

ANNEX no. 1³

(to the Network Code for the National Gas Transmission System - NTS)

CONTRACT

for balancing and access to the VTP no.

... of year month day

The National Gas Transmission Company TRANSGAZ S.A. Mediaș, headquartered in Mediaș, 1, Constantin I. Motaș Square, Sibiu county, post code 551130, telephone 0269/803333, fax 0269/839029, fiscal registration code RO13068733, registerea in the Trade Register under no J 32/301/2000, holder of the account no. RO79RNCB0231019525310002, opened at the bank B.C.R. - Mediaș Subsidiary, legally represented by the Director General, Mr. Ion Sterian, in the capacity of provider of the transmission service, hereinafter referred to as the transmission system operator or TSO, on the one hand,

and

....., in the capacity of client of the TSO and beneficiary of the transfer of the ownership right services, hereinafter referred to as „**network user**” or „**NU**”, on the other hand,

Hereinafter collectively called the “Parties” and each individually the “Party”, agreed to conclude the present contract of balancing and access to the VTP, hereinafter called “contract”.

I. Terminology and applicable legislation

ART. 1. – (1) The terms used in the present contract are defined in (EU) Regulation no 312/2014 of the Commission dated 26 March 2014 for setting a network code on balancing gas transmission networks, in the Electricity and Gaz Law no. 123/2012, as subsequently

amended and supplemented, as well as in the Network Code for the National Gas Transmission System, approved by the Order of the President of the Romanian Energy Regulatory Authority (ANRE) no. 16/2013, as subsequently amended and supplemented (the Network Code).

(2) The provisions of this contract are amended by the provisions of Law no. 287/2009 regarding the Civil Code, republished, as amended (Civil Code), Power and Gas Law no. 123/2012, as amended and ANRE regulations, including the provisions of the Network Code as well as any other legal regulations in force. For all situations not explicitly provided in this contract, the Network Code provisions are applicable.

II. – Object of the contract

Art. 2. - The object of the contract is to establish the rights and obligations of the parties resulting from the balancing of the differences between the natural gas NTS inputs and outputs, as well as the access to the VTP and the transfer of the ownership right.

III. – Duration of the contract

Art. 3. – This contract is concluded for(one gas year, one quarter, multiple of quarters, one month, multiple of months, daily, multiple of days) during the period

IV. – Rights and obligations of the parties

Rights and obligations of the NU

Art. 4. - (1) NU is entitled to the services for the transfer of the ownership right for the purpose of registering transactions dealing with quantities of natural gas from the NTS. (2) NU has the right of access to the informational platform that serves the VTP operation under the conditions

provided by the Procedure of access to the information platform that serves the VTP. The procedure for access to the information platform is developed by the TSO and is displayed on its own website.

- (3) NU has the right to collect fully and duly the value of the positive imbalances recorded by the UR, including possible late payment penalties.
- (4) NU has the right to receive information on the daily imbalance, according to the procedures provided by the regulations in effect.
- (5) NU has the right, during the term of the contract, to appoint and empower, according to the law, a representative to submit commercial notifications to the TSO on behalf of the NU. The NU will notify the TSO of its decision to appoint and empower a representative.
- (6) NU has the obligation to perform the daily balancing of its own portfolios so that at the end of each gas day the recorded imbalance is 0.
- (7) NU is required to provide the payment financial guarantee under the terms and conditions set out in this contract.
- (8) NU has the obligation to invoice the amount of the positive imbalances and pay in full and on time the invoices issued by the TSO, representing the value of the negative imbalances registered by the NU.
- (9) NU has the obligation to pay to the TSO the invoice issued in accordance with the provisions of the Methodology for calculating the balancing neutrality charges, including their distribution among the users of the natural gas transmission network approved by the order of the ANRE

President, if the outcome of the balancing activity is negative.

- (10) NU has the obligation to observe the provisions of the Convention for the participation in the natural gas balancing market, set out in the Annex to this contract.
- (11) NU has all the other rights and obligations under the applicable regulations.

Rights and obligations of the TSO

Art. 5 - (1) TSO has the right to collect in full and on time the issued invoices, representing the value of the negative imbalances registered by the UR.

- (2) TSO provides the NU with access to the information platform serving the VTP under the conditions provided by the Access to the Informational Platform that serves the VTP.
- (3) TSO shall record the notifications, validate and confirm the transfers of the ownership rights, in compliance with the rules provided by the regulations in force.
- (4) TSO determines and makes available to the NU its daily imbalance, in accordance with applicable regulations.
- (5) TSO has the right to invoice, in accordance with the provisions and tariffs provided for in the Network Code, the value of the imbalances registered under the heading "Deficit", including possible late payment penalties;
- (6) TSO has the right to execute the payment financial guarantee submitted by the UR in the event of non-payment at maturity of the invoices issued.
- (7) TSO allows the UR, at its request, to access the data / documents underlying the invoices issued under this contract.
- (8) TSO has the obligation to pay in full and on time the value of the positive imbalances registered by the NU.
- (9) TSO shall pay to the UR the value of the invoices issued in accordance with the provisions of the Methodology for calculating the neutrality charges for balancing, including their distribution to the users of the natural gas transport network approved by order of the ANRE President, if the result of the balancing activity is positive.
- (10) TSO shall meet the provisions of the Convention for the participation in the natural gas balancing market, set out in the Annex to this contract.
- (11) TSO has all the other rights and obligations under the applicable regulations.

V. – Daily imbalance. Imbalance tariff

Art. 6 – The determination of the NU daily imbalances, as well as of the daily imbalance tariffs, is made according to the provisions of the Network Code.

VI. – Invoicing and payment conditions

Art. 7 - TSO shall transmit to the NU:

a) by the 15th day of the month, an invoice relating to the final daily positive or negative imbalances, registered in the previous month, the value of which was calculated in accordance with the rules laid down in the Network Code; b) until the 10th of the month following the month in which the neutrality tariff is calculated, an invoice related to the difference between the costs and income resulting from the balancing activity if the result of the balancing activity is negative, calculated according to the methodology for the calculation of the neutrality tariffs, approved by the order of ANRE President.

Art. (7¹) – The NU permanently monitors the compliance of the value of the registered imbalance with the level of the guarantee calculated according to Art. 12 (7). If the value of the aggregated imbalance of a NU, representing the algebraic sum of the daily imbalances of the delivery month, is a `deficit`, such value cannot exceed the guarantee for balancing established by the NU.

Art. 7² NU shall send to the TSO:

a) until the 15th day of the month, an invoice for the final daily imbalances of «Surplus», registered in the previous month, the value of which was calculated in line with the regulations provided in the Network code.”

b) until the 10th day of the month following the one in which the neutrality tariff is calculated, an invoice for the difference between the costs and income resulting from the balancing activity, if the result of the balancing activity is positive, calculated in line with the Methodology for the calculation of the neutrality tariffs approved by the order of ANRE President.

Art. 8 - (1) The payment of the invoices under Art. 7 and Art. 72 shall be made within 15 calendar days from the date of invoice issue. If the due date is a non-working day, the deadline is deemed to be met on the next business day.

(2) All payments made by the NU shall be made by bank transfer to the account specified by the TSO.

(3) All payments made by the TSO shall be made by bank transfer to the account specified by the NU.

(4) During the term of the contract, either party may choose another bank, provided that prior notice is given to the other party at least 30 days before the due date of the payment.

Art. 9 - The payment obligation is deemed to be fulfilled at the date the respective aggregated amounts enter the TSO account or the NU account, as appropriate, depending on who the issuer of the invoice is.

Art. 10 - (1) If an invoiced amount is challenged in full or in part, the contestant shall submit an Explanatory Note, including his objections, within 3 (three) working days from the date of the invoice communication, by fax or e-mail with extended electronic signature, and shall pay the uncontested amount until the payment deadline, according to art.8.

(2) The objections regarding the invoiced values presented in the explanatory note will be reconciled between the parties within 3 (three) working days from the receipt of the formulated claims.

(3) For the amounts challenged, but subsequently settled amicably or by a final court decision, the debtor shall pay, in addition to the amount due, penalty interest calculated according to the provisions of art. 11.

(4) If after the appeal the reduction of the invoiced values was established, the debtor shall be refunded any amounts and related penalties calculated according to par. (3), already paid, corresponding to the respective reduction, within 3 working days.

Art. 11 – The failure to meet the obligation to pay the invoices, within the term stipulated in art. 8 para. (1) entails the following:

- a) charging a late payment rate, calculated in relation to the unpaid value equal with the default interest due for having not paid the budgetary obligations within the deadline, for each day of delay starting with the 16th calendar day from the date of invoice issue to the full payment thereof, including the date of payment, or until the drawing on the guarantee under the contract, in case of default, within 15 calendar days from the due date;
 - b) the performance of the guarantees presented by the NU in accordance with the provisions of art. 12, only for amounts due and unpaid and the related default interests.
- (2) If the due date or the day immediately following the expiration of the grace period is a nonworking day, the deadlines provided in paragraph (1) are extended accordingly.

VII. - Guarantees

Art. 12. - (1) The NU has the obligation to establish in favour of the TSO a financial payment guarantee with the scope of covering the risk for the non-payment of the invoices issued by the TSO.

- (2) The guarantee provided in par. (1) shall not be established for operators of trading platforms and central counterparties.
- (3) NU may be exempted from the obligation to establish the financial guarantee for payment referred to in para. (1) if it proves that it has a credit rating issued by one of the rating agencies approved by the TSO at least at the same level as the one granted to the TSO, valid for the duration of this contract.
- (4) In the event that, during the duration of this contract, the rating granted to the NU is modified so as to fall below the rating of the TSO as well as in case the rating agency is changed in relation to the provisions of para. (3), the NU is obliged to notify the TSO in this respect within 3 calendar days from the occurrence of the modification / change.
- (5) The financial guarantee is presented by the NU in the form of:

- a) a letter of bank guarantee in lei or in the Euro equivalent at the exchange rate of the European Central Bank on the day of guarantee issue; and / or
 - b) a guaranteed account (collateral deposit) in lei or in the Euro equivalent at the exchange rate of the European Central Bank on the day of guarantee issue; and / or
 - c) an escrow account in lei or in the Euro equivalent at the exchange rate of the European Central Bank on the day of guarantee issue.
 - d) cash, in the guarantee account of the TSO.
- (6) TSO accepts the letter of bank guarantee issued by a bank that has a rating issued by one of the rating agencies approved by the TSO at least at the "investment grade" level. The equivalence between the rating levels given by agencies is published on the TSO website.
- (7) The level of the financial guarantee (NG) under paragraph (1) will be determined as follows:
- a) NG = 1,000 RON for the first month of the contract;
 - b) starting with the second delivery month:
 - (i) if the cumulated imbalance registered during the previous delivery month calculated as an algebraic sum of the daily imbalances is of «Negative imbalance» type and it is 10% lower from the sum of the quantities allocated daily in the entry points A(i) and/or of the sum of the VTP notifications of the purchasing trades performed by the NU, the guarantee provided in letter a) shall be maintained;
 - (ii) if the cumulated imbalance registered during the previous delivery month calculated as an algebraic sum of the daily imbalances is of «Negative imbalance» type and it is between 10% and 50% of the sum of the A(i) and/or T(C) quantities allocated daily, NG = the maximum value of the monthly imbalance of «Negative imbalance» type registered in that current gas year;

- (iii) if the cumulated imbalance registered during the previous delivery month calculated as an algebraic sum of the daily imbalances is of «Negative imbalance» type and it is higher than 50% d of the sum of the A(i) and/or T(C) quantities allocated daily, $NG = 2 \times$ the maximum value of the monthly imbalance of «Negative imbalance» type registered in that current gas year;
- (iv) If the NU recorded outstanding invoices during the grace period of the relevant current gas year, $NG = 2 \times$ the maximum value of the monthly imbalance of «Negative imbalance» type registered in that current gas year.
- (8) If the level of the financial guarantee is decreased below the level provided for in paragraph (7), the NU shall supplement the level of the financial guarantee accordingly within maximum 5 working days from the date of the decrease.
- (9) If the NU does not supplement the level of guarantee under paragraph (8), the TSO shall interrupt the access to the VTP providing a 3 - calendar day advance notice. VTP access is resumed at the supplementation of the guarantee by the NU.
- (10) a) abrogated.
- b) abrogated.
- b¹) abrogated.
- c) If the value of the aggregated imbalance calculated according to Art. 71 is lower than the level of the financial guarantee established by the NU according to paragraph (7), the NU may request the decreasing of the financial guarantee level if such NU has no outstanding invoices in the current gas year.
- d) The level of the financial guarantee may in no case be lower than that established in accordance with paragraph (7).

- (11) The financial guarantee constituted according to para. (7) shall be valid starting with the banking day preceding the start date of the period for which the contract of balancing and access to the VTP is concluded and shall cease to be valid on the 60th calendar day following the termination of the contract.
- (12) If the NU proves its creditworthiness in accordance with paragraph (3), the TSO may request, in the justified cases provided for in paragraph (13), the provision of a financial guarantee in accordance with the provisions of paragraph (7) and (10).
- (13) It is considered a justified case the fact that the NU is late in payment for at least 10% of the amount of the last negative imbalance invoice or of the amount of the partial payment obligations after a notification has been received from the TSO in this regard. (14) TSO may execute the guarantee provided for in this Chapter if the NU does not fully or partially fulfil its contractual obligations or performs them late.
- (15) At least 5 calendar days prior to the drawing on of the guarantee, the TSO has the obligation to notify in writing the NU, stating the breached obligations.
- (16) In the event of the partial or total drawing on of the financial guarantee, the NU has the obligation to restore this facility in accordance with the provisions of para. (9) and (10)).

VIII. – Force majeure / fortuitous case

Art. 13 – (1) Force majeure is that external, unpredictable, absolutely invincible and inevitable event that releases the parties from liability, under the conditions of art. 1351 of the Civil Code.

(2) If the force majeure event does not cease within 30 calendar days, the parties have the right to request the rightful termination of the contract, without any of them having the right to claim compensatory damages.

(3) The party invoking force majeure has the obligation to notify the other party, in writing, by notice within maximum 5 days from its occurrence, and proof of force majeure shall be communicated within 30 days of its occurrence.

Art. 14. - (1) The fortuitous case is an event that cannot be predicted or prevented by the party that would have been held liable if the event had not occurred.

(2) Parties are released from liability when the performance of an obligation has become impossible due to circumstances that are not attributable to the party that would have fulfilled it.

IX. – Confidentiality Clause

Art. 15. -(1) The parties are required to keep confidential the data, documents and information obtained from the performance of the contract.

(2) The following data, documents and items of information are exempted from the provisions of para. (1),:

- those that may be disclosed in accordance with the Network Code;
- those for the disclosure of which the written agreement of the other contracting party has been obtained;
- those required by the competent state bodies, based on a legal obligation to inform.

(3) The provisions of this article shall remain in force for a period of five years after the cease and termination of the contractual relations.

X. – Assignment of the contract

Art. 16 – The present contract may not be assigned.

XI. – Applicable legislation and dispute settlement

Art. 17 - (1) The provisions of this contract are subject to and interpreted in accordance with the Romanian legislation in force.

(2) The Parties agree that all disputes regarding the validity, interpretation, execution and termination of the contract shall be settled amicably. If the dispute is not settled amicably, it will be settled by the competent courts of law of Romania.

XII – Notifications

Art. 18 - (1) The parties shall notify each other to the headquarters provided in the introductory part of this contract of any change in the circumstances envisaged at the date of signature hereof. (2) The deadline for notification shall be no more than 5 calendar days from the date of the change of circumstances, unless otherwise specified in this contract.

(3) The arrangements for notification shall be determined by the Parties by mutual agreement, in accordance with the provisions of the Network Code.

XIII. Contractual liability

Art. 19. For breach of contractual obligations, the defaulting party shall pay damages to the other party, in accordance with the provisions of art.1531 and foll. of the Civil Code.

XIV. Contract cancellation

Art. 20 Either party is entitled to cancel the contract in case of culpable breach of the contractual obligations in full or in part by the other party.

Art. 21 - (1) The intention to terminate the contract must be notified to the other party and to ANRE within 45 (forty five) days from the date of maturity of the unfulfilled obligation. (2) The cancellation by either Party as a result of the breach by the other Party of the contractual obligations to pay the imbalance tariffs or the balancing guarantees provided for in art. 7 and art. 13 shall be made without the intervention of the court without delay and without any prior formality except by giving written notice of cancellation to the other Party at least 3 (three) calendar days before the date specified in the notice of Contract cancellation.

XV. – Suspension of the contract execution

Art. 22 - (1) In the event that, during the performance of the contract, the conditions under which it was concluded are no longer fulfilled, the NU has the obligation to notify the TSO within 24 hours of the occurrence of such change.

(2) If the NU does not comply with the obligation under para. (1), the TSO has the right to partially or totally suspend this contract, with the prior transmission of a notification. (3) NU shall not be entitled to claim damages for the suspension of the contract or a part of it as a result of the NU's failure to comply with the conditions for access to the VTP.

XVI – Contract termination

Art. 23 - (1) This Agreement ceases to be effective in the following situations:

- a) the expiry of the Validity Period established according to the provisions of art. 3;
- (b) by common agreement of the Parties, on the basis of an addendum; c) by termination under the conditions of point XIV;
- d) following a case of force majeure / fortuitous case, according to the Contract. (2) The cease of this Agreement is without prejudice to the performance of contractual obligations in force within the period of validity of this contract, irrespective of the moment of their expiration.

XVII. Modification of the legal circumstances

Art. 24 - For the purpose of this contract, "change in legal circumstances" means the case when, during the course of the present contract, one or more normative acts come into force which, in relation to the subject matter of the regulation, justify the de jure amendment and/or completion of the contract, in order to ensure compliance with the normative provisions

XVIII – Other clauses

Art. 25. - (1) This contract may be amended or supplemented by an addendum in written form. (2) By exception from the provisions of para. (1), this contract is automatically amended or supplemented with any amendment or completion applicable to the contract of balancing and access to the VTP or the contractual relationship between the TSOs and the URs, provided by a national or European regulatory act, each party having the obligation adopt the changes/completions.



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Art. 26. Abrogated

The present contract was concluded today, on, in two original counterparts, and each party declared to have received an original sample thereof.

Transmission System Operator

Network User

SNTGN TRANSGAZ SA"

Annex to the Contract of balancing and access to the VTP

CONVENTION OF PARTICIPATION IN THE NATURAL GAS BALANCING MARKET

I. TERMINOLOGY AND APPLICABLE LEGISLATION

Art. 1 (1) The terms used in this Convention are defined in the Electricity and Gas Law no. 123/2012, as subsequently amended and supplemented, as well as in the Network Code for the National Gas Transmission System, approved by the Order of ANRE President no. 16/2013, as amended and supplemented (*the Network Code*).

(2) For the purposes of this Convention, the terms, expressions and abbreviations used have the following meaning:

Annulment of an offer – deleting the offer from the record of the active offers of a PE participant taken into account for the transaction, the offer remaining recorded in the database for the statistical processing platform

Convention – the letter of bank guarantee – document according to which the guarantee bank irrevocably and unconditionally undertakes to pay, upon the first written request of the TSO/ third party designated by the TSO any amount up to the maximum amount set by the Participant to the balancing market, as guarantee officer; it is issued for a limited period of time, according to the template agreed by the banking community.

Suspension of an offer – deleting an offer by the participant from its list of active market offerings. A suspended offer may be reactivated by the BM participant at any time during the trading session for the Instrument for which it was entered;

Daily settlement note – report issued within the settlement platform for each Participant to the BM, which specifies, cumulatively at the gas delivery day, the quantities of natural gas traded on sale or purchase, the market closing price, and the values of the collection / payment obligations, including the VAT value;

ANRE – Romanian Energy Regulatory Authority

BM – natural gas balancing market

BM procedure – the trading procedure on the natural gas balancing market, stipulated in Annex no. 1⁴ to the Network Code.

II. OBJECT OF THE CONVENTION

Art. 2 - (1) The subject of the Convention is the provision by the TSO/the third party designated by the TSO of the services of organizing and managing the natural gas balancing market and

granting the participant to the BM the right to carry out natural gas sales and purchases on this market with the TSO/ the third party designated by the TSO as a counterparty in compliance with the primary and secondary legislation applicable to this market.

(2) By the conclusion of this Convention, the Parties shall become aware of the reciprocal rights and obligations regarding the organised framework for the conduct of transactions on the BM, namely the proceeds and payments related to such transactions, on the basis of specific rules.

(3) The Convention is applicable to the BM and the related trading procedure is the BM Procedure. The purpose of the transaction is to sell/purchase natural gas within the limits of the quantities registered as initial daily imbalance, at a price established in a transparent and non-discriminatory manner, following the trading session.

(4) The transactions are concluded on the basis of orders entered into the trading platform, which contain the firm contracting commitments to the market. For each traded order, the TSO notifies through the trading platform the traded quantity and the closing price of the balancing market for the day of delivery for which the order was placed.

(5) The conditions for participating in trading sessions, offering, trading, publishing and making available the results of the trading sessions, receipts and payments related to transactions on the BM are made in accordance with the specific procedures developed by the TSO and published on its Internet page, as well as the BM Procedure.

(6) If the identification data of the Participant comprised in the Convention are modified, the Parties shall sign an addendum thereto which shall record the changes made.

III. RIGHTS AND OBLIGATIONS OF THE PARTIES

Art. 3 The rights of the participant to the BM are the following

- a) to receive from the TSO, at its request, assistance and practical training sessions on the use of the BM trading platform;
- b) to introduce offers for sale and/or purchase of natural gas for the BM according to the daily trading schedule;

- c) to use a letter of bank financial guarantee, which will specify that it is used for the gas balancing market; d) to verify the records of their own transactions and view the offers submitted by the other market participants in the BM trading platform; e) to modify, suspend or cancel the gas offer (s) during the trading session on the BM trading platform; f) to receive from the TSO through the BM trading platform confirmation of the validation of offers / information regarding the invalidation of offers; g) to access the Transaction Confirmations, Daily Settlement Notes and Notifications, or request from the TSO the transmission thereof in case they cannot access the BM trading platform; h) to fully collect the value of the collection rights related to the sales of natural gas on the BM through daily receipts of the seller's value provided for in the daily settlement notes by daily payment orders issued by the TSO/third party designated by the TSO to credit the bank account opened by the Participant to the BM at a commercial Bank in Romania and to document, monthly the payment of the payment obligations, the receipt of the rights and payment of the reciprocal obligations to regulate, to an equal amount and to issue and transmit to the TSO the daily invoice for the quantities of natural gas sold on the BM; i) to be notified through alternative communication channels (telephone, fax, e-mail, website) in case of disruption and resumption of operation of the BM trading platform; j) to decide at its own initiative to withdraw from the BM on the basis of a notice sent to the TSO/third party designated by the TSO.

Art. 4 The obligations of the participant to the BM are the following:

- a) to comply with the provisions of the Procedure set out in Annex no. 1⁴ of the Network Code, as well as other procedures related to the functioning of the BM;
- b) if it intends to introduce purchase offers, to conclude a SEPA Direct Debit Mandate with its settlement bank which will ensure the registration of the document in the TransFonD and to send the scanned document by email to the TSO/third party designated by it;
- c) to make all the necessary endeavours to the Bank for its own guarantee so that the TSO/third party designated by it for receipt by the TSO, from the central account Bank, no later than 12:00 o'clock, one (1) bank business day before the day when the participant

- to the BM wishes to introduce purchase offers, of the financial bank guarantee letter, in original, issued for it, if the letter of bank guarantee is issued by the central account Bank, or the swift message of the guarantee Bank accompanied by the opinion of the central account Bank if the letter of bank guarantee is issued by another guarantee Bank than the central account Bank;
- d) to require the TSO/third party designated by it to agree to reduce the value of the letter of financial bank guarantee, as well as to remove the Guarantee Bank from obligations before the expiry of the term of validity of the letter of financial bank guarantee;
 - e) to provide the financial resources necessary to debit its account opened at the settlement Bank in the amount requested by the direct debit instructions, at the deadlines stipulated in the SEPA Direct Debit Mandate and to communicate to the TSO/third party designated by the TSO the bank account in which it wishes to charge the value of the sales transactions on the BM;
 - f) to make sure that the amount of the letter of bank guarantee covers the amount of the purchasing intentions and of the payment obligations already undertaken;
 - g) to make sure that the values in the offer reflect their own interest prior to placing the offer in the trading system;
 - h) to make sure that the offers submitted to the BM have been placed in the trading system;
 - i) to accept as firm commitments the Transaction Confirmations and the Notifications related to the transactions on the balancing market of natural gas;
 - j) to pay in full the equivalent of the payment obligations related to tariff for management/trading on the BM;
 - k) the participant to the BM is directly responsible for the confidentiality of the identification data received from the TSO for accessing the trading platform;
 - l) if its own identification data contained in the Convention are amended, to conclude with the TSO an addendum to this Convention recording the changes made.
 - m) to conclude the Convention with the third party designated by the TSO within maximum 5 days from the notification received in this respect from the TSO;

Art. 5 The rights of the TSO/third party designated by the TSO are the following:

- a) to receive from the Participant to the BM, by email, the scanned SEPA Direct Debit Mandate and the identification data of the bank account opened with a commercial bank in Romania to be credited with the amount of its collection rights;
- b) to receive from the central account Bank the financial letter of bank guarantee issued for the TSO/the third party designated by the TSO, in original, if it is issued by the central account Bank or the swift message of the guarantor bank accompanied by the approval of the central account Bank, if the financial letter of bank guarantee is issued by another bank than the central account bank, no later than 12.00 o'clock, with one (1) bank business day prior to the trading day in which the participant to the BM wishes to submit purchase offers;
- c) to monitor the value and the period of validity of the financial letter of bank guarantee and to invalidate the purchase offer/offers introduced by the Participant to the BM if the validity of the letter of bank guarantee was not extended with the time periods established in the specific procedures prepared by the TSO/third party designated by the TSO and published on its website;
- d) to calculate the level of the validation guarantee amount and the available value, to validate the offer(s) submitted / introduced by the Participant to the BM and invalidate the purchase offer (s) whose value exceeds the amount of the collateral available under specific procedures developed by the TSO/ third party designated by the TSO and published on its website;
- e) to send every working bank day to the central account Bank a direct debit instruction, corresponding to the value of the daily net payment obligations (including the VAT equivalent) of the participant to the BM, recorded in the Daily Settlement Note;
- f) to send the application for the execution of the financial bank guarantee letter to the central account Bank, in the event that it receives from the central account Bank denial reports due to lack of funds on the BM participant's account and refuse to reduce its

- value requested by the Participant to the BM if the amount resulting from the reduction does not cover its payment obligations;
- g) to issue and transmit the monthly invoice to the BM participant who has engaged in gas purchase transactions (including the VAT value);
 - (g¹) to issue and transmit the monthly/annual invoice/invoices to the BM participant for the amount of the managing/trading tariff on the BM (including the VAT value);
 - h) to collect the equivalent of the rights to collect related to the tariff for managing/trading on the BM (including the VAT value);
 - i) to decide, as the case may be, in accordance with the regulations in force, suspension from trading or revocation of the participant's registration in the BM;
 - j) to receive information from the participant to the BM on any change of its identification data from the Trading Registry, supported by justifying documents in this respect, and to sign with the participant an Addendum to this Convention that will record the changes occurred;
 - k) to transmit the information requested by the authorised public authorities or courts of law on the participant to the BM, without the consent of the latter if required by the Convention, applicable laws and / or regulations.

Art. 6 The obligations of the TSO/the party designated by the TSO are the following:

- a) to ensure a trading environment in a fair, objective, independent, correct, transparent and non-discriminatory manner, in accordance with the applicable primary and secondary legislation;
- b) to provide assistance to the BM participant and practical training sessions on the use of the BM trading platform;
- c) to provide the participant to the BM "The BM Participant's Guide" and to inform it in due course of its modification by means of information messages published on the main page of the TSO's website;

- d) Abrogated
- e) to validate the sales/purchase offers submitted by the participant to the BM in accordance with the provisions of the regulations in force;
- f) to automatically notify the BM participant about the rejection of a natural gas bid through the BM trading platform;
- g) to make available to the BM participant who has placed gas bids on the BM the Confirmations of Transactions and the Daily Settlement Notes for the gas transactions performed, including by means of alternative communication channels (e-mails) in the notification to the BM participant of its impossibility to access the trading platform;
- h) to make available to the BM participant the Physical Notices corresponding to the transactions concluded on the BM;
- i) to notify the participant to the BM via alternative communication channels about the impossibility of using the usual ways of communication or the non-functioning of the trading system as well as the resumption of trading and to publish the reasons for the accidental interruption of the trading session;
- j) to pay in full the equivalent of the net collection rights related to the daily gas sales made by the BM participant by sending the payment orders in favour of the BM participant and document, monthly, the collection of the mutual settlement obligations, in equal amount;
- k) Abrogated
- l) to update the Trading Registry of the BM with the data of the participant registered with the BM;
- m) to publish on its website the secondary legislation on the organisation and functioning of the BM as well as the specific procedures in force.

IV. SUSPENSION FROM THE GAS BALANCING MARKET

Art. 7 - (1) The following situations constitute instances of non-fulfilment of the obligations and lead to the suspension from the gas balancing market, for a period of 30 days, including, without limitation:

- a) if, within a period of 1 (one) month, the activity of the participant to the BM determines in this market more than 3 (three) payment denials (due to lack of funds in the account) for the direct debit instructions transmitted and execution of the financial guarantee instrument established for participation in the trading sessions organized on this market;
- b) the failure to observe the deadlines for transmission of invoices for the sold gas;
- c) if the Participant to the BM violates the provisions of this Convention on this market and / or the provisions of the specific procedures for the operation of the BM, including but not limited to the obligation of the Participant to assume the obligations related to the outcome of the trading session in which concerns the quantity and the closing price of the market.

(2) If the participant to the BM cannot prove that he has corrected the causes that led to his suspension from trading on the gas balancing market, it is suspended from the gas balancing market until the end of the situation that caused such suspension.

V. FORCE MAJEURE

Art. 8 - (1) Force majeure is any external, unpredictable, absolutely invincible and inevitable event.

(2) The liability of the parties is removed when the damage is caused by force majeure, under the conditions of art. 1351 of the Civil Code.

(3) The party invoking a case of force majeure shall notify the other party, within 48 hours of its occurrence, of a notification followed by the return of the supporting document, issued in accordance with the legislation in force, within 20 calendar days from the same date. (4) If force majeure does not cease within 30 calendar days, the Parties shall have the right to request

the termination of the contract, without any of them having the right to claim compensatory damages.

VI. CONFIDENTIALITY

Art. 9 – (1) Each Party undertakes to preserve the confidentiality of all data, documents and information obtained from the performance of this Convention and not to disclose it to a third party, in whole or in part, without the written consent of the other Party.

(2) The following data, documents and information items are excepted from the provisions of paragraph (1):

- a) those that may be disclosed in accordance with the legislation in force;
- b) those requested by the competent bodies of the state, based on a legal obligation to inform;
- c) those considered to be non-confidential, according to the legislation in force.

(3) The provisions of this Article shall remain in force for a period of 5 (five) years after the expiry of this Convention.

VII. FINAL PROVISIONS

Art. 10 - In the event that after the conclusion of this Convention, the content of the Convention is amended/supplemented with ANRE's approval, the Parties undertake to comply with the Convention, as amended/supplemented with ANRE's approval.