



LONG-TERM TRADING RULES

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Pursuant to Article 21, paragraph 3, item 12 of the Statute of the "Power Exchange" Ltd. Podgorica and Article 241c, item 4 in connection with Article 129b item 2 of the Energy Law ("Official Gazette of Montenegro" No. 5/16, No. 51/17 and No. 82/20), the Board of Directors at the session held on, at the proposal of the Executive Director, adopts

RULES FOR TRADING IN THE LONG-TERM ELECTRICITY MARKET

Article 1

INTRODUCTION

- 1) These rules define and determine standards and procedures for trading on the long-term electricity market (hereinafter: the Rules).
- 2) Based on their needs Orderers define the exact amount of energy, schedule and duration of delivery, specifically defined for each trading.
- 3) The amount of energy can also be a variable diagram, which is specifically defined through the conditions of the subject procedure during its publication.
- 4) Hourly delivery profile diagrams in MW corresponding to "lots" of energy traded on the long-term market will be available on BELEN's website to registered Members who will be contacted via electronic calls or through electronic media.

Article 2

TRADING ON THE LONG-TERM MARKET

- 1) Trading on the long-term market is conducted in the form of organizing a Bidding procedure for the long-term energy profile (hereinafter: The Procedure). The organizer of the procedure (hereinafter: BELEN) will publish on its website information on the planned Procedure on the long-term electricity market no later than 3 days before the implementation of the Procedure itself.
- 2) BELEN will guarantee with its activities transparent, fair and non-discriminatory process, and that price achieved in the Procedure is the most favourable offered, final and binding.
- 3) All Bidders registered on BELEN's long-term market can participate in the Procedure, as follows:
 - a) Registered Members who have paid the annual membership fee on time may participate without restrictions in all procedures organized during the calendar year for which the membership fee was paid and have no obligation to submit a Request for the Procedure Participation in an individual procedure;
 - b) Registered Members who have not paid the annual membership fee may participate only as bidders if they submit a duly completed Request for the Procedure Participation and in accordance with the Fee Schedule, pay a fee for participation in an individual procedure before conducting of it.
- 4) In accordance with these Rules, and after the conducted Procedure according to their order, the Orderer will conclude the Appropriate contract on electricity supply with the most favourable Bidder.

Article 3

SUBJECT OF THE BIDDING

- 1) The subject of the Bidding is the trade in the long-term electricity profile for a period of not less than seven days.

- 2) If the subject of the Bidding Procedure is the procurement of electricity pursuant to Article 241c paragraph 4 of the Energy Law, only a Bidder who:
 - a) has signed a long-term market registration agreement;
 - b) meets other conditions provided by the Orderer by the Invitation to Bid.
- 3) The procedure can also be performed for profiles in monthly, quarterly, semi-annual and annual duration.
- 4) The procedure is carried out exclusively at the request of the Orderer, which precisely defines the type of trade (purchase or sale), the amount of energy and the time interval for which the energy is traded.

Article 4

BIDDING PROCEDURE REGISTRATION

- 1) The request for participation in an individual Procedure must include:
 - a) basic information about the Bidder;
 - b) the required evidence of fulfillment of the conditions prescribed by Article 3, paragraph 2.
 - c) on the basis of the Invitation to Bid, an indication to which Procedure the Request for the Procedure Participation is related.
- 2) BELEN will evaluate the Request for the Procedure Participation of all Members who have been qualified and inform the contact person of the Bidder about the validity by e-mail.
- 3) The Bidder has no right to object to the notification of BELEN about the invalidity of the Request for the Procedure Participation.
- 4) Participation in the Procedures is open to all Bidders who have met the conditions referred to in paragraph 1 or whose request has been confirmed in accordance with paragraph 2 of this Article as well as for Members who have paid an annual / multi-year membership fee, and have no obligation to submit a Request for the Procedure Participation. After the confirmed right to participate in the Procedure, BELEN will send the Bidders instructions on how to submit Bids that will participate in the Bidding procedure.

Article 5

TECHNICAL SPECIFICATION OF THE BIDDING PROCEDURE

- 1) The Bidder may offer less power than the power for which the procedure is carried out, but not less than 1 MWh / h.
- 2) The offered power must be rounded to an integer (1 MWh / h) and refer to the entire delivery period.
- 3) Delivery power, profile, time period of delivery that are the subject of the Procedure will be published at least three (3) days before the Procedure on the websites of BELEN. BELEN will also send notifications by sending an e-mail to the addresses on the list of registered Members.
- 4) Unless otherwise specifically stated through the publication of the Procedure, other details related to the technical specification of the subject of the Procedure will be in accordance with the Product Specification published by the organizer of the Procedure on its website.

Article 6

DATA CONFIDENTIALITY

- 1) BELEN will keep records of Members and contracted Procedures in its database.
- 2) Data on Members will be treated as confidential and will be used for the implementation of

contractual obligations. A historical overview of the data on the Procedures and the prices achieved on them will be available for inspection to all interested Members.

- 3) Pursuant to the provisions of these Rules, BELEN shall ensure that no third party obtains access to or knowledge of matters relating to the business or personal data of contracting authorities and Orderers and Bidders which BELEN has recognized through registrations and transactions, and shall not use such information in any for purposes other than those related to activities related to this procedure.
- 4) Pursuant to the provisions of these Rules, contracting authorities, Orderers and Bidders undertake not to disclose to any person at any time confidential information relating to BELEN's business, customers or clients.

Article 7

IMPLEMENTATION OF THE PROCEDURE

- 1) Orderers, based on their needs, define the exact amount of energy, schedule and duration of delivery, separately defined for each trade. The Order thus defined is submitted to BELEN through the Request for organization of the Procedure and becomes the Subject of the Bidding in accordance with items 5 and 6 of this Request.
- 2) The procedure will be held no later than 3 (three) working days after the notification of the beginning of the Procedure and publication on BELEN's website and the delivery of the notification electronically (e-mail) to the qualified Bidders.
- 3) The Bidding offer, i.e. the Order must have a clearly defined transaction (purchase or sale) and the price that the Member submits for the subject of the tender:
 - a) Prices are expressed in absolute amount in EUR / MWh, without VAT rounded to two decimal places.
 - b) Prices include all costs incurred up to the place of delivery.
 - c) Unit prices without VAT are fixed during the term of the contract.
 - d) Bidders shall bear all costs, taxes and all charges incurred in connection with the delivery of electricity to the place of delivery.
- 4) Bids shall be submitted in the manner prescribed for the submission of Bids in the notification of the organized Procedure.
- 5) Bids submitted outside the prescribed time defined by the Orderer will be invalid.
- 6) By submitting a Bid, the Bidder accepts the proposed text of the relevant contract.
- 7) Bids that meet the conditions referred to in paragraph 3 and paragraph 4 of this Article shall be entered in the list of Bids. The ranking of Bids is done according to the criterion of the lowest price, ie the Bid with the lowest price is ranked first on the list.
- 8) If during the Procedure received Bids for the total amount of MWh/h that are in total less than or equal to the required amount of MWh/h for Bidding per group, then all Bids will be accepted at the prices from the Bid.
- 9) If during the Procedure received Bids for the amount of MWh/h that is higher than the requested amount of MWh/h per group, then the following rule applies:
 - a) Bids are accepted according to the price, from Bids with a lower price to Bids with a higher price, until the entire amount of MWh / h required in the Bidding procedure is filled. If the quantity of the last accepted Bid is higher than the remaining quantity of MWh/h requested in the Bidding procedure, then such Bid shall be accepted only in the part relating to the remaining quantity of energy requested in the Bidding procedure which remained available for distribution after acceptance of Bids with a lower price compared to such Bid.
 - b) If two (2) or more Members in the Procedure have submitted valid Bids with the same price which exceed the total required or remaining amount of MWh/h required in the Procedure,

the system selects the Bid for the remaining amount of MWh/h in such a way that Bids of those Bidders with an earlier arrival time based on the digital time record of the Bid arrival take precedence.

- 10) Bids must be valid until the deadline for making a decision on the selection of the most favourable Bid defined in the invitation of the Orderer.
- 11) BELEN implements and monitors the trading process and ensures that it is conducted in accordance with these Rules.
- 12) For conducting trading in the Procedures on the long-term electricity market, BELEN charges the Members a Fee defined by the Fee Schedule.
- 13) The fee is calculated for the agreed volume of trade that is realized during the Procedure and is charged to the Orderer and the Member and does not depend on the physical delivery.
- 14) In the case of a variable energy diagram, the quantity will be adjusted with the Orderer and the Member upon delivery, and based on the agreed quantities, if there is a variation in relation to the agreed quantity, to compensate the invoiced Fee in relation to the actually delivered quantity.

Article 8 CANCELLATION OF THE BID

- 1) The Member who wishes to cancel the Bid due to an error and there is no possibility to do that through the BELEN's electronic platform is obliged to immediately notify BELEN about such a request via the telephone system as soon as possible and no later than 15 minutes after the submission of such Bid.
- 2) Any reference to a Trading Error in relation to the Bid is excluded and any request for cancellation of the Bid will be considered invalid if:
 - a) The request is submitted after the deadline stated in paragraph 1 of this Article
 - b) The request is submitted later than thirty (30) minutes before the Closing of the Gates for the relevant Product.
- 3) When cancelling the Bid and submitting a new Bid, the time in which the initial Bid was submitted will not be reserved for the Bidder requesting cancellation, but will be deleted from the list of submitted Bids and the time of submitting a new Bid will be considered relevant for that Bidder.
- 4) The cancellation fee stated in the Fee Schedule, will be charged for each request for cancellation submitted to BELEN, regardless of whether the request led to the cancellation of the Bid or not.

Article 9 COMPLETION AND PUBLICATION OF THE RESULTS OF THE PROCEDURE

- 1) BELEN submits the list of Bids to the Orderer and the Bidders by e-mail sent to the addresses indicated in the Application for the membership, no later than the deadline prescribed in the Invitation to Bid.
- 2) The Orderer shall notify BELEN by e-mail of the final decision on the selection of the most favourable bid, and BELEN shall send a notification on the outcome of the Procedure to the bidder's address indicated in the Request for Participation in the Procedure after the deadline for deciding on the most favourable bid. The Bidder has the obligation to, without delay, confirm to BELEN by e-mail that it has received notification of the final decision. If BELEN does not receive confirmation from the Bidder that it has received notification of the final decision pursuant to this paragraph, nor notification from the Bidder that it has not received notification of the final decision, the Bidder shall be deemed to have received notification of the final decision.

- 3) The Orderer has the right to cancel the Procedure at any time and without stating a reason or to partially accept the offers.
- 4) In the event that for any reason the Procedure fails or does not take place, BELEN will publish the date and time of the new Procedure on its website.
- 5) In case of cancellation of the Procedure, BELEN does not charge a fee.

Article 10 LIMITATION OF LIABILITY

- 1) Orderers and BELEN will not be liable for any damage resulting from:
 - a) inability of the Bidder to participate in the Procedure, including inability due to technical unavailability;
 - b) delays in the application for the Procedure;
 - c) errors of Bidders in submitting Bids;
 - d) termination, postponement, annulment, or declaration of failure of the Procedure.
- 2) The Bidders assume all risks and in accordance with Article 157 of the Law on Obligations agree that Orderer or BELEN annul, declare the Procedure unsuccessful, or terminate or postpone the Procedure for any reason and without giving reasons, including the unavailability of BELEN in any time and in these cases will not claim any compensation for damages that may be incurred by the Bidders as a result.

Article 11 APPLICABLE LAW, JURISDICTION

- 1) The Law of Montenegro is applicable to these Rules.
- 2) In case of a dispute regarding these Rules, they shall be resolved before the Commercial Court in Podgorica.
- 3) In the event of a dispute due to a different interpretation of the Rules in English, the text of the Rules in the Montenegrin language shall prevail.

Article 12 CONTRACTUAL RELATIONS

- 1) The Orderer shall sign the Contract(s) with the Bidder(s) who submits the most favourable Bid(s) no later than within the deadline defined in the invitation of the Orderer.
- 2) BELEN will ratify the Contract(s) from paragraph 1 of this article after signing of the Orderer and the Bidder.
- 3) The Selected Bidder shall, no later than the day of signing the Contract by the Orderer, submit a guarantee for good performance of the Contract, irrevocable bank guarantee payable "on first call" and "without objection" with a validity period of 30 days after the expiration of the Contract, issued by the bank acceptable to the Orderer or an interest-free cash deposit in the amount defined in the invitation of the Orderer.
- 4) If the Bidder(s) who submits the most favourable Bid(s), withdraws from the Bid within its validity period, refuses to sign the contract, fails to submit a guarantee for proper performance of the contract in the form of a bank guarantee or not pay an interest-free cash deposit, the Orderer may enter into a contract with the next Bidder(s) from the list of Bids. The Orderer has the right to conclude a contract with each subsequent Bidder even if the Bid of the invited next Bidder from the list of Bids has expired, and the invited next Bidder from the list of Bids agrees to enter into a contract with the Orderer under the conditions from the Bid list.

- 5) The delivery of the Bid does not create a contractual relationship between the Bidder and the Orderer and the Orderer reserves the right to accept or reject any Bid.
- 6) Additional terms of the Contractual Relations may be defined through the relevant contract or through the terms of Article 3, paragraph 2, item b.

Article 13
TRANSITIONAL AND FINAL PROVISIONS

- 1) Trading Rules on the long-term market shall enter into force on the day of their publication on the BELEN website.

Annexes:

- Annex 1a: Request for the Procedure participation
- Annex 1b: Request for the Organization of Procedure