

**GENERAL TERMS AND CONDITIONS
OF PARTICIPATION IN AUCTIONS
FOR ELECTRICITY PURCHASE AND SALE
TO COMPENSATE FOR UNINTENTIONAL DEVIATIONS
OF EMS JSC BELGRADE CONTROL AREA**

UNOFFICIAL TRANSLATION

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Pursuant to Article 2, paragraph 1, item 67 of the Energy Law (Official Gazette of RS, no. 145/2014) and Article 6.2.1.1 of the Grid Code, Article 4.1.7. of the Market Code and Article 41 of the Statute of Joint Stock Company Elektromreža Srbije, Belgrade (Official Gazette of RS, no. 88/2016), General Manager hereby adopts the following

GENERAL TERMS AND CONDITIONS

**of participation in auctions for electricity purchase and sale
to compensate for unintentional deviations
of EMS JSC BELGRADE control area**

1. INTRODUCTION

1.1.1. The document hereof governs the procedure for acquiring the status of the Registered Participant, and the procedure and manner of auctioning with the aim of purchase or sale of electricity to compensate for unintentional deviations of EMS JSC Belgrade control area (hereinafter: EMS).

1.1.2. EMS purchases or sells electricity to compensate for unintentional deviations in EMS control area by conducting auctions for pre-defined periods.

1.1.2. EMS publishes all relevant information on auctions for electricity purchase or sale to compensate for unintentional deviations of EMS control area on its website (www.ems.rs), respective procedures and timeframes, in order to ensure transparency and equal conditions for all electricity market participants.

1.1.3. EMS reserves the right to amend the General Terms and Conditions of participation in auctions for electricity purchase and sale to compensate for unintentional deviations of EMS JSC Belgrade control area (hereinafter: Terms). In the event of such amendment of the Terms, EMS shall duly notify the Registered Participants within the period of 15 days prior to the day they become effective.

2. GLOSSARY OF TERMS AND ABBREVIATIONS

Auction – In terms of the document hereof is a market method of public competition for the purchase and sale of electricity to compensate for unintentional deviations in EMS JSC control area for a predefined period.

Auction Bid – A bid by a Registered Participant in the auction containing the unit price of required electricity expressed in (EUR/MWh) submitted on the Auction Platform.

Auction Platform – EMS information system for electricity trading accessed through the address <https://etender.ems.rs>.

Purchase Agreement – Agreement between EMS and the Registered Participant setting forth general terms, rights and obligations of the contracting parties for the purchase of electricity to compensate for unintentional deviations in EMS control area.

Sales Agreement – Agreement between EMS and the Registered Participant setting forth general terms, rights and obligations of contracting parties for the sale of electricity to compensate for unintentional deviations in EMS control area.

Certificate of Accepted Auction Bid – Consent on the purchase or sale of electricity to compensate for unintentional deviations of EMS control area issued by EMS to the Registered Participant whose Auction Bid has been accepted.

Energy Lot – Represents a precisely defined amount of energy, schedule and duration of delivery.

Control area – integral part of ENTSO-E system (for Continental Europe) managed by one transmission system operator

Registration Form – Application form for concluding Purchase Agreement, i.e. Sales Agreement

Registered Participant – Market participant which concluded Purchase or Sales Agreement with EMS

BRP – Balance Responsible Party;

EMS – Joint Stock Company Elektromreža Srbije Belgrade;

TIN – Tax identification number;

VAT – Value added tax;

EIC (Energy Identification code) – Unique energy code for the identification of participants in the electricity market.

3. DOCUMENTS AND FORMS

3.1.1. The following documents, forms and model agreements shall represent Appendices and shall be an integral part of the Terms, and EMS shall publish them on its website:

- a) Registration Form - Appendix 1;
- b) Purchase Agreement Model - Appendix 2;
- c) Sales Agreement Model - Appendix 3;
- d) Certificate on the Accepted Auction Bid Model - Appendix 4;
- e) Data Changes Form - Appendix 5;

3.1.2. EMS shall publish the following on its website:

- a) User Guide for access to EMS Auction Platform;
- b) Calendar of Auctions;
- c) Calendar of compensation periods for the current year;
- d) Tables with the overall Auction results;
- e) List of EMS contacts.

4. TERMS FOR ACQUIRING THE STATUS OF REGISTERED PARTICIPANT AND PARTICIPATION IN AUCTIONS

4.1.1. Market participants who meet the following requirements shall be entitled to acquire the status of a Registered Participant:

- a) Hold at least one valid licence issued by the Energy Agency of the Republic of Serbia for:
 - electricity supply,
 - wholesale electricity supply;
- b) Are registered as balance responsible party (hereinafter: BRP) or have concluded and effective agreement on the transfer of balance responsibility from BRP under the Market Code; and
- c) Have settled all financial obligations towards EMS in electricity market.

4.1.2. Market participants aiming to acquire the status of a Registered Participant and which have not been previously registered at the Auction platform for participation in the Auctions for procuring electricity for covering transmission network losses, shall:

- a) Enter their data on the registration page of the Auction Platform in accordance with the *User Guide for access to EMS Auction Platform* published on the website of the Auction platform and www.ems.rs;
- b) Submit a filled in Registration Form to EMS by e-mail or through the registration page of the Auction Platform, as an attachment to the registration.

4.1.3. Market participants previously registered for participation in auctions for procuring electricity for covering transmission network losses shall submit the completed Registration Form to EMS by e-mail.

4.1.4. Registration Form to be completed through the EMS web page shall include the same data entries as those made through the Auction Platform.

4.1.5. The Registration Form shall be signed by the authorized representative of the market participant. If the signatory is not the legal representative, an authorization/power of attorney shall be submitted along with the Registration Form.

4.1.6. EMS shall, at the latest within 3 (three) business days from the date of receiving the Registration Form:

- a) Establish whether the Applicant complies with all requirements as per item 4.1.1;
- b) Establish whether the Registration Form is orderly and complete;
- c) Establish whether the provided data are accurate; and
- d) Compare the Registration Form data with the data entered on the Auction Platform.

4.1.7. Should the Applicant fail to comply with all the requirements of item 4.1.1, EMS shall notify the Applicant thereof by e-mail upon the expiry of the deadline as per item 4.1.6.

4.1.8. In case the submitted Registration Form is disorderly, incomplete, and/or the data provided therein is incorrect, or the data included in the Registration Form prove not to be identical with the data provided on the Auction Platform, EMS shall notify the Applicant thereof by e-mail upon the expiry of the deadline as per item 4.1.6. Should the Applicant fail to submit a corrected, and/or completed Registration Form within a subsequent deadline of 5 (five) business days as of the date of receiving the notification, or fail to harmonize the data from the Registration form with data entered into the Auction Platform, EMS shall consider the Registration Form as not submitted.

4.1.9. If EMS establishes that the submitted Registration Form is orderly, complete and that the data provided therein are correct and identical with the data provided on the Auction Platform, and that the requirements set out in item 4.1.1 are met, it shall deliver the Purchase Agreement to the Applicant by e-mail, or Sales Agreement depending on the statement in the Registration Form after the expiry of the deadline referred to in item 4.1.6.

4.1.10. The Applicant to whom the Purchase or Sale Agreement has been delivered shall sign it and return 6 (six) copies of the original agreement to EMS within 15 (fifteen) days as of the delivery date.

4.1.11. EMS shall sign all copies within 10 (ten) business days as of the delivery date of the signed original of the Purchase or Sales Agreement and return 3 (three) copies to the Applicant.

4.1.12. After the Purchase Agreement comes into force, the Applicant shall acquire the status of Registered Participant and shall be entitled to participate in Auctions where EMS is purchasing electricity to compensate for unintentional deviations in EMS control area.

4.1.13. After the Sales Agreement comes into force, the Applicant shall acquire the status of Registered Participant and shall be entitled to participate in Auctions where EMS is selling electricity to compensate for unintentional deviations in EMS control area.

4.1.14. In order to participate in the Auctions where EMS is purchasing or selling electricity to compensate for unintentional deviations of EMS control area, the Applicant must acquire the status of Registered Participant at the latest 1 (one) working day prior to sending the invitation for participation in the Auction by EMS where EMS is purchasing or selling electricity to compensate for unintentional deviations of EMS control area depending on the concluded agreement as referred to in items 4.1.12. and 4.1.13

4.1.15. Upon acquiring the status of Registered Participant, EMS shall assign the Registered Participant a username and password to access the Auction Platform, unless the Participant has been previously registered at the Auction Platform for participating in auctions for procuring electricity for

covering transmission network losses, in which cases the Registered Participant shall use the previously assigned username and password.

4.1.16. The procedure of assigning username and password to Registered Participants is defined in the User Guide for Access to EMS Auction Platform.

4.1.17. In case of changes in the data provided in the Registration Form, the Registered Participant shall without delay inform EMS of such occurrence by:

- a) Submitting a filled in Data Changes Form (Appendix 4) by e-mail and
- b) Amending the data at the Auction Platform in accordance with the delivered Data Changes Form

4.1.18. All costs for the preparation and submission of the Registration form shall be at the expense of the Applicant.

5. SUBJECT MATTER OF AUCTIONS

5.1.1. The subject matter of Auctions shall be electricity which EMS purchases or sells in the form of Energy Lots to compensate for unintentional deviations in EMS control area.

5.1.2. EMS shall define the Energy Lots being purchased or sold at Auctions based on its needs. The precise description of Energy Lots shall be provided as an amount of energy, schedule and duration of delivery and shall be defined separately for each Auction.

5.1.3. Diagrams of delivery profiles in MW per hour corresponding to Energy Lots being purchased or sold through the Auction shall be available to Registered Participants to whom EMS, depending on the concluded agreement as referred to in items 4.1.12. and 4.1.13 sent an invitation to participate in the Auction and they may be downloaded from the Auction Platform.

6. PROCEDURE FOR CONDUCTING AUCTIONS

6.1. SUBMITTING AUCTION BIDS

6.1.1. EMS shall organize Auctions for precisely defined Energy Lots.

6.1.2. Auctions dates shall be determined in accordance with the Annual calendar of compensation periods and shall be published on the EMS website at the latest on 28th December of the current year for the compensation periods for next year. Auctions for compensation periods shall take place in the day preceding the start date of compensational period, starting from 12:30 p.m. Exceptionally as required, EMS may organise additional Auctions on the dates different from published.

EMS shall publish the 2018 Calendar within 3 days from the date of the publication of Terms and Conditions on the web site.

6.1.3. EMS shall submit the invitation for participation in the Auction to the Registered Participants by e-mail at the latest 30 (thirty) minutes prior to the opening of the Auction. The invitation shall contain information on the precise date of the Auction and deadlines for submitting bids on the Auction Platform. The invitation shall not be binding the Registered Participant to participate in the Auction.

6.1.4. Submission of Auction Bids, as well as download of results upon completed Auctions shall be performed exclusively through the Auction Platform.

6.1.5. Auction Bids shall be submitted on the Auction Platform for each Auction separately, and only within the deadlines defined in the Auction invitation.

6.1.6. Each Auction Bid shall include the unit price of energy for the Energy Lot that EMS is purchasing or selling through the Auction. The price shall be in EUR/MWh without VAT, with two decimal places, while the lowest price from the Auction Bid shall exceed or equal to 0.01 EUR/MWh.

6.1.7. During the submission of Auction Bids, the Auction Platform shall generate a timestamp for each Auction Bid based on the time of submitting the Auction Bid.

6.1.8. Each Auction Bid submitted to the Auction Platform and confirmed by the system shall be considered binding.

6.1.9. A participant in the Auction may not withdraw a confirmed Auction Bid on the Auction Platform.

6.1.10. A participant in the Auction in which EMS purchases electricity to compensate for unintentional deviations of EMS control area may replace the already submitted Auction bid by submitting a new bid with the price lower than the price of the previous Auction Bid, thereby cancelling the previous Auction Bid. The Participant shall not be able to submit a bid with the same or higher price than the price given in his previous Auction Bid.

6.1.11. A participant in the Auction in which EMS sells electricity to compensate for unintentional deviations of EMS control area may replace the already submitted Auction bid by submitting a new bid with higher price than the price from the previous Auction Bid, thereby cancelling the previous Auction Bid. The Participant shall not be able to submit a bid with the same or lower price than the price given in his previous Auction Bid.

6.1.12. EMS shall not be held liable for any expenses or damages which the Registered Participant suffers during the preparation of the Auction Bid, participation in Auctions or due to non-acceptance of participation in Auctions.

6.2. CRITERION FOR RANKING AUCTION BIDS

6.2.1. The Auction Platform shall automatically rank the confirmed Auction Bids during the Auction, starting from the Auction Bid with the lowest bid price. In the event of the Auction in which the EMS purchases electricity to compensate for the unintentional deviations of EMS control area, ranking is performed starting from the Auctions with the lowest bid price, while in the case of the Auction in which EMS sells electricity to compensate for unintentional deviations of EMS control area, rankings start from Auction bids with the highest bid price. A participant in the Auction may see the information on the rank of their Auction Bid upon the entry of the Auction Bid.

6.2.2. The criterion for accepting the successful bid in the Auction where EMS purchases electricity to compensate for unintentional deviations of EMS control area shall be the lowest price submitted in the Auction Bid.

6.2.3. The criterion for accepting the successful bid in the Auction where EMS sells electricity to compensate for unintentional deviations of EMS control area shall be the highest price submitted in the Auction Bid.

6.2.4. EMS shall define maximum price for 1 MWh which it is willing to pay for electricity to compensate for unintentional deviations of EMS control area in accordance with the economic conditions and situation in the electricity market in the Republic of Serbia and the region. The amount of maximum price shall not be visible to the participant in the Auction.

6.2.5. EMS shall define minimum price for 1 MWh at which it is willing to sell electricity to compensate for unintentional deviations of EMS control area in accordance with the economic conditions and situation in the electricity market in the Republic of Serbia and the region. The amount of minimum price shall not be visible to the Auction participant.

6.2.6. EMS shall not accept the successful bid in the Auction and it shall not be liable for costs arising due to declining to accept the successful Auction Bid in the Auction if all bid prices in the confirmed Auction Bids exceed the maximum price in the Auction where EMS purchases electricity to compensate for unintentional deviations of EMS control area.

6.2.7. EMS shall not accept the successful bid in the Auction and it shall not be liable for costs arising due to declining to accept the successful Auction Bid in the Auction if all bid prices in the confirmed Auction Bids are lower than the minimum price in the Auction where EMS sells electricity to compensate for unintentional deviations of EMS control area.

6.2.8. In case of identical Auction Bids regarding the lowest price that are below the maximum price in the Auction where EMS purchases electricity to compensate for unintentional deviations of EMS control area, the bid first received and confirmed as correct on the Auction Platform as per its timestamp shall be accepted.

6.2.9. In case of identical Auction Bids regarding the highest price that are above the minimum price in the Auction where EMS sells electricity to compensate for unintentional deviations of EMS control area, the bid first received and confirmed as correct on the Auction Platform as per its timestamp shall be accepted.

6.2.10. EMS shall publish the results of the Auction on the Auction Platform within 30 (thirty) minutes as of the moment of closing the Auction.

6.2.11. The accepted Auction Bid of the Registered Participant at the Auction Platform shall be binding for both the Registered Participant and EMS.

6.2.12. After publishing the results on the Auction Platform, EMS shall e-mail to the Registered Participant whose Auction Bid has been accepted a signed Certificate on the Accepted Auction Bid (hereinafter: Certificate)

6.2.13. Based on the Certificate as referred to in item 6.2.12, a Registered Participant whose Auction Bid has been accepted at the Auction where EMS purchases electricity to compensate for unintentional deviations of EMS control area shall deliver electricity in accordance with Chapter 7 and issue an invoice to EMS in accordance with Chapter 8.

6.2.14. On the basis of the Certificate referred to in item 6.2.12, EMS shall deliver electricity in accordance with Chapter 7 and issue an invoice to the Registered Participant whose Auction Bid has been accepted at the Auction where EMS sells electricity to compensate for unintentional deviations of EMS control area in accordance with Chapter 8.

6.3. CANCELLING AUCTIONS

6.3.1. In case of encountering problems in the work of the Auction Platform prior to the start or during the Auction, EMS may cancel the scheduled Auction, and/or interrupt the initiated Auction. After enabling the work of the Auction Platform and establishing a normal mode of operation, EMS shall notify the Registered Participants by e-mail on the new time of holding the Auction.

6.3.2. In case of interruption of the initiated Auction, all the submitted Auction Bids shall be considered invalid.

6.3.3. EMS shall not be held liable for expenses or damages the Registered Participant may suffer due to the cancellation or interruption of an initiated Auction.

6.4. CONFIRMATION AND PUBLICATION OF AUCTION RESULTS

6.4.1. During Auction, as well as upon the closing of each Auction, an Auction participant may access the following data through the Auction Platform:

- a) Auction identification;
- b) Auction name;
- c) Start time and end time of the Auction;
- d) Amount of the Energy Lot (MWh), mandatory unit price (EUR/MWh) and total bid price (EUR) only from the submitted Auction Bid;
- e) Ranking of the submitted Auction Bid of the participant in the Auction.

6.4.2. EMS shall publish on its web page the table with Auction results including the following data for all organized Auctions:

- a) Required amount of Energy Lot (MWh);
- b) Purchased or sold electricity;
- c) Price of the accepted Auction Bid.

7. MANNER OF DELIVERING ELECTRICITY OF THE ACCEPTED AUCTION BIDS

7.1.1. Place of electricity delivery shall be EMS control area.

7.1.2. Balance responsible party of the Registered Participant, according to the accepted bid published at the Auction platform, i.e. values from the Certificate, nominates the internal exchange block with BRP EMS (EIC 10XCS-SERBIATSO8) according to the Grid Code.

7.1.3. Electricity delivery shall be verified by the confirmed reports on daily schedules.

8. ELECTRICITY DELIVERY CONFIRMATION, INVOICING AND PAYMENT

Sales or Purchase Agreements shall prescribe the process and manner of issuing reports of the electricity delivery, invoicing and payment.

9. TRANSITIONAL AND FINAL PROVISIONS

General terms and conditions for participation in auctions for the sale and purchase of electricity to compensate for unintentional deviations of EMS control area shall come into force on the date of their publication on the EMS website (www.ems.rs).

General Manager

Jelena Matejić

No:

Belgrade, EMS JSC BELGRADE

APPENDIX 1

EMS JSC BELGRADE Vojvode Stepe 412
11000 Belgrade, Republic of Serbia
Fax: +381 11 3970 695
Phone: +381 11 3957 380, +381 11 3957 131
E-mail: Energy.Procurement@ems.rs

REGISTRATION FORM

Date: _____

Company information		
1	Company Name	
	Abbreviated Name	
	Registration Number	
	VAT	
	BRP of the market participant	
	EIC BRP	
	Balance Responsibility Contract Number	
	Web Site URL	
	Licenced energy activity	<input type="checkbox"/> Electricity supply <input type="checkbox"/> Wholesale electricity supply
	No. of decision on issuing licence	
Order From Address		
2	Address	
	City	
	Country	
	Postal/Zip Code	
	Telephone	
	Fax	
Information on legal representative or other person authorized for representation without limitation		
3	First name	
	Last name	
	E-mail	
	Telephone	
Information on contact person for participation in Auctions		
4	First name	
	Last name	
	E-mail	
	Telephone	
Information on contact person responsible for financial affairs		
5	First name	
	Last name	
	E-mail	
	Telephone	

Information on BRP contact person responsible for nomination of daily schedule		
6	First name	
	Last name	
	E-mail	
	Telephone	
Remit To Address		
7	Address	
	City	
	Country	
	Postal/Zip Code	
	Telephone	
	Fax	
Payment		
8	Bank Account	
	Bank Name	
Registration		
9	I herewith apply for	<input type="checkbox"/> Purchase agreement <input type="checkbox"/> Sales agreement

Note:

1. The legal representative of the company/other person authorized for representation without limitation shall be liable for the accuracy of data in the Registration Form.
2. Oral and written communication for certain tasks and activities shall only be undertaken with the persons listed in the Registration Form.

[Please enter: company name]

[Please enter: first and last name of the authorized person]

[Please enter: position of the authorized person in the company]

[Place for: signature of the authorized person]

[Place for: company seal]

Registration form accepted: date
(to be filled by EMS JSC Belgrade)

APPENDIX 2: ELECTRICITY PURCHASE AGREEMENT MODEL

AGREEMENT ON ELECTRICITY PURCHASE TO COMPENSATE FOR UNINTENTIONAL DEVIATIONS IN EMS JSC BELGRADE CONTROL AREA

Executed by and between:

1. Joint Stock Company Elektromreža Srbije Belgrade, Kneza Miloša 11, Belgrade, company identification number 20054182, TIN 103921661, represented by Executive Director for System and Market Operation _____ according to EMS JSC BELGRADE General Manager authorisation no. _____ dated _____ (hereinafter: EMS),

and

2. _____ represented by _____, (hereinafter: Registered Participant)

collectively referred to as the Parties.

The Parties, under the terms and the manner established by the Agreement on the Purchase of Electricity to Compensate for Unintentional Deviations in EMS Control Area (hereinafter: Electricity Purchase Agreement), mutually agree as follows:

Article 1

The Parties agree that the Electricity Purchase Agreement hereof shall define the mutual relations, as well as terms and conditions, of EMS as the buyer and the Registered Participant as the seller, regarding the purchase of electricity to compensate for unintentional deviations of EMS control area.

The subject matter of the Agreement shall be establishing the rights, obligations and conditions to be in force while issuing Certificates on Accepted Auction Bids for purchasing electricity to compensate for unintentional deviations of EMS control area (hereinafter: Certificates) to the Registered Participant whose bid has been successful, fully in line with the General Terms and Conditions for participation in auctions for electricity purchase and sale to compensate for unintentional deviations of EMS JSC Belgrade control area (hereinafter: the Terms).

Article 2

The Electricity Purchase Agreement shall be signed for a period of three years, coming into force on the date of signing.

Article 3

The Agreement hereof shall not represent an obligation for EMS to purchase electricity from the Registered Participant.

The Agreement hereof shall not bestow upon the Registered Participant the status of exclusive supplier of electricity to compensate for unintentional deviations.

Article 4

When the need arises for EMS to purchase a certain amount of electricity under an established schedule and duration of delivery (hereinafter: Energy Lot), EMS will organize an Auction through the Auction Platform in full compliance with the Terms.

EMS shall publish the Annual calendar of compensation periods on its web site, including the Auction dates. Exceptionally, if required, EMS may organise additional Auctions to be held on the dates other than published.

EMS shall deliver an invitation for participating at the Auctions to the Registered Participants at least 30 minutes prior to the Auction start.

The Registered Participant shall submit a bid for selling electricity (hereinafter: Auction Bid) on the Auction Platform for each Auction separately, and within the deadlines defined in the Auction invitation. Registered Participant may, before the Auction is closed, replace its already submitted bid by submitting a new bid with lower price than the price from the previous Auction Bid, thereby cancelling the previous Auction Bid.

The last bid submitted and compliant with the conditions as per the above paragraph shall be deemed final and binding for the Registered Participant and invoice shall be issued accordingly.

Article 5

EMS and the Registered Participant whose bid is accepted hereby agree that EMS shall, under the terms of the Agreement hereof, for each individual Energy Lot, after publishing the results on the Auction platform, sign a Certificate on accepting the Registered Participant's bid, which shall comprise a single agreement with the Electricity Purchase Agreement hereof.

Certificate shall contain the price of the accepted bid, the amount of energy, the schedule and duration of delivery, fully in line with the Auction.

A model Certificate shall be provided in the appendix to the Terms.

The Parties agree that failure to meet the obligations of one Party upon any Certificate shall represent a failure to execute, i.e. a violation of the agreement envisaged by Article 12 of the Purchase Agreement hereof.

Article 6

If the Auction Bid by the Registered Participant is ranked first, and the bid price is the same or below the maximum price established for the given Auction, EMS shall within 30 (thirty) minutes from the publication of results on the Auction Platform submit by e-mail the Certificate to the Registered Participant that its bid has been accepted.

The Certificate shall be issued under the terms of the Agreement hereof and the Auction held regarding the subject of sales, method of forming the Energy Lot price, invoicing, manner and payment deadlines, contracted schedule and time period of supply.

EMS shall deliver by mail the signed Certificate to the Registered Participant within 5 (five) working days from the day of results publication on the Auction Platform.

Article 7

The Registered Participant may state an objection to the delivered electronic copy of the Certificate if it is not filled in accordance with the conditions and results of the Auction.

The objection to the Certificate shall be stated within 1 (one) hours upon its acceptance, otherwise the contents of the Certificate shall be considered accepted. The objection to the Certificate shall be stated in writing or in electronic form.

EMS shall respond to the objection by e-mail within 30 (thirty) minutes from its receipt. In case it accepts the elements of the objection, EMS shall issue and new Certificate to the Registered Participant under Article 6 of the Agreement hereof.

Should the Registered Participant fail to accept the elements of the Certificate which are indisputable (which are in accordance with elements of the Auction and the accepted bid regarding the price, amount of energy, schedule and duration of supply) and fail to notify EMS in writing or in electronic form of accepting the Certificate at the latest by the expiry of the deadline for the amendment of daily schedule in the day ahead process, in accordance with the Grid Code, a violation of the agreement as per Article 12 shall be considered to have occurred.

Article 8

The Registered Participant shall undertake the obligation to sell electricity to EMS to compensate for unintentional deviations of EMS control area in the amount, according to the schedule and within the period in accordance with the accepted Auction Bid of the Registered Participant in the Auction.

The place of delivery for such electricity shall be the control area of EMS. The full delivery shall be carried out to BRP under the name EMS (EIC 10XCS-SERBIATSO8).

In accordance with the Grid Code, the Registered Participant whose Auction Bid has been accepted at the Auction shall nominate the internal exchange block between the BRP of the Registered Participant and EMS as per the delivery schedule from the Energy Lot, in accordance with the Certificate issued by EMS, otherwise a violation of the agreement as per Article 12 shall be considered to have occurred.

Electricity delivery shall be verified by the confirmed nominations of daily schedules.

Article 9

The price shall be expressed in EUR/MWh without VAT, with two decimal points.

The accounting period shall mean the continuous period from every 1st of the month at 00:00 hours up to the last day in the month at 24:00 hours

The date of sales shall be the last day of the calendar month.

Article 10

EMS shall, within 5 (five) days since the last day of the accounting period, submit to the Registered Participant a signed Report on the Delivered Electricity for the Accounting Period (hereinafter: Report) containing data on the confirmed nomination of daily schedules as per Article 8, paragraph 3 of the Agreement hereof.

Article 11

The Registered Participant shall, based on the submitted Report, issue an invoice for the transacted amount for the preceding month by the 10th of the current month.

If the Registered Participant delivered electricity to compensate for unintentional deviations based on a number of separate Energy Lots during the accounting period, it may issue a single invoice for all such Energy Lots.

EMS shall settle the payment as per each individual submitted invoice within 25 (twenty-five) days as of the last day of delivery, *in the dinar value calculated as per the official mean exchange rate of the National Bank of Serbia for EUR effective on the last day of delivery*. Value added tax (VAT) shall be calculated and expressed against the amount stated on the invoice in accordance with the law.

EMS is entitled to return the invoice to the Registered Participant prior to its due date if the invoice does not contain correct data, correct conditions, or any of the mandatory elements of the invoice.

Article 12

A violation of the agreement shall be considered to have occurred:

- 1) If EMS:
 - a) Fails to act within the deadlines as per Article 6, paragraph 1 and fails to meet its obligation in the subsequently provided deadline of 30 (thirty) working days upon the reception of the e-mail request by the Registered Participant for subsequent completion of such obligation, and thereafter the Registered Participant submits a Notice on the Violation of the Agreement (hereinafter: Notice on Violation); or

- b) Fails to accept reasoned elements of an objection in accordance with Article 7; or
 - c) Fails to pay to the Registered Participant the purchase price in the manner and within the deadline as per Article 11, paragraph 3 and fails to meet such obligation within the subsequently provided deadline of 5 (five) working days upon the reception of such additional request in writing by the Registered Participant, followed by the submission of the Notice on Violation (hereinafter: Notice on Violation) of the Registered Participant to EMS who thus violated the contractual obligation and failed to meet it in the additionally provided deadline.
- 2) If the Registered Participant:
- a) Fails to accept the undisputed elements of the Certificate pursuant to Article 7; or
 - b) Fails to deliver electricity in the amount, according to the schedule and within the time period established by the Certificate for a period exceeding one hour during the accounting period, pursuant to Article 8; or
 - c) Temporarily or permanently loses the license for electricity supply or wholesale electricity supply, or if it loses the status of a balance responsible party or terminates the contract on balance responsibility transfer.

Article 13

The Party which did not violate the contractual provisions shall send a Notice on Violation to the Party which violated the contractual provisions, without delay, calculating and establishing the amount of reimbursement for the contractual penalty as per Article 14 of the Agreement hereof (stating the amount).

Article 14

In case of violation of the agreement as per Article 12, item 1, under a) and b), as well as item 2, under a), it shall be considered that it is not possible to carry out the delivery of electricity in accordance with Article 8 of the Agreement. The Party which violated the agreement shall pay the contractual penalty to the other Party in the amount of RSD 100,000 without VAT (*in EUR counter value calculated at the official middle exchange rate of the National Bank of Serbia effective at the date of issue of the invoice*).

Should the Registered Participant violate the agreement as per Article 12, item 2, under c) and d), it shall pay to EMS the contractual penalty for every undelivered MWh at the price of electricity reached on the organized day-ahead electricity market in Serbia, increased by 50%, which corresponds to the calculation interval in which the energy was not delivered .

Article 15

The Party which did not violate Article 12 retains the right, in addition to collecting the contractual penalty, to terminate the Electricity Purchase Agreement, by way of the Notification on Violation with a statement on the termination of the Purchase Agreement.

In case of violation of the agreement as per Article 12, item 2, under c) the termination of the Electricity Purchase Agreement and all Certificates stemming therefrom shall occur on the moment of temporary or permanent revocation, termination or expiry of the licence for electricity supply in accordance with the Energy Law or lost the status of balance responsible party, and/or termination of validity of the contract on the transfer of balancing responsibility.

Article 16

The provisions of the Electricity Purchase Agreement hereof shall apply until the end of electricity delivery as per the Certificates stemming therefrom.

The Party shall notify the other Party, in writing or by e-mail, of any changes to business data (e.g. address of the seat, or business name) or changes of persons authorized for representation, occurring during the validity of the Agreement hereof, within 3 days as of the registration of the specific change in the Business Registers Agency.

Change of business data, and/or persons authorized for representation as per the paragraph above shall not require amendments to the Electricity Purchase Agreement hereof.

Article 17

If amendments occur to regulations governing the concerned field of activity, the Parties shall harmonize the provisions of the Agreement hereof with the adopted changes by way of an annex to the agreement, without delay.

If any of the articles of the Agreement hereof becomes invalid or inapplicable, this shall not affect the effectiveness of the remaining articles of the agreement hereof and the remaining provisions shall remain in force.

Amendments to the Agreement hereof shall be effective only if produced in writing, signed and certified by both Parties.

Article 18

The Parties agree that in addition to the provisions of the Electricity Purchase Agreement hereof, the relevant provisions of the Law on Contracts and Torts, Energy Law and other effective legal regulations of the Republic of Serbia governing the subject matter of the Agreement hereof shall apply to their mutual rights, obligations and responsibilities.

Article 19

The parties shall use their best efforts to settle any disputes arising from or related to this Agreement and the Certificates on an amicable basis. Otherwise, their dispute will be referred to the Commercial Court in Belgrade as court of competent jurisdiction.

Article 20

The Electricity Purchase Agreement hereof shall be executed in 4 identical copies, with 2 for each of the Parties to the Agreement.

EMS:

Registered Participant

UNOFFICIAL TRANSLATION

APPENDIX 3: SALES AGREEMENT MODEL

AGREEMENT ON SALE OF ELECTRICITY TO COMPENSATE FOR UNINTENTIONAL DEVIATIONS OF EMS JSC BELGRADE CONTROL AREA

Executed by and between:

1. Joint Stock Company Elektromreža Srbije Belgrade, Kneza Miloša 11, Belgrade, company identification number 20054182, TIN 103921661, represented by Executive Director for System and Market Operation _____ according to EMS JSC BELGRADE General Manager authorisation no. _____ dated _____ (hereinafter: EMS),

and

2. _____ represented by _____, (hereinafter: Registered Participant)

collectively referred to as the Parties.

The Parties, under the terms and the manner established by the Sales Agreement to Compensate for Unintentional deviations in EMS control area (hereinafter: Sales Agreement), mutually agree as follows:

Article 1

The Parties agree that the Sales Agreement hereof shall define the mutual relations, as well as terms and conditions, of EMS as the seller and the Registered Participant as the buyer, regarding the sale of electricity to compensate for unintentional deviations of EMS control area.

The subject matter of the Agreement shall be establishing the rights, obligations and conditions to be in force while issuing Certificates on Accepted Bids for selling electricity to compensate for unintentional deviations of EMS control area (hereinafter: Certificates) with the Registered Participant whose bid is accepted, fully in line with the General terms and conditions for participation in auctions for the purchasing and selling electricity to compensate for unintentional deviations of EMS JSC Belgrade control area (hereinafter: the Terms).

Article 2

The Sales Agreement shall be signed for a period of three years, coming into force on the date of signing.

Article 3

The Agreement hereof shall not represent an obligation for EMS to sell electricity to the Registered Participant.

The Agreement hereof shall not bestow upon the Registered Participant the status of exclusive buyer of electricity to compensate for unintentional deviations.

Article 4

When the need arises for EMS to sell a certain amount of electricity under an established schedule and duration of delivery (hereinafter: Energy Lot), EMS will organize an Auction through the Auction Platform in full compliance with the General Terms and Conditions.

EMS shall publish on its web site the Annual calendar of compensation periods including the Auction dates. Exceptionally, if required, EMS may organise additional Auctions to be held on the dates other than published.

EMS shall deliver an invitation to for participating at the Auctions to the Registered Participants at least 30 minutes prior to the opening of the Auction.

The Registered Participant shall submit a bid for purchasing electricity (hereinafter: Auction Bid) on the Auction Platform for each Auction separately, and within the deadlines defined in the Auction invitation. Registered Participant may, before the Auction is closed, replace its already submitted bid by submitting a new bid with higher price than the price from the previous Auction Bid, thereby cancelling the previous Auction Bid.

The last bid submitted and compliant with the conditions as per the above paragraph shall be deemed final and binding bid for the Registered Participant and invoice shall be issued accordingly.

Article 5

EMS and the Registered Participant whose bid is accepted agree that EMS shall, under the terms of the Agreement hereof, for each individual Energy Lot, after publishing the results on the Auction platform, sign a Certificate accepting the bid of the Registered Participant, which shall comprise a single agreement with the Agreement hereof.

Certificate shall contain the price of the accepted bid, the amount of energy, the schedule and duration of delivery, fully in line with the Auction.

A model Certificate shall be provided in the appendix to the Terms.

The Parties agree that failure to meet the obligations of one Party upon any Certificate shall represent a failure to execute, i.e. a violation of the agreement envisaged by Article 12 of the Agreement hereof.

Article 6

If the Auction Bid by the Registered Participant is ranked first, and the bid price is the same or above the minimum price established for the given Auction, EMS shall within 30 (thirty) minutes

from the publication of results on the Auction Platform submit by e-mail the Certificate to the Registered Participant that its bid has been accepted.

The Certificate shall be issued under the terms of the Agreement hereof and the Auction held regarding the subject matter of sale, method of forming the Energy Lot price, invoicing, manner and payment deadlines, contracted schedule and time period of supply.

EMS shall deliver the signed Certificate to the Registered Participant by mail within 5 (five) working days from the day of results publication at the Auction Platform.

Article 7

Registered Participant may state an objection to the received electronic copy of the Certificate if it is not filled in accordance with the conditions and results of the Auction.

The objection to the Certificate shall be stated within 1 (one) hours upon its acceptance, otherwise the contents of the Certificate shall be considered accepted. The objection to the Certificate shall be stated in writing or in electronic form.

EMS shall respond to the objection by e-mail within 30 (thirty) minutes from its receipt. In case it accepts the elements of the objection, EMS shall issue and new Certificate to the Registered participant under Article 6 of the Agreement hereof.

Should the Registered Participant fail to accept the elements of the Certificate which are indisputable (which are in accordance with elements of the Auction and the accepted bid regarding the price, amount of energy, schedule and duration of supply) and fail to notify EMS in writing or in electronic form of accepting the Certificate at the latest by the expiry of the deadline for the amendment of of daily schedules in the day ahead process, in accordance with the Grid Code, a violation of the agreement as per Article 12 shall be considered to have occurred.

Article 8

The Registered Participant shall undertake the obligation to buy the electricity for the compensation of unintentional deviations in EMS control area in the amount, according to the schedule and within the period of time in accordance with the accepted Auction Bid and the issued Certificate.

The place of delivery for such electricity shall be the control area of EMS. The full delivery shall be carried out by BRP under the name EMS (EIC 10XCS-SERBIATSO8).

In accordance with the Grid Code, the Registered Participant whose Auction Bid was accepted at the Auction shall nominate the internal exchange block between the BRP of the Registered Participant and EMS as per the delivery schedule from the Energy Lot, in accordance with the Certificate issued by EMS, otherwise a violation of the agreement as per Article 12 shall be considered to have occurred.

The delivery of electricity shall be verified by confirmed nominations of daily schedules.

Article 9

The price shall be expressed in EUR/MWh without VAT, with two decimal points.

The accounting period shall mean the continuous period from every 1st of the month at 00:00 hours up to the last day in the month at 24:00 hours

The date of sale shall be the last day of the calendar month.

Article 10

EMS shall, within 5 (five) days as of the last day of the accounting period, submit to the Registered Participant a signed Report on the Received Electricity for the Accounting Period (hereinafter: Report) containing data on the confirmed nomination of daily schedules as per Article 8, paragraph 3 of the Agreement hereof.

Article 11

EMS shall, based on the submitted Report, issue an invoice to the Registered Participant for the transacted amount for the preceding month by the 10th of the current month.

If the Registered Participant was delivered electricity to compensate for unintentional deviations based on a number of separate Energy Lots during the accounting period, EMS may issue a single invoice for all such Energy Lots.

Registered Participant shall settle the payment as per each individual submitted invoice within 25 (twenty-five) days as of the last day of delivery, *in the dinar value calculated as per the official mean exchange rate of the National Bank of Serbia for EUR effective on the last day of delivery*. Value added tax (VAT) shall be calculated and expressed against the amount stated on the invoice in accordance with the law.

Registered Participant is entitled to return the invoice to EMS prior to its due date if the invoice does not contain correct data, correct conditions, or any of the mandatory elements of the invoice.

Article 12

A violation of the agreement shall be considered to have occurred:

- 1) If EMS:
 - a) Fails to act within the deadlines as per Article 6, paragraph 1 and fails to meet its obligation in the subsequently provided deadline of 30 (thirty) working days upon the reception of the e-mail request by the Registered Participant for subsequent completion of such obligation, and thereafter the Registered Participant submits a Notice on the Violation of the Agreement (hereinafter: Notice on Violation); or

- b) Fails to accept reasoned elements of an objection in accordance with Article 7; or
- 2) If the Registered Participant:
- a) Fails to accept the undisputed elements of the Certificate pursuant to Article 7; or
 - b) Fails to settle the sales amount to EMS in the manner and within deadlines as stipulated in Article 11, paragraph 2, and fails to meet such obligation 5 (five) working days after receipt of written request for EMS for subsequent fulfilment of this obligation, and after which EMS supplied Notification on Violation (hereinafter: Notification on Violation) to the Registered Participant who violated such obligation and failed to fulfil it even within the subsequently approved deadline.
 - c) Temporarily or permanently loses the license for electricity supply or wholesale electricity supply, or if it loses the status of a balance responsible party or terminates the contract on balance responsibility transfer.
 - d) Fails to deliver electricity in the volume, schedules and timeframe as defined by the Certificate with the period exceeding an hour, during the calculation period, under Article 8.

Article 13

The Party that did not violate the contractual provisions shall send a Notice on Violation to the Party that violated the contractual provisions, without delay, calculating and establishing the amount of reimbursement for the contractual penalty as per Article 14 of the Agreement hereof (stating the amount).

Article 14

In case of violation of the agreement as per Article 12, item 1, under a) and b), as well as item 2, under a), it shall be considered that it is not possible to carry out the delivery of electricity in accordance with Article 8 of the Agreement. The Party which violated the agreement shall pay the contractual penalty to the other Party in the amount of RSD 100,000 without VAT (*in EUR counter value calculated at the official middle exchange rate of the National Bank of Serbia effective at the date of issue of the invoice*).

Should the Registered Participant violate the agreement as per Article 12, item 2, under c) and d), it shall pay to EMS the contractual penalty for every undelivered MWh at the price of electricity from the Certificate, decreased by 50%, which corresponds to the calculation interval in which the energy was not delivered.

Article 15

The Party which did not violate Article 12 retains the right, in addition to collecting the contractual penalty, to terminate the Sales Agreement, by way of the Notification on Violation with a statement on the termination of the Sales Agreement.

In case of violation of the agreement as per Article 12, item 2, under c) the termination of the Sales Agreement and all Certificates stemming therefrom shall occur on the moment of temporary or permanent revocation, termination or expiry of the licence for electricity supply in accordance with the Energy Law or lost the status of balance responsible party, and/or termination of validity of the contract on the transfer of balancing responsibility.

Article 16

The provisions of the Sales Agreement hereof shall apply until the end of electricity delivery as per the Certificates stemming therefrom.

The Party shall notify the other Party, in writing or by e-mail, of any changes to business data (e.g. address of the seat, or business name) or changes of persons authorized for representation, occurring during the validity of the Agreement hereof, within 3 days as of the registration of the specific change in the Business Registers Agency.

Change of business data, and/or persons authorized for representation as per the paragraph above shall not require amendments to the Sales Agreement hereof.

Article 17

If amendments occur to regulations governing the concerned field of activity, the Parties shall harmonize the provisions of the Sales Agreement hereof with the adopted changes by way of an annex to the agreement, without delay.

If any of the Articles of the Sales Agreement hereof becomes invalid or inapplicable, this shall not affect the effectiveness of the remaining articles of the agreement hereof and the remaining provisions shall remain in force.

Amendments to the Sales Agreement hereof shall be effective only if produced in writing, signed and certified by both Parties.

Article 18

The Parties agree that in addition to the provisions of the Sales Agreement hereof, the relevant provisions of the Law on Contracts and Torts, Energy Law and other effective legal regulations of the Republic of Serbia governing the field of the Sales Agreement hereof shall apply to their mutual rights, obligations and responsibilities.

Article 19

The Parties shall use their best efforts to settle any disputes arising from or related to this Sales Agreement and the Certificates on an amicable basis. Otherwise, their dispute will be referred to the Commercial Court in Belgrade as court of competent jurisdiction.

Article 20

The Sales Agreement hereof shall be executed in 4 identical copies, with 2 for each of the Parties to the Agreement.

EMS:

Registered Participant

UNOFFICIAL TRANSLATION

APPENDIX 4: CERTIFICATE ON THE ACCEPTED AUCTION BID - MODEL

CERTIFICATE ON THE ACCEPTED AUCTION BID

NO. _____

EMS hereby acknowledges that the Auction Bid no. _____ of Registered Participant _____ has been accepted at the Auction no. _____ by which EMS _____

(buys/sells)

electricity to compensate for unintentional deviations of EMS control area held on _____.201__.

The contracted unit price amounts to _____ €/MWh (in writing: _____), and according to the accepted Auction Bid of the Registered Participant no. _____. The price is fixed and without VAT.

Electricity buyer (EB): _____

Electricity seller (ES): _____

ES shall deliver EB the electricity in the amount and as scheduled in Table 1:

Delivery period		Delivery duration (h)	Energy (MWh)	Contracted unit price (EUR/MWh)	Total price agreed (EUR)
Start date	End date				

Table 1

adhering to the delivery schedule per hours and days within the period as stated in Table 2:

Date	Hourly delivery schedule [MW]																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Start date																									
Start date +1																									
.																									
.																									
End date																									

Table 2

EMS:

APPENDIX 5. DATA CHANGES FORM

EMS JSC BELGRADE

Vojvode Stepe 412

11000 Belgrade, Republic of Serbia

Fax: +381 11 3970 695

Telephone: +381 11 3957 380, +381 11 3957 131

E-mail: Energy.Procurement@ems.rs

DATA CHANGES FORM

Date: _____

Company Information		
1	Company Name	
	Abbreviated Name	
	Registration Number	
	VAT	
	BRP of the market participant	
	EIC BRP	
	Balance Responsibility Contract Number	
	Web Site URL	
	Licenced energy activity	<input type="checkbox"/> Electricity supply <input type="checkbox"/> Wholesale electricity supply
	Issued Licence Number	
Order From Address		
2	Address	
	City	
	Country	
	Postal/Zip Code	
	Telephone	
	Fax	
Information on the legal representative or other person authorized for representation without limitation		
3	First name	
	Last name	
	E-mail	
	Telephone	
Information on the contact person for participation in Auctions		
4	First name	
	Last name	
	E-mail	
	Telephone	
Information on the contact person responsible for financial affairs		
5	First name	
	Last name	
	E-mail	

	Telephone	
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Information on the BRP contact person responsible for nomination of daily schedule		
6	First name	
	Last name	
	E-mail	
	Telephone	
Remit To Address		
7	Address	
	City	
	Country	
	Postal/Zip Code	
	Telephone	
	Fax	
Payment		
8	Bank Account	
	Bank Name	

Note:

1. The legal representative of the company/other person authorized for representation without limitation shall be liable for the correctness of data in the registration form.
2. Oral and written communication for certain tasks and activities shall only be undertaken with the persons listed in the registration form.

[Please enter: company name]

[Please enter: first and last name of the authorized person]

[Please enter: position of the authorized person in the company]

[Place for: signature of the authorized person]

[Place for: company seal]

Change accepted: date
(to be filled by EMS JSC BELGRADE)