in favor of BRM by the Participant, as provided for in this Agreement.
- 1.25. Direct debit scheme -** a payment scheme which defines a common set of rules and processes applicable to direct debit transactions.
- 1.26. Delivery day -** the gas day on which the delivery of the product for which a transaction has been concluded (day D) is realized.
- 1.27. Trading day -** any calendar day on which trading takes place).
- 1.28. Gas Day -** the time interval between 06:00 on the current calendar day and 06:00 on the immediately **following** calendar day according to the Network Code for the National Gas Transmission System in force.
- 1.29. Banking day -** calendar day, with the exception of Saturday, Sunday and any day declared a public holiday in Romania, on which commercial banks in Romania carry out operations with the public.
- 1.30. Non-banking day -** a day that is not a banking day.

## 2. Terms of membership as a Short-Term Product Market Participant

**2.1.** Clearing shall be carried out by BRM as counterparty. Any obligations of any kind relating to the customs or tax treatment of natural gas shall fall exclusively on the Participant and shall not be discharged through the clearing mechanism provided for in this Agreement and BRM shall have no liability or obligation in this respect. The Participants shall inform BRM to the extent that there are customs procedures required for the delivery of the natural gas they intend to trade, prior to the end of Day D-1.

**2.2.** For the services provided under this Agreement, the Participant shall pay the amount of the commission set by BRM from the amount of the transactions carried out. Payment shall be made by direct debit. The amount of the fee is published on the BRM website [www.brm.ro](http://www.brm.ro). The BRM has the right to unilaterally change the amount of the fee by publishing the new amount on the BRM's website and by notifying in writing all Participants with which it has concluded a framework agreement for the provision of counterparty services, at least 5 business days before the new amount of the modified fee is applied. The initiation of transactions shall constitute the Participant's agreement to the new fee published prior to the opening of the trading day.

**2.3.** A Participant that fails to fulfill its obligations as a gas market participant (including those related to a trading session) shall remain fully liable for any damage created and shall fully indemnify and hold BRM harmless against any claims of any third party.

## 3. Short-Term Product Market Participant Obligations. Applicable Mechanisms

### *Transaction payments*

- 3.1.** To the extent that the parties do not agree on another means of payment, the Short-Term Product Market Participant shall enter into a Direct Debit Mandate in favor of the BRM which shall be the basis on which the Participant's bank, **as Paying Institution**, shall debit the Participant's current account with the amount set out in each Direct Debit Instruction issued by the BRM and which shall be made available to the **Central Account Bank** upon its request.
- 3.2.** Direct debiting shall be made both for the amounts due as transaction price and for the commission due to BRM for the services provided under this Agreement.

### *Guaranteeing payment of transactions*

- 3.3.** In order to guarantee the payment of transactions, the Short-Term Product Market Participant:
- (i) will provide a Bank Guarantee Letter (SGB) in favor of the BRM issued by the Central Account Bank or another commercial bank authorized in Romania and accepted by the BRM and/or
  - (ii) will open an Escrow Account in favor of BRM at the Central Account Bank or at another commercial bank authorized in Romania and accepted by BRM, which will act as Escrow Agent and/or
  - (iii) shall provide a cash guarantee, in cases where such guarantee is required by BRM under

the provisions of the Participation Agreement.

- 3.4.** The maximum value threshold up to which the Participant-buyer has the right to trade, updated in real time and made available to the Participant via the trading platform, on the Short-Term Products Market is determined according to the formula  $\text{Limit} = \text{SGB} + \text{Escrow Account} + \text{Cash}$ , it being understood that:
- (i) the value of the SGB will be the available amount (unblocked amount) of a current SGB
  - (ii) the value of the Escrow Account will be the credit balance of the ESCROW account
  - (iii) the value of the cash will be the credit balance of the cash account made available to the BRM
  - (iv) The Buyer-Participant is free to set and modify the Limit in accordance with the collateral available to the BRM for transactions on the Short-Term Product Market.
- 3.5.** BRM shall have the right to request collateral and to set the Trading Limit also for the Participant's sell orders. If the BRM also sets the Trading Limit for the Participant's sell orders, the Trading Limit shall be determined according to the formula  $\text{Trading Limit} = \text{twice the arithmetic average of the volumes traded on the Short-Term Product Market in the last 6 calendar months preceding the month in which trading is being participated in}$ . If there is no trading history, the BRM sets the Trading Limit also for the Participant's sell orders on the basis of risk criteria relating in particular to the Participant's status as a Participant registered on the centralized markets administered by the BRM in the last 3 months, the lack of trading history, the conclusion of transactions of large or unusual amounts, in relation to the market level and the size of the Participant's activity on the centralized markets administered by the BRM and other markets in the European Union.
- 3.6.** The SGB will be constituted, at the sole expense of the Participant, as a commitment to be executed at the first and simple request of BRM. The GBS shall have an initial validity period of at least 3 months, which may be extended at the sole expense of the Participant. The Participant shall provide the BRM with proof of the issuance of a new SGB, or, as the case may be, of the extension of the validity period of the existing SGB at least 5 days before the expiry date of each validity period, failing which the SGB shall not be taken into account in the calculation of the Limit. The SGB shall be in the form published on the BRM website.
- 3.7.** The Escrow Account will be set up by signing an Escrow Agreement and depositing a sum of money into the Escrow Account. The Escrow Agreement shall permit the Escrow Agent to wire to BRM any amounts necessary to cover all of the Participant's debts under this Agreement, including amounts due as the price of transactions, the commission due to BRM for services provided under this Agreement and any penalties. The Escrow Agent shall have no discretion as to the merits of BRM's request and shall release the amounts requested by BRM upon BRM's request.
- 3.8.** The Participant shall be in default of all payment obligations under this Agreement, and direct debiting and/or enforcement of collateral shall be effected without any prior notice to the

Participant by BRM and without any other formalities except as expressly provided in this Agreement.

- 3.9.** The Participant may request a reduction in the amount of the SGB, Escrow Account and/or other guarantees, justified by the previous volume of its transactions, only with the written consent of the BRM, which will be sent to the bank issuing these guarantee instruments.
- 3.10. *Trading algorithm*** . In the case of the Short-Term Product Market Participant, as buyer, the trading algorithm shall provide for the following steps:
- 3.10.1.** If the Limit is negative or zero, the Participant may not enter new orders or modify existing orders that would result in exceeding the trading limit in the market.
- 3.10.2.** If the Limit is positive, the Participant may trade in the timeframe continuously without exceeding the Limit.
- 3.10.3.** BRM transmits daily to the Transmission and System Operator (TSO), S.N.T.G.N. Transgaz S.A., the nominations for all transactions carried out for Within Day and Day Ahead products.
- 3.10.4.** The BRM pursues the confirmation of access to the PVT for each Participant, under the conditions set out in the agreement between the OTS and the BRM.
- 3.11.** In the case of the **Short-Term Product Market** Participant as seller, the trading algorithm foresees the following steps:
- 3.11.1.** The trading limit is calculated and adjusted by the BRM in accordance with Article 3.6.
- 3.11.2.** The Participant may trade on a continuous hourly basis without exceeding the Limit. The provisions of Art. 3.12.2 shall only apply if the BRM will request collateral and set the Trading Limit also for the Participant's sell orders.
- 3.11.3.** BRM transmits daily to the Transmission and System Operator (TSO), S.N.T.G.N. Transgaz S.A., the nominations for all transactions carried out within day and day-ahead.
- 3.11.4.** The BRM pursues the confirmation of access to the PVT for each Participant, under the conditions set out in the agreement between the OTS and the BRM.
- 3.12.** The maximum time limit for payment by the purchasing Participant by direct debit of the amount of the obligations resulting from its transactions is 2 (two) banking days, within which the Participant will have to make available in its current account the amount corresponding to the payments accumulated within the aforementioned period or request the cancellation of the Direct Debit Instruction. Otherwise, BRM shall notify the Participant and proceed with the execution of the collateral up to the amount of the amounts due on day D+5, in the order of the Escrow Account followed by the execution of the Letter of Bank Guarantee (SGB). In the event that the amount of the collateral does not cover the amounts due, the Participant shall be excluded from transactions for a period of 3-12 months, but not before the recovery of all amounts due to BRM. Failure to cover in full the amounts due to BRM as a result of the

execution of the collateral shall result in penalties of 0.5%/day of delay until the full amount has been recovered.

- 3.13. The amounts outstanding until the Central Account Bank confirms their payment shall be deducted from the Limit within which the Buyer-Participant may buy during the auction sessions held until the moment of confirmation.
- 3.14. The amounts outstanding up to the moment of confirmation by the Central Account Bank of their payment shall be deducted from the Limit within which the Participant - seller may sell during the auction sessions held up to the moment of confirmation.
- 3.15. During the current trading session, the Participant's Trading Limit is checked in real time by the BRM platform, taking into account all current transactions in which the buying or selling Participant is engaged. The Participant is excluded if the balance of the Limit is higher than the value of the initiated transactions. Exclusion from trading shall only be effected for transactions where the Limit is exceeded, the Participant having the possibility to reduce the value of the transaction to bring it within the Limit or to increase the amount of the Limit by pledging collateral in order to be able to participate in new sessions.

#### ***Settlement and Invoicing***

- 3.16. The BRM will provide each Participant that has registered buy or sell transactions with an hourly transaction report, detailed at transaction level and containing the following information:
  - (i) Quantities of gas corresponding to sales and purchases of natural gas on the trading day
  - (ii) The closing price of transactions;
  - (iii) The timing of transactions
  - (iv) Product traded
  - (v) Meaning of the transaction
  - (vi) Unique transaction ID
  - (vii) Any other information deemed necessary or mandatory under applicable regulations.
- 3.17. The value of the Direct Debit Instructions and Payment Orders issued by BRM will be calculated on the basis of the trading activity as follows:
  - Purchase transactions concluded by 16:00 are sent for settlement via IDD by 16:00 if the transaction is concluded on a bank day.
  - Purchase transactions concluded after 16:00 or on non-banking days are sent for settlement on the next banking day by 9:00.
  - Sales transactions concluded before 08:00 are sent for settlement on the same day if that day is a bank day or on the next following bank day if the transaction is concluded on a non-bank



day.

- Sales transactions concluded after 08:00 are sent for settlement on the next banking day.

- 3.18.** BRM will issue and send monthly invoices to the Participant based on trading activity.
- 3.19.** Invoices will be issued by BRM with the date of the last day of the delivery month and uploaded into the SPV system according to the regulations in force. The invoices shall contain the centralized statement of the transactions carried out by the Participant in the delivery month (in quantity and value), BRM's payment obligations and collection rights, applicable taxes and commissions, the VAT value according to the provisions of the tax legislation applicable on the date of the invoice, the total amount, as well as any other information required by law.
- 3.20.** In turn, the Participant shall issue monthly invoices for the quantities of natural gas sold on the Short-Term Product Market. Invoices will be issued by the Participant with the date of the last day of the delivery month and uploaded into the SPV system in accordance with the regulations in force.

#### **4. BRM rights and obligations**

- 4.1.** BRM assumes full responsibility for ensuring that the Direct Debit Mandate is valid and valid and constitutes proper authorization for the Participant's bank to debit the Participant's current account.
- 4.2.** BRM assumes full responsibility for the accuracy of all Direct Debit Instructions submitted to **the Current Account Bank.**
- 4.3.** BRM undertakes to comply strictly and at all times with the legal regulations in force applicable to the Direct Debit Instructions.
- 4.4.** BRM undertakes to ensure the confidentiality of Participants' personal and banking data and to comply with all legal obligations regarding personal data.
- 4.5.** The BRM is obliged to ensure the smooth operation of transactions on the Short-Term Products Market. In this respect, BRM is entitled:
- (i) Suspend or cancel any trading orders or any actions undertaken as counterparty to remedy technical problems and/or or at the request of the regulatory authorities;
  - (ii) Suspend or deny access to the Short-Term Product Market to any Participant if the OTS sends to the BRM the confirmation of non-deliveries of gas, demonstrating that the Participant has not delivered the quantity of gas traded as seller or has not taken over the quantity of gas traded as buyer.
  - (iii) To suspend or prohibit any Participant's access to the Short-Term Products Market in any other cases expressly provided for in this Agreement, as well as in any other situations where there is evidence that the Participant's activity could adversely affect the reputation of BRM or which could affect the orderly and fair manner of trading or settlement

(including, but not limited to, realized or failed attempts at market manipulation);

- 4.6.** All of the above measures shall be enforceable against the Participant, who shall have no claim arising out of or as a result of their adoption by BRM.
- 4.7.** BRM undertakes to return the amounts of Direct Debit Instructions cashed, in case of receipt of a request submitted in accordance with Art. 4.8 of this Agreement, including in the event that it changes the Collecting Institution or ceases to use Direct Debit Instructions in the time between the issuance of a Direct Debit Instruction and the submission of a request for reimbursement/return.
- 4.8.** The Paying Participant's bank, as the Paying Institution, may request the return of a Direct Debit Instruction for technical reasons or because it is unable to execute the Direct Debit Instruction for other reasons (e.g. the Participant's account is closed and/or blocked).
- 4.8.1.** A request to return a Direct Debit Instruction processed in the CORE Direct Debit Scheme will be sent within 5 banking days of the settlement date.
- 4.8.2.** A request to return a Direct Debit Instruction processed in the Business 2 Business Direct Debit Scheme will be sent within 2 banking days of the settlement date.
- 4.8.3.** After the expiry of the deadlines set out in Art. 4.8.1 and 4.8.2, requests for return will no longer be considered.
- 4.9.** The amount of the costs will be limited to the fees charged by the bank to the Paying Participant initiating the request for reimbursement/return of the Direct Debit Instruction.
- 4.10.** In the cases set out in Art. 4.8.1 and 4.8.2, the BRM is obliged not to execute the Participant's guarantees, after receipt of the request for return, subject to the deadlines set out in these articles.
- 4.11.** Except in cases of gross negligence or willful misconduct, BRM shall not be liable for any damage caused by:
- (i) Entry by the Participant of orders/offers containing errors or inaccuracies;
  - (ii) Incorrect use of the BRM trading system made available to Participants;
  - (iii) Malfunctions or failures of the communication channels with the BRM or of the BRM trading system made available to Participants.

## **5. MAJOR FORCE. FORTUITOUS CASE**

- 5.1.** The Short-Term Product Market Participant shall indemnify BRM against any liability for any delay or non-performance due to circumstances beyond BRM's reasonable control.
- 5.2.** Neither of the Parties shall be liable for failure to perform on time and/or improper performance - in whole or in part - of any obligation under this Agreement, if the failure to perform or improper or delayed performance of the obligation in question was caused by force majeure

and/or fortuitous event, as defined in Article 1.351 of the Civil Code.

- 5.3.** The Party invoking force majeure or fortuitous event is obliged to notify the other Party, within 5 calendar days, of the occurrence of the force majeure or fortuitous event and to take all possible measures to limit its consequences. Otherwise, the Party shall be liable for the damage caused thereby to the other Party. The notification of force majeure shall be accompanied by a written document issued by a competent authority (e.g. the Chamber of Commerce and Industry of Romania in case of force majeure) certifying the accuracy of the facts and circumstances notified.
- 5.4.** If, within 15 calendar days of the occurrence of the event, it has not ceased, the Parties shall have the right to give notice of termination of this Agreement as of right and without any formalities, without either Party being entitled to claim damages.

## **6. PRIVACY**

- 6.1.** Both during the term of this Agreement and after its termination, each Party shall maintain the confidentiality of all known information or data, in whatever form, whether directly related to this Agreement or otherwise relating to the other Party and its customers, however obtained, subject to the penalty of termination of this Agreement and/or damages to the other Party for breach of this clause, provided that BRM may disclose such information to the group to which it belongs and to its employees, representatives, professional advisors and auditors, as well as to its affiliates and their employees, representatives, professional advisors or auditors.
- 6.2.** The confidentiality clause obliges the Party that has come into possession of such information not to disclose it to a third party, under any circumstances and in any form whatsoever, except in the situations provided for by mandatory rules of law or at the request of the competent authorities, failing which it shall be obliged to pay damages to cover in full the damage caused to the other Party and proven by it.

## **7. DURATION AND TERMINATION OF THE AGREEMENT**

- 7.1.** This Agreement is concluded for an indefinite period and may be terminated either by agreement of the Parties, on the date set by them, or by unilateral termination by either Party, with at least 15 banking days' notice sent prior to the date of termination.
- 7.2.** In the event that either Party breaches the confidentiality obligation of this Agreement, the other Party may declare unilateral termination of the Agreement by simple written notice of termination given to the Party at fault, without any formal notice of default and without any judicial or extrajudicial formalities.
- 7.3.** If one of the Parties fails to perform its contractual obligations, and if there are no other express provisions in the Agreement governing the conduct of the Parties in such a situation, the other Party shall notify the Party at fault of the non-performance by sending a registered letter with acknowledgement of receipt, indicating the period of time available to the Party at fault for performance of the contractual obligation. The date of receipt by the Party at fault shall be

deemed to be the date of default. If the Party at fault is in default in accordance with the provisions of the law or of this Agreement, or if the Party at fault fails to properly perform its contractual obligation within the period indicated in the notice, the Party at fault may give written notice declaring unilateral termination of the Agreement. The Participant shall be in default by operation of law in cases where its right to trade is suspended under this Agreement.

- 7.4. Revocation by the Participant of the Direct Debit Mandate granted to BRM leads to the automatic termination of this Agreement, without any further judicial or extrajudicial formality, the Participant being liable to BRM and/or any other Participants or third parties for any damages created.

## **8. LAW AND JURISDICTION**

- 8.1. This Agreement shall be governed by and construed in accordance with Romanian law.
- 8.2. Any dispute between the Parties arising out of or in connection with the conclusion, validity, interpretation, performance or termination of this Agreement shall be settled amicably. All disagreements/disputes that cannot be resolved amicably between the Parties within 30 days from the initial notification of the dispute shall be settled by the competent courts of Bucharest.

## **9. NOTICES AND CORRESPONDENCE BETWEEN THE PARTIES**

- 9.1. In the understanding of the Parties, any notice/correspondence addressed by one Party to the other Party shall be validly served if delivered or transmitted to the address specified in this Agreement.
- 9.2. The notification/ correspondence shall be sent by registered mail with acknowledgment of receipt, by e-mail or fax.
- 9.3. Notification/correspondence sent by post by registered letter with acknowledgement of receipt shall be deemed to have been received on the date on which the addressee signs the acknowledgement of receipt. Notification/correspondence sent by e-mail or fax shall be deemed to have been received on the date of receipt of the acknowledgement of receipt, if the acknowledgement of receipt was issued before 15:00 on any banking day; if the acknowledgement of receipt was issued after 15:00 or on a non-banking day, the notification/correspondence shall be deemed to have been received on the first banking day following the date of issue of the acknowledgement of receipt.
- 9.4. The notification addresses, fax and telephone numbers to which correspondence may be validly sent are those indicated in the Participation Agreement.

## **10. FINAL PROVISIONS**

- 10.1. Should legislative regulations of a technical or operational nature issued by the competent authorities impose on the Parties additional obligations or amendments to those stipulated in this Agreement, the Parties shall bring the Agreement into conformity with the legal obligations within a maximum of 14 days, subject to automatic termination of the Agreement. For the avoidance of any doubt, during the period of negotiations and until the conclusion of any

additional act, this Agreement shall remain in full force and effect between the Parties.

The Participant, being aware of the nature of the operations contemplated by this Agreement, declares that it assumes, by this Agreement, the risk of a change in the circumstances in which it is concluded, in accordance with Art. c) of the Civil Code, and waives the invocation of unforeseeability in connection with this Agreement.

- 10.2.** The Participant may not assign or transfer to a third party, in any legal manner whatsoever, any right or obligation under this Agreement or this Agreement in its entirety, without the express prior written consent of BRM.
- 10.3.** This Agreement may be amended unilaterally, at the initiative of BRM, following a public consultation process, and the amendments so adopted shall be binding upon and binding upon the Participant. In case the Participant does not agree with the adopted amendments, it may unilaterally terminate the Participation Agreement with respect to participation in the Short-Term Product Market in accordance with the provisions of Article 11 of the Participation Agreement.
- 10.4.** The Parties declare that they have acknowledged, fully understood and expressly accept this Agreement.
- 10.5.** The Parties confirm that it fully reflects the entire will of the Parties with respect to the subject matter of the Agreement, prevails over any other understandings, writings or negotiations that have taken place between the Parties prior to its entry into, and that there are no secondary elements relating to the Agreement and the understanding between the Parties that have not been reflected in the Agreement.
- 10.6.** The Participant also confirms that it fully agrees with the provisions of the Agreement and that, in accordance with Article 1.203 of the Civil Code, it expressly accepts the clauses of the Agreement concerning the limitation of BRM's liability, BRM's right to unilaterally terminate the Agreement and to suspend the performance of its obligations under the conditions provided for in the Agreement, the clauses providing for the forfeiture of rights or the benefit of the term, as well as the clauses concerning the jurisdiction of the courts.
- 10.7.** 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 remaining provisions of the Agreement shall not in any way be affected thereby and the Agreement shall continue in full force and effect. Invalid or unenforceable provisions shall be deemed to be superseded by an appropriate and equitable provision which, to the extent permitted by law, comes as close as possible to the intent and purpose of the invalid or unenforceable provision.
- 10.8.** This Agreement is supplemented by the mandatory legal provisions on direct debiting, as they may vary from time to time, by the Regulation of the Centralized Natural Gas Market administered by BRM and by the Procedure for the organization and functioning of the short-term standardized products market, administered by Societatea Bursa Română de Mărfuri (Romanian Commodities Exchange) S.A.

