

**REGULATION ON AN ORGANISED FRAMEWORK FOR THE TRADING OF
STANDARDISED PRODUCTS ON CENTRALISED GAS MARKETS
NATURAL MANAGED BY THE ROMANIAN COMMODITY EXCHANGE
COMPANY
S.A. (ROMANIAN COMMODITIES EXCHANGE S.A.)**

**CHAPTER I
PURPOSE**

Art.1 - This Regulation establishes the organised framework for the trading of natural gas on the centralised natural gas markets administered by the Romanian Commodity Exchange S.A. (Romanian Commodities Exchange S.A.) as a licensed operator (BRM) with four segments:

- a) the market for short-term standardised products;
- b) the market for standardised products in the medium and long term;
- c) the market for flexible products in the medium and long term;
- d) the market for medium- and long-term standardised derivatives.

**CHAPTER II
TERMS, DEFINITIONS AND ABBREVIATIONS**

Art. 2 - (1) For the purposes of this Regulation, the terms used have the following meanings:

- a) **Master Agreement** - agreement between the participant and the BRM as counterparty; in the case of medium and long-term markets in standardised products and standardised derivatives it is also defined as a CM Acceptance Agreement;
- b) **Competent authority** - National Energy Regulatory Authority (ANRE);
- c) **clearing house** - financial company that the BRM appoints to act as counterparty. The clearing house operates according to its own procedures, as licensed and approved by ESMA financial supervisory bodies;
- d) **counterparty** - the BRM, which acts as counterparty in short-term transactions and in the medium- and long-term standardised derivatives market, and may also act as counterparty in medium- and long-term standardised derivatives transactions if they are carried out through the counterparty facility. The counterparty interposes itself, from a financial point of view, between the seller and the buyer, becoming buyer for the seller and seller for the buyer, respectively, in order to ensure the settlement process of the transaction concluded in the market on their behalf;

- e) **EFET** - European Federation of Energy Traders;
- f) **Clearing Member (CM)** - a participant in the centralised market that meets the admission requirements set by the BRM and has signed the Master Agreement / CM Acceptance Agreement with the counterparty/clearing house;
- g) **offer** - a bid/offer made by a participant, consisting of a price-quantity pair and representing the participant's firm commitment;
- h) **Transmission and system operator** - (OTS - National Natural Gas Transmission Company TRANSGAZ SA);
- i) **procedure** - a set of specific rules issued by the BRM for the organisation of trading activity in each market segment;
- j) **the medium- and long-term standardised derivatives market** is the organised framework for trading natural gas on the basis of futures-type contracts, settled exclusively by physical delivery, for the transfer of ownership in the PVT, on the basis of the trading ratio, of quantities of natural gas which cannot be subsequently modified and which are to be delivered in a constant profile laid down in the contract, for a period longer than one gas day;
- k) **the medium and long-term flexible product market** is the organised framework for trading natural gas on the basis of an EFET/pre-arranged contract/contract proposed by the participant initiating the trade order. The total quantity and price resulting from the transaction may be adjusted during the execution period of the contract only according to the terms of the initiating offer. The transfer of ownership is carried out in the PVT;
- l) **The medium- and long-term standardised product market** is the organised framework for trading natural gas on the basis:
 - (i) standard purchase and sale contracts for the transfer of ownership in the PVT, on the basis of the trading ratio, of quantities of natural gas to be delivered to the PVT on a constant daily basis for a period longer than one gas day;
 - (ii) standard EFET contracts reflecting the specific conditions of the natural gas market in Romania, contracts pre-agreed by the parties to the transaction or sale-purchase contracts proposed by the participant initiating the trading order, having as their object the transfer of ownership in the PVT, on the basis of the trading report, of quantities of natural gas which cannot be subsequently modified and which are to be delivered to the PVT, in a constant profile established by contract, for a period of time longer than one gas day;
- m) **the short-term standardised products market** is the organised framework for the trading of natural gas on the basis of immediately executable transactions involving the transfer of ownership in the Virtual Trading Point (PVT), on the basis of the trading report, of quantities of natural gas which

- are to be delivered in PVT, in a constant time profile, within the time remaining until the end of the gas day in progress on the transaction date - Within-Day (WD) or on the gas day following the transaction date - Day-Ahead (DA);
- n) **price** - the price at which the transaction took place, recorded in the trading system;
 - o) **flexible products** - products that have the following characteristics:
 - (i) the quantity traded under such a contract is 1 MWh/day or an integer multiple of 1 MWh/day;
 - (ii) delivery time is minimum 1 month;
 - (iii) the place of delivery is PVT;
 - p) **BRM counterparty procedures** - set of rules issued and published by the BRM on its website for the centralised market segments to which the counterparty facility applies;
 - q) **standardised products** - products that are standardised both in terms of the profile and duration of natural gas deliveries and the place of delivery, i.e. PVT;
 - r) **trade report** - a statement issued by the BRM's trading systems for each participant, containing complete data on the trades executed, on the basis of which commercial contracts are concluded between the parties to the trade; in the case of trades concluded through a counterparty facility, there is no requirement for the actual signing of a contract between the parties, which is implicitly concluded on the basis of the trade report issued by the BRM;
 - s) **trading session** - the period of time during which the trading process takes place and during which bids can be entered, modified or cancelled and trades can be concluded when the conditions for matching bids and offers are met;
 - t) **trading systems** - certified IT systems operated and managed by the BRM for the purpose of conducting trading sessions;
 - u) **transaction** - linking of two opposite offers, according to the mechanisms described in the specific procedures of the BRM, for the transfer of ownership of a quantity of natural gas.

(2) Other terms used in this Regulation shall have the meanings set out in the applicable legislation.

CHAPTER III MARKET PARTICIPANTS

Art.3 - (1) This Regulation applies to holders of valid supply or trader licences issued by ANRE for the sale of natural gas, holders of distribution licences, holders of storage licences in the natural gas sector and final customers who have previously concluded a balancing and PVT access contract with the TSO.

(2) Distribution operators and storage operators may only participate in trading to buy natural gas. Final customers who have a balancing contract and access to PVT with the TSOs have the right to trade on the purchase side, and on the sale side only to sell natural gas to balance their own portfolio efficiently.

(3) Participation in trading is also allowed for TSOs for the purpose of undertaking physical balancing actions of the national transmission system (NTS), purchasing volumes of natural gas necessary to cover the technological consumption of the NTS and to build up the minimum obligatory stock of natural gas.

Art.4 - The registration of participants in the centralized natural gas market shall be made upon their written request, addressed to the BRM, through the conclusion of a market participation agreement. In addition, for participation in the short-term standardised products market and in the medium- and long-term standardised derivatives market, a framework agreement must be concluded in advance with the counterparty.

CHAPTER IV TRADING PRODUCTS

Art. 5 - (1) The products that may be traded on the centralized natural gas markets administered by BRM are the following:

A. SHORT-TERM STANDARDISED PRODUCTS:

- a) Within-day (delivery the rest of the day);
- b) Day-ahead (next day delivery).

B. STANDARDISED PRODUCTS IN THE MEDIUM AND LONG TERM:

B1. Standardised products traded under standard contracts, annexed to the specific procedure produced by the BRM and published on its website:

- a) Weekend (delivery interval Saturday-Sunday);
- b) Week (delivery interval - week);

- c) Month (delivery interval - month);
 - d) Quarter;
 - e) Semester (delivery interval - semester);
 - f) Cold season (delivery interval - calendar quarters IV and I);
 - g) Warm season (delivery interval - calendar quarters II and III);
 - h) Gas year;
 - i) Calendar year.
- B2.** Standardised products traded under standard EFET/pre-agreed contracts:
- a) Weekend (delivery interval Saturday-Sunday);
 - b) Week (delivery interval - week);
 - c) Month (delivery interval - month);
 - d) Quarter;
 - e) Semester (delivery interval - semester);
 - f) Cold season (delivery interval - calendar quarters IV and I);
 - g) Warm season (delivery interval - calendar quarters II and III);
 - h) Gas year;
 - i) Calendar year.
- B3.** Standardised products traded under contracts proposed by the participant initiating the trade order:
- a) Weekend (delivery interval Saturday-Sunday);
 - b) Week (delivery interval - week);
 - c) Month (delivery interval - month);
 - d) Quarter;
 - e) Semester (delivery interval - semester);
 - f) Cold season (delivery interval - calendar quarters IV and I);
 - g) Warm season (delivery interval - calendar quarters II and III);
 - h) Gas year;
 - i) Calendar year;
 - j) Gas day multiple (delivery period - gas day multiple, minimum 2 gas days).
- B4.** Standardised products traded under the counterparty facility in accordance with its specific rules:
- a) Weekend (Saturday-Sunday delivery interval);
 - b) Extended weekend (delivery interval Saturday-Sunday, extended with public holidays linked to Saturday-Sunday);
 - c) Balance of the Month -BOM (delivery interval - rest of the month);
 - d) Week (delivery interval - week)
 - e) Month (delivery interval - month);
 - f) Quarter;
 - g) Semester (delivery interval - semester);
 - h) Cold season (delivery interval - calendar quarters IV and I);

- i) Warm season (delivery interval - calendar quarters II and III);
- j) Gas year;
- k) Calendar year.

C. FLEXIBLE MEDIUM AND LONG-TERM PRODUCTS

C1. Medium and long-term flexible products to be traded under standard EFET contracts/pre-agreed contracts with a minimum delivery time of 1 month, defined by the participant initiating the trade order.

C2. Medium and long-term flexible products to be traded under contracts proposed by the initiating participant of the trade order, with a minimum delivery time of 1 month, as defined by the initiating participant of the trade order.

D. STANDARDISED MEDIUM- AND LONG-TERM DERIVATIVES

- a) Futures Month (delivery interval - month);
- b) Futures Quarter (delivery interval - quarter);
- c) Cold Season Futures (delivery interval - quarters IV and I);
- d) Futures Warm Season (delivery interval - quarters II and III) ;
- e) Futures Semester (delivery interval - calendar semester) ;
- f) Futures Gas Year;
- g) Futures Calendar Year.

(2) A list of the description and characteristics of each standardised product and tradable flexible product is set out in the **Annex** which forms an integral part of this Regulation.

CHAPTER V SPECIFIC PRINCIPLES AND REQUIREMENTS MARKETS FOR STANDARDISED PRODUCTS

Art. 6 - Principles/certainties specific to **the short-term** standardised product market provided for in **Article 5(5). (1) lit. A** are as follows:

- a) participation in trading is allowed to natural gas supply licensees or natural gas trader licensees who have previously obtained the TSO's consent to the registration of notifications of transactions concluded within the centralized market segments provided for in ANRE's regulations, in order for the TSO to carry out the natural gas transmission activity;
- b) participation in trading is also allowed for OTS, for the purpose of undertaking physical balancing actions on the transmission system;
- c) participation in trading is also allowed, exclusively for purchase purposes, to distribution operators, storage operators and final customers who have obtained the prior consent of the TSO to the registration of transaction notifications, in order for the TSO to carry out the natural gas transmission activity; by exception, final customers are allowed to sell natural gas only for the purpose of balancing their own portfolio, as provided for by law;
- d) traded products are standardised products both in terms of duration

deliveries of natural gas, i.e. produced during the gas day and produced for the next gas day, as well as the place of delivery, i.e. PVT;

e) participation in trading is permitted subject to the signing of the agreement for participation in the centralised market and the prior conclusion of the framework agreement with BRM as counterparty;

f) the elements that can be modified by the parties during the trading sessions are the price, expressed in RON/MWh, and the quantity traded, expressed in MWh;

g) transactions concluded are notified to the OTS by the BRM;

h) the price and quantity of a completed transaction may not be changed after the transaction has been completed;

i) BRM ensures the availability of the trading platform for specific products on a 24/7 basis.

Art. 7 - The principles/certainties specific to **the medium and long-term standardised products market** set out in **Art. 5 para. (1) lit. B** are the following:

a) participation in trading is allowed to natural gas supply licensees or natural gas traders who have obtained prior consent from the TSO for the registration of transaction notifications in order for the TSO to carry out natural gas transmission activity;

b) participation in trading is allowed to TSOs for the purpose of purchasing natural gas necessary to cover technological consumption and to build up the minimum obligatory stock of natural gas, as well as to distribution operators, storage operators and final customers, provided that the latter obtain the prior consent of the TSO to register notifications of transactions concluded within the centralised market segments administered by the BRM, in order for the TSO to carry out natural gas transmission activity. The above mentioned participants only have the right to purchase natural gas;

c) the products traded are standardised products in terms of place of delivery, i.e. PVT, profile and duration of gas deliveries;

d) participation in trading is permitted subject to the signing of the agreement for participation in the centralised market and, where applicable, the prior conclusion of the framework agreement for products traded through the counterparty facility;

e) effective participation in trading shall be permitted subject to the fulfilment by the participant in the centralised gas market of the conditions laid down in the participation agreement/framework agreement, as the case may be;

f) for gas trading on the basis of the standard BRM contract, its terms cannot be changed after the date of the transaction. The quantity traded under such a contract is 1 MWh/day;

g) for products traded directly between participants under the standard BRM contract, the object of the transaction is a standardised product and the elements that can be changed during trading sessions are price and quantity;

h) in the case of transactions concluded directly between participants, the price and quantity resulting in

following the transaction as well as the delivery profile cannot be changed during the course of the contract;

i) in the case of products traded through the counterparty mechanism, the elements that can be modified during trading sessions by participants in the centralised market are the price, expressed in RON/MWh, and the quantity traded, expressed in MWh/day;

j) in the case of transactions concluded through the counterparty mechanism, the price and quantity of a transaction may not be changed after the date of its conclusion;

k) for trading of natural gas on the basis of standard EFET contracts reflecting the specific conditions of the natural gas market in Romania or on the basis of pre-agreed contracts, each of the participants in the centralised natural gas market having pre-agreed such a contract shall inform the BRM of the inclusion of the other participant in the eligibility list. In this situation, access to trading of the products in question, by issuing response orders, shall be allowed to any participant on the eligibility list of the initiating participant, provided that at least 8 participants are on this list;

l) for trading in natural gas on the basis of contracts defined by the participant initiating the trading order, access to trading in that product, by issuing response orders, shall be allowed to any registered participant in the centralised market for natural gas who fulfils the conditions laid down in the participation agreement. The BRM is obliged to publish the product offered for trading, including ~~the~~ related contract, for a period of at least 5 working days prior to the date scheduled for trading of that product;

m) the terms of the sale and purchase contracts referred to in points (k) and (l) relating to each product traded directly between the participants may not be modified after the transaction has been concluded. The price shall be expressed in RON/MWh, EUR/MWh or USD/MWh and the quantity shall be expressed in MWh/day;

n) transactions concluded through the counterparty facility are notified to the OTS by the BRM;

o) BRM ensures the availability of the trading platform for specific products according to a schedule set by BRM and published on its website;

p) The BRM shall publish and continuously update on its website the trading calendar of standardised products subject to trading on each of the centralised organised and administered markets subscribed to the medium and long-term standardised products market.

Art. 8 - The principles/certainties specific to the medium and long-term flexible products market set out in Art. 5 para. (1) lit. C are the following:

a) participation in trading is allowed to natural gas supply licensees or natural gas traders who have previously obtained the OTS's consent to the registration of notifications of transactions concluded within the centralized market segments administered by the BRM, in order for the OTS to carry out natural gas transmission activity;

b) participation in trading is permitted subject to the signature of the

market participation;

c) the initiation of a bid/offer as well as the entry of response bids is allowed to any registered participant in the centralized natural gas market, subject to the provisions of this Regulation, the specific procedures of the BRM and the participation agreement/agreement signed with the BRM/counterparty/clearing house;

d) The originating offer for sale/purchase must contain at least the following elements:

i) the starting price and its adjustment formula, if any, which cannot be changed after the transaction;

ii) the quantity expressed in MWh/day and, where applicable, the meaning and the value of the maximum limit of variation of the total contracted quantity;

iii) delivery profile;

iv) delivery period.

e) traded products have the following characteristics:

i) the quantity traded under such a contract is 1 MWh/day or an integer multiple of 1 MWh/day;

ii) delivery time is minimum 1 month;

iii) the place of delivery is PVT.

f) the trading calendar is published by the BRM on its website and trading sessions will be conducted according to the schedule established and posted by the BRM updated whenever necessary;

g) the elements subject to trading are the price, which can be expressed in lei/MWh, in euro/MWh or in USD/MWh, and the quantity, expressed in MWh/day;

h) for trading of natural gas on the basis of EFET standard contracts or on the basis of contracts pre-agreed by the parties participating in the trading sessions, each of the participants in the centralised natural gas market who have pre-agreed such a contract shall inform the BRM of the inclusion of the other participant in the eligibility list. In this situation, access to trade the products concerned, by issuing response orders, shall be allowed to any participant on the eligibility list of the initiating participant;

i) for trading in natural gas on the basis of contracts defined by the participant initiating the trading order, access to trading in that product, by issuing response orders, shall be allowed to any registered participant in the centralised market for natural gas who fulfils the conditions laid down in the participation agreement. In this case, the BRM is obliged to publish the product offered for trading, including the related contract, for a period of at least 5 working days prior to the date scheduled for the trading of that product;

j) the transaction validated by the BRM gives rise to firm contracting obligations for the parties to the transaction;

k) transactions concluded shall be notified to the OTS either by the parties to the transaction or by the BRM, if it is mandated to do so by the parties to the transaction.

Art.9 - The principles/certainties specific to the **medium and long-term standardised derivatives market** set out in **Art.5 para. (1) lit. D** are as follows:

a) the products traded are standardised products in terms of place of delivery, i.e. PVT, profile and duration of gas deliveries;

b) participation in trading is permitted subject to the signing of the participation ~~agreement~~ the prior conclusion of a framework agreement with the counterparty/clearing house;

c) participation in trading is allowed to natural gas supply licensees or natural gas trader licensees who have previously obtained the TSO's consent to the registration of notifications of transactions concluded within the centralized market segments provided for in ANRE's regulations, in order for the TSO to carry out the natural gas transmission activity;

d) The OTS may participate in trading for the purpose of purchasing natural gas to cover technological consumption and to build up the compulsory minimum stock of natural gas. Distribution operators, storage operators and final customers shall have access to trading exclusively for the purpose of purchase, provided that the latter obtain the prior consent of the TSO to register the notifications of transactions concluded within the centralised market segments provided for in the ANRE regulations, in order for the TSO to carry out the natural gas transmission activity;

e) the submission of offers for sale/purchase is permitted under the conditions set out in point (a), (c) and (d), subject to compliance with the provisions of this Regulation, the specific procedures of the BRM and the participation agreement/framework agreement signed with the BRM/counterparty/clearing house;

f) the minimum mandatory specifications of standardised derivative products subject to trading are as follows:

- (i) product name and symbol;
- (ii) contract size (multiplier);
- (iii) the maturity of the contract;
- (iv) trading currency;
- (v) the quotation step;
- (vi) the last trading day of the product;
- (vii) method of settlement (daily and final);
- (viii) the settlement price (daily and final).

g) the elements subject to trading are the price, which can be expressed in lei/MWh, in euro/MWh or in USD/MWh, and the quantity, expressed in MWh/day;

h) the products are discounted daily or "marked to market", meaning that their value changes according to the daily settlement price, which is set by the counterparty/clearing house according to its rules and/or procedures;

i) buy/sell orders can be placed at any time during the trading session and trading takes place on a continuous basis;

j) the trading calendar will be published on the BRM's website and trading sessions will be conducted according to the schedule established and posted by the BRM, with updates

whenever appropriate;

k) transactions concluded are notified to the OTS by the BRM.

Transactions carried out in accordance with the provisions of this Regulation shall give rise to valid and valid obligations for the entire duration, from the conclusion of the transaction until the extinction of all contractual obligations. Trading sessions are conducted on the electronic trading platform (online), according to the specific trading procedures developed by BRM for each market segment, published on its website.

Art. 11 - In the case of transactions concluded through the counterparty mechanism, the method of "mark-to-market" and the methods for determining the settlement price (daily and final) are those established by the BRM's own counterparty procedures.

CHAPTER VI FRAMEWORK FOR THE ORGANISATION OF THE SESSIONS OF AUCTIONS WITHOUT A CLEARING HOUSE/COUNTERPARTY

Art.12 - (1) In order to participate in the auction sessions, the participant must deposit a participation guarantee in favour of the BRM, to its account and in the amount established by the BRM in the specific trading procedures developed by the BRM.

(2) If the participant is party to a transaction, the participation guarantee is blocked by the BRM until the sale-purchase agreement is signed. During this period, the blocked participation guarantee may not be used for the purpose of participating in another trading session in the centralised natural gas market.

(3) The BRM shall enforce a participant's participation guarantee in the event that the participant, despite having entered into a transaction, refuses to sign the gas purchase contract associated with the transaction.

(4) BRM shall execute the participation guarantee of both participants - party to the transaction in the event that both parties to the transaction refuse to sign the sale-purchase contract associated with the transaction or if the signed contract does not record the same elements of the offer traded, i.e. the same quantity as that traded, the same price as that of the transaction or the same delivery period as that traded.

(5) BRM notifies ANRE of participants who do not record the same elements of the offer traded in the signed sale and purchase contract.

(6) The guarantee of participation executed by the BRM in accordance with para. (3) shall be transferred to the party/parties harmed by the other party's failure to sign the contract.

(7) The guarantee of participation executed by the BRM in accordance with para. (4) shall be retained as a penalty by the BRM only if there were no other active bids for the traded product during the trading session; otherwise, the collateral shall be transferred to the participants who had placed orders for that product in proportion to the quantities offered,

(8) In the situation referred to in paragraph. (4), the signed contract of sale shall have no legal effect.

Art.13 - If the participant is not a party to the transaction, the participation guarantee shall be refunded within 3 (three) working days, based on a request mentioning the account and the bank where the refund is made.

Where the participant is party to a transaction but for a quantity less than that for which he has lodged the tendering security, the provisions of Article 13 shall apply to the part of the security corresponding to the quantity not traded.

Art.15 - For standardized products, the guarantee of the good performance of transactions shall be carried out in accordance with the clauses on performance/payment guarantees provided for in the standard BRM sale-purchase contract, annexed to the procedure drawn up by BRM or those provided for in the ANRE standard contract approved by the *Order of the President of ANRE no. 143/2020 on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh/ EFET contracts/ pre-agreed contracts/ contracts proposed by the initiator, as the case may be.* For flexible products, the performance guarantee will be in accordance with the performance/payment guarantee clauses in the EFET contracts/pre-contracts/contracts proposed by the initiator, as applicable.

CHAPTER VII THE FRAMEWORK FOR ORGANISING TENDER SESSIONS USING THE SERVICES OF A CLEARING/COUNTERPARTY HOUSE

Art.16 - (1) The BRM, as operator of the centralised market, acts as counterparty for the following market segments:

- a) the market for short-term standardised products;
- b) the market for standardised products in the medium and long term, if the counterparty facility is used by participants;
- c) the market for medium- and long-term standardised derivatives.

(2) The BRM may appoint an authorised clearing house as counterparty.

(3) The role of the counterparty is to ensure the smooth running of the settlement process between clients by interposing between them, making PVT notifications in the OTS's GMOIS platform, and managing the main categories of risks arising from trading through the collateral system applied to participants in the centralised market. The counterparty becomes, from a financial point of view, a buyer for the selling central market participant and a seller for the buying central market participant and carries out both invoicing and settlement with clients. This process is characterised by the following features:

- a) all economic operators eligible to participate in the Short-Term Standardised Products Market, i.e. those who sign the CTM Acceptance Agreement, for the Medium and Long-Term Standardised Products Market and the Medium and Long-Term Standardised Derivatives Market may participate;
- b) for the short-term product market, the guarantee system shall be that laid down in

framework agreement between the counterparty and the market participant consisting of collateral provided by the market participant as buyer to the counterparty in the form of an escrow account/bank guarantee letter or other collateral agreed between the counterparty and the market participant. The counterparty will also have the right to request financial guarantees for the selling/purchasing centralised market participant according to the counterparty's own risk estimates. In case the counterparty requests financial collateral for the participant in centralised markets selling/purchasing natural gas, the counterparty shall financially guarantee, to the extent of the collateral, the performance of the delivery/purchase obligation of natural gas;

c) for the medium- and long-term standardised products market, the collateral system will be the one provided for in the BRM procedures as counterparty.

d) for the medium and long-term standardised derivatives market, the collateral system will be that set out in the BRM procedures as counterparty;

e) all BRM counterparty procedures are published on the BRM website;

f) both the payment of the products traded in the counterparty's system and the execution of collateral in the event of non-fulfilment of the terms of the transaction shall be made by direct debit through the bank contracted for this purpose by the counterparty, provided that the counterparty and the participant do not agree to any other method of payment. Payment of fees and commissions charged by the counterparty for its services shall be made in accordance with the procedures of the BRM counterparty;

g) in transactions concluded through the counterparty facility, all contractual rights and obligations arise from the transaction concluded and the reports issued by the BRM. The parties may enter into an additional physical or digital contract at the request of either party.

CHAPTER VIII

THE FRAMEWORK FOR ORGANISING TRADING SESSIONS

Art.17 - During the product trading sessions, participants launch bid/offer bids, consisting of quantity-price/number of standard contracts-price pairs and other specific attributes, within the limit of the collateral deposited.

A transaction is completed when a quantity-price/number of standard-price contracts and other specific attributes pair offered by one participant coincides with an opposite quantity-price/number of standard-price contracts and other specific attributes offer of another participant. Prior to the conclusion of the transaction, participants may adjust bids within the timeframe provided by the BRM, which is set for each individual product by specific procedures developed by the BRM and published on its website.

Art.19 - The price of a transaction is the price at which the bidders have agreed during the trading session.

Article 20 - (1) Short-term standardised products shall be launched for trading by the BRM, with the BRM as counterparty. The access to trading, the stages of the trading sessions, the bidding and allotment mechanisms and the underwriting process shall be carried out in accordance with the procedure developed by the BRM. Participation in transactions is subject to

the participants' acceptance of the terms and conditions of the participation agreement and the framework agreement for the provision of counterparty services concluded with BRM.

(2) Medium and long-term standardised products traded under the BRM standard contract/ ANRE contract approved by Order of the President of ANRE No 143/2020 on the obligation to offer natural gas on the centralised markets of natural gas producers whose annual production in the previous year exceeds

3,000,000 MWh/ EFET standard contract/ pre-agreed contracts/ contracts proposed by the initiating participant shall be launched for trading by the BRM, according to the procedure developed by the BRM.

(3) Standardised medium- and long-term products traded through the counterparty facility and standardised medium- and long-term derivatives are launched for trading by the BRM in accordance with the procedures developed by the BRM.

(4) The trading calendar, market access, trading session stages, bidding and allotment mechanisms and the underwriting process are described in the specific procedures developed by the BRM and subject to public consultation through posting on its website.

CHAPTER IX CHARACTERISTICS OF PRODUCTS STANDARDISED TRADABLE

Article 21 - Tradable products have the following characteristics:

A. The products in the Short-Term Standardised Products Market, the Medium- and Long-Term Standardised Products Market and the Medium- and Long-Term Standardised Derivatives Market have the following basic characteristics:

- a) are standardised products in terms of profile and duration of natural gas deliveries;
- b) the place of delivery is PVT;
- c) the elements that can be modified by the parties during the trading sessions are the price and the quantity traded expressed in MWh/day.

The whole set of characteristics is complemented by the provisions of Articles 6, 7 and 9 of this Regulation as well as the ANRE regulations in force.

B. Products in the medium- and long-term flexible product market have the following basic characteristics:

- a) are flexible products in terms of delivery period, delivery profile, quantity and range within which it can vary and starting price and adjustment formula, if applicable;
- b) delivery time is minimum 1 month;
- c) the place of delivery is PVT;
- d) the elements that can be modified by the parties during the trading sessions are the price and the quantity traded, expressed in MWh/day;
- e) the quantity traded under such a contract is 1 MWh/day or multiples thereof

of 1 MWh/day.

The whole set of characteristics is complemented by the provisions of Article 8 of this Regulation as well as the ANRE regulations in force.

CHAPTER X

PUBLICATION OF INFORMATION

Art.22 - (1) For transactions concluded in the short-term standardized products market, the BRM shall publish the following information on its website on a daily basis at the end of the trading session:

- a) the volumes traded for the following day and the number of trades completed on that day;
- b) the volumes traded for the rest of the gas day and the number of transactions concluded for each product;
- c) the minimum trading price-for each individual product;
- d) the maximum trading price-for each product;
- e) average price - for each individual product, calculated as a weighted average of the prices at which that product was traded;
- f) closing price of the trading day-the last trading price recorded at the close of the market for each individual product;
- g) the change in the closing price of the day compared to the previous day's closing price - for each product;
- h) the number of registered market participants who have submitted at least one bid to the market, regardless of whether the bid is for sale or purchase.

(2) The BRM shall publish the information referred to in paragraph. (1) (a) to (e) every two hours and daily the information referred to in paragraphs (a) to (e). (1)(f)-(h).

(3) At the request of the OTS, the BRM shall transmit to the OTS daily information on transactions concluded in the short-term standardised products market, in accordance with an agreed information transmission protocol.

Art.23 - For transactions concluded in the medium and long-term standardized products market, the BRM shall publish the following information on its website daily at the end of the trading session:

- a) the volumes traded and the number of transactions concluded for each product;
- b) the minimum trading price of the day-for each individual product;
- c) the maximum trading price of the **day-for** each product;
- d) the average price of the trading day-for each product, calculated as a weighted average of the prices at which that product was traded;
- e) the average discounted price-for each individual product-for tradable products

within a broader time frame, calculated as a weighted average of all trades made from the start of the trading period of the product in question to the end of the trading day;

f) the change in the average updated price compared to the average/updated price of the previous day-for each product;

g) closing price of the trading day-the last trading price recorded at the close of the market for each individual product;

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

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

Art. 24. After the end of each trading session on the medium- and long-term flexible products market, holders of centralised market management licences shall be obliged to publish at least the following information on their website at the end of the trading day: the meaning of the offer, sale or purchase of natural gas, the contracted quantity, the maximum limit of variation of the contracted quantity, the delivery period, the awarded price and the price adjustment formula.

Art. 25. For transactions concluded in the medium and long-term standardised derivatives market, the BRM shall publish daily on its website, at the end of the trading session, at least the following information:

a) trading day;

b) product name;

c) the settlement price of the day;

d) the last price recorded at the close of the daily session;

e) the volume traded corresponding to the last price recorded at the close of the daily session;

f) the percentage change (increasing/decreasing) in the daily settlement price;

g) the weighted average price and its total volume;

h) the number of transactions recorded;

i) the number of participants in the trading session who have completed at least one transaction. **Art. 26.** The BRM shall submit monthly to ANRE detailed information on each transaction concluded on the centralised natural gas market in each trading session by no later than the 10th of the current month for the previous month, in accordance with ANRE regulations.

CHAPTER XI FINAL PROVISIONS

Art. 27 - (1) Participation in the centralized natural gas markets administered by BRM is voluntary.

(2) A participant in the centralised gas market may withdraw from the centralised market on its own initiative on the basis of a written notice signed by the legal representative of the market participant.

Art.28 - The BRM shall suspend or exclude an economic operator from participation in the centralised market if it does not comply with the provisions of the participation agreement, the framework agreement for the provision of counterparty services, the BRM Regulation on the organised framework for trading on the centralised natural gas market and/or the specific procedures necessary for the organisation and operation of the centralised market. The exclusion will be subject to the approval of a commission set up at the level of the BRM.

Art.29 - For the activities and services performed, the BRM and the counterparty/clearing house have the right to charge fees and commissions to the participants in the centralized market, under the conditions provided by law. In the event of changes by the BRM/counterparty/clearing house in the tariffs and fees charged, they are obliged to inform participants at least 30 calendar days before the new tariffs/fees take effect.

Art.30 - The BRM shall publish on its own website the tariffs and commissions charged, this Regulation, as well as all specific procedures developed by the BRM associated with the management of centralized natural gas markets.

**LIST OF DESCRIPTIONS AND CHARACTERISTICS OF STANDARDISED PRODUCTS
AND TRADABLE FLEXIBLE PRODUCTS**

A. The market for short-term standardised products:

Specifications	Standardized products
Segment	Short-term product market
Product name	Within - Day (symbol: WD)
Description	Contracts with physical delivery of natural gas in the SNT Tradable for the remaining hours of day Z, with a grace period of 3 hours
Delivery point	Virtual Trading Point (PVT) S.N.T.G.N. Transgaz - Romania
Conventional contract volume	1 MWh
Minimum tradable lot	1 contract (minimum volume = 1 batch = 1 MWh)
Unit of measure price	According to the legislation in force
Price step	0,01 lei/MWh
Trading period	7 Days/week, 24 h/day
Tradable contracts	Rest of the day
Segment	Short-term product market
Product name	Day - Ahead (symbol: DA)
Description	Contracts with physical delivery of natural gas in the SNT Tradable on the next working day
Delivery point	Virtual Trading Point (PVT) S.N.T.G.N. Transgaz - Romania
Unit of measure contract	MWh
Conventional contract volume	1 MWh
Minimum tradable lot	1 contract (minimum volume = 1 batch = 1 MWh)
Unit of measure price	According to the legislation in force
Trading period	7 Days/week, 24 h/day

B. The market for standardised products in the medium and long term

Specifications	Standardized products
Segment	Medium and long-term product market
Products name	<p>Weekend (delivery period Saturday - Sunday)</p> <p>Extended weekend (delivery period consisting of a maximum of 3, 4 or 5 consecutive days, including Saturdays and Sundays, if public holidays are combined with Saturdays or Sundays)</p> <p>Week (Monday - Sunday)</p> <p>Balance of the Month - <i>BOM</i> (the remainder of the delivery month consisting of a minimum of 2 consecutive days, starting on the second business day from the transaction close date up to and including the last delivery day of the current month)</p> <p>Month (January - December)</p> <p>First Quarter (January - March) Second Quarter (April - June) Third Quarter (July - September)</p> <p>Fourth Quarter (October - December)</p> <p>First Semester (January - June)</p> <p>Second Semester (July - December)</p> <p>Cold Season (October year - March year+1) Warm Season (April - September)</p> <p>Gas Year (October year - October year+1) Calendar Year (January - December)</p> <p>Gas day multiple (delivery period - minimum 2 gas days)</p>
Description	<p>Contracts with physical delivery of natural gas in the NTS</p> <p>Tradeable according to the calendar posted on the BRM's own website</p>
Delivery point	Virtual Trading Point (PVT) S.N.T.G.N. Transgaz - Romania
Conventional contract volume	1 MWh/day
Minimum tradable lot	1 contract (Minimum volume = 1 MWh/day)

Unit of measurement price	According to the legislation in force
Types of tradable contracts	<p>Weekend (delivery period - any weekend)</p> <p>Extended weekend (delivery period consisting of a maximum of 3, 4 or 5 consecutive days including Saturdays and Sundays, if public holidays are combined with Saturdays or Sundays)</p> <p>Weekly (delivery period - any week and multiple) Balance of the Month - <i>BOM</i> (delivery period - rest of the month) Monthly (delivery period - any month and multiple)</p> <p>Quarterly (delivery period -each of the 4 quarters of the year)</p> <p>Half-yearly (delivery period -each of the 2 semesters of the year)</p> <p>Seasonal:</p> <p>a) Cold season (4th and 1st calendar quarters)</p> <p>b) Warm season (calendar quarters II and III)</p> <p>Annual (delivery period gas year/calendar year) Gas day multiple (delivery period - multiple of days gas (minimum 2 gas days)</p>
Specifications	The contract volume is calculated as the product of the number of days in the delivery period and the quantity of natural gas to be delivered daily

C. The market for flexible products in the medium and long term

Specifications	Flexible Products
Segment	The market for flexible products in the medium and long term
Products name	Product with a delivery duration of at least 1 month, defined by the participant originator of the trade order
Description	Contracts with physical delivery of natural gas in the NTS Tradeable according to the calendar posted on the BRM's own website Products flexible in terms of price (which may be subject to an adjustment formula proposed by the initiating Participant), range in which can vary the quantity, delivery profile
Delivery point	Virtual Trading Point (PVT) S.N.T.G.N. Transgaz - Romania
Conventional contract volume	1 MWh/day
Minimum tradable lot	1 contract (minimum volume = 1 MWh/day)
Unit of measure price	According to ANRE Order no.105/2018
Types of tradable contracts	Defined by the initiating participant. Minimum delivery time 1 month.
Specifications	The contract volume is calculated as the total quantity indicated initially by the initiating participant

D. Medium and long-term standardised derivatives market

Product type	Futures contract with physical delivery
Underlying asset	Natural gas in PVT - Romania
Conventional contract volume	1 MWh/day
Contract size	No. of MWh included within the delivery period. Examples: - for a contract calendar year 2020 the contract size is 366 MWh - for a monthly contract December contract size is 31 MWh
Object of the contract	Physical delivery/purchase against payment by seller and buyer of natural gas in the NTS with transfer of the right to property in PVT
Delivery periods	Month Quarter Half Year Cold gas season: 1 October (<i>Year N</i>) - 1 April (<i>Year N+1</i>) Hot gas season: 1 April (<i>Year N</i>) - 1 October (<i>Year N</i>) Gas year: 1 October (<i>Year N</i>) - 1 October (<i>Year N+1</i>)
Day of delivery	The gas day begins at 7:00 a.m. on the current day and ends at 7:00 a.m. on the next calendar day
Minimum number of delivery periods simultaneously available for trading	It is determined through a market-specific procedure by the BRM
First trading day	It is established in the specific market procedure by the BRM
Last trading day	The last trading day of a contract is: For monthly contracts it is T-2 working days before the first day of the delivery period (where day T is the first day of delivery). For all other contracts it is T-3 working days before the first day of the delivery period
Cascading	Counterparty-specific mechanism whereby each position open at maturity on a contract longer than one month

	is replaced by equal positions spread over shorter periods according to the procedures developed by the counterparty.
Position/Open position	<p>The position is the way in which obligations and rights resulting from trading activity are recorded in the counterparty's system. A long position is a position in a purchased futures contract. A sell position relates to a sold futures contract.</p> <p>A sell position offsets a buy position and vice versa in terms of central clearing according to the procedures developed by the counterparty.</p> <p>Open position represents the number of one-way positions (either sale, or purchase) that are not offset by opposite positions according to the procedures developed by the counterparty.</p>
Daily settlement mode - marking to market potential loss and potential profit	Daily marking to market and recording the difference (profit/loss) between the daily settlement price and the current day's transaction price or between the daily settlement price and the previous day's daily settlement price for positions from the previous day. Profit and loss shall be marked daily at the level of a participant and management shall be carried out in cash funds in accordance with the procedures developed by the counterparty.
Daily price of settlement	Price calculated by the BRM according to its own procedures
Final settlement price	Price calculated and published by the BRM according to its own procedures
Final settlement method -physical decontamination - payment/collection	<p>The Seller is obliged to deliver and the Buyer is obliged to take delivery of the quantity of natural gas agreed in the futures transaction(s).</p> <p>The payment is made by the buyer to BRM as counterparty, the buyer being obliged to pay the countervalue of the natural gas related to the open purchase positions held at the maturity of a monthly contract at the Final Settlement Price.</p> <p>The seller collects from the BRM, as counterparty, the countervalue of the natural gas related to the open sales positions held at the maturity of a monthly contract, at the Final Settlement Price.</p>