

# EXCHANGE RULES FOR THE COMMODITY MARKET FOR END CUSTOMERS (CZ)

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## PART 1 – GENERAL PROVISIONS

### Article 1

#### Subject Matter and Scope of the Rules

1. POWER EXCHANGE CENTRAL EUROPE, a.s., having its registered office at Rybná 682/14, 110 05, Prague 1, ID No.: 278 65 444, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 15632, is a commodity exchange within the meaning of the relevant provisions of Act No. 229/1992 Coll., on Commodity Exchanges, as amended.
2. These Rules shall regulate the following:
  - a) basic principles and conditions for commodity trading on the market of POWER EXCHANGE CENTRAL EUROPE, a.s., where traders in commodities supplied in the territory of the Czech Republic (as suppliers) meet with end customers or other persons (as buyers);
  - b) access rules and conditions of participation in the aforementioned market;
  - c) fees paid by participants in the aforementioned market, including payment terms.
3. Unless stipulated otherwise below, these Rules shall not apply to participation and trading on the standardized products market.
4. To avoid any doubt, the Trading Rules, Participation Rules and Fee Regulations effective of 1 September 2013 and the Fee Schedule effective of 9 December 2013, as amended by any subsequent changes, as well as any future regulations replacing them, shall not apply to trading on and participation in the aforementioned markets for end customers.

### Article 2

#### Definition of Terms

1. **Exchange** – Power Exchange Central Europe, a.s.
2. **EEX** – company European Energy Exchange AG, registered address at Augustusplatz 9, 04109, Lipsko, Germany.
3. **Exchange Floor** – an assembly of entities authorized to conclude exchange trades and other entities specified in the Exchange Statutes, granted an admission ticket to the Exchange Floor or otherwise authorized to enter the Exchange Floor. Exchange Floors shall be held in the form of participation in the electronic trading system.
4. **Admission Ticket to the Exchange Floor** – a certificate proving the right of the trading participant or another authorized entity to take part in Exchange Floors in the extent stated in that certificate.
5. **Electricity** – electric power at the voltage level of low, high or very high voltage with supply to the supply point of an end customer or to the transmission network in the territory of the Czech Republic.
6. **Gas** – natural gas in a gaseous state (nomenclature code 271121) with supply to the supply point of an end customer or to the transmission network in the territory of the Czech Republic.
7. **Commodity** – Electricity or Gas or both of these commodities, based on the context.
8. **Market** – the market organized by the Exchange on which, within the Exchange Floor, the following entities may buy Commodities from authorized suppliers: (i) authorized end customers, solely for the purposes of their own consumption, (ii) central customers under Section 4 (1) of Act No. 134/2016 Coll., on Public Procurement, for other customers that will solely use the Commodity as end customers for the purposes of their own consumption, or (iii) other entities authorized to buy the Commodity on the basis of a granted licence or legal regulation. The Market is a commodity exchange market within the meaning of Act No. 229/1992 Coll., on Commodity Exchanges.
9. **Exchange Trade** – a forward trade the subject of which is the purchase and sale of the Commodity on the Market.
10. **Trading Participant** – an entity authorized to conclude Exchange Trades on the Market.

11. **Supplier** – a Trading Participant which, as a commodity trader, is entitled to sell such a Commodity on the Market.
12. **Customer** – a Trading Participant which is entitled to buy the Commodity on the Market as (i) an end customer or (ii) as a transmission or distribution system operator to the extent to which it is entitled to buy the Commodity under the law or (iii) as a central customer under Section 4 (1) of Act No. 134/2016 Coll., on Public Procurement, entitled to buy on its own behalf for other customers that will solely use the Commodity for the purposes of their own consumption or (iv) based on a granted licence.
13. **Participation Agreement** – an Agreement Establishing Authorization to Trade on the Exchange, concluded between the Exchange and a Trading Participant.
14. **Exchange Information** – any information concerning trades concluded on the Exchange and other information associated with the Exchange activities where the Exchange is the original source or disseminator of such information.
15. **Trading System** – an electronic trading system used for trading on the Exchange; unless the Exchange Rules and Regulations stipulate otherwise, a trading system operated by a business partner of the Exchange or a trading system the copyright on which belongs to a business partner of the Exchange, regardless of whether or not such a system is located within the Exchange's registered office, shall be considered part of the Trading System, provided that the Exchange enables conclusion of Exchange Trades within the system.
16. **Bid** – a Customer's bid to buy the Commodity on the Market.
17. **Offer** – a Supplier's offer responding to the Bid.
18. **Associated Customers** – Customers wishing to make a single joint Bid and, based on this Bid, to conclude, each of them, an Exchange Trade within a single auction.
19. **Common Representative** – a person who represents, based on a power of attorney or any other fact, Associated Customers when the Participation Agreement is concluded and when Bids are made, changed and cancelled.
20. **Limit Price** – the maximum price at which the Customer is willing to buy the Commodity on the Market or maximum Coefficient which the Customer is willing to accept.
21. **Reference Contract** – a standardized contract traded on a respective platform within the EEX Group determined as a reference contract by the Customer in the Bid. Information on the reference power contracts, that are traded in cooperation between the Exchange and EEX Group on the markets operated under the licence of a company(ies) from EEX Group, are available on the webpage [www.pxe.cz](http://www.pxe.cz), [www.eex.de](http://www.eex.de) and/or [www.powernext.com](http://www.powernext.com).
22. **Trading Day** – a day when the respective Reference Contract is traded on the respective trading platform within the EEX Group.
23. **Additive Coefficient** – an amount added to the Reference Contract price.
24. **Multiplicative Coefficient** – a figure used to multiply the Reference Contract price.
25. **Coefficient** – the Additive Coefficient or Multiplicative Coefficient.
26. **Applicant** – a person applying for the conclusion of the Participation Agreement as a Supplier or as a Customer.
27. **Contracting Party** – a party to the Participation Agreement, i.e. a Trading Participant or the Exchange.
28. **Related Services** – services defined by Article 12 –hereof.
29. **Fee Schedule** – the Fee Schedule for the End Customers Market.
30. **Related Entity** – an entity controlling another entity, controlled by another entity or having the same controlling entity as another entity.
31. **PARC System** – the Exchange's web application serving as the Trading System and enabling Customers to create and make Bids.

32. **APT** – Act No. 134/2016 Coll., on Public Tenders as amended (in Czech: *zákon č. 134/2016 Sb., o zadávání veřejných zakázek v platném znění*).
33. **Observer** - contractual partner of OTE, a.s. who has been enabled access to the data of the relevant supply point in the Central Information System of OTE, a.s. (CS OTE).

### **Article 3**

#### **Dissemination of Exchange Information**

1. The Exchange shall particularly publish the following on its website:
  - a) a list of entities authorized to conclude Exchange Trades;
  - b) the Price List (in Czech: „*kurzovní lístek*“);
  - c) a schedule of upcoming auctions;
  - d) the current wordings of and changes to these Rules;
  - e) information concerning trading on the Exchange;
  - f) decisions made by the Exchange bodies with impact on Trading Participants;
  - g) other information concerning the activities of the Exchange;
  - h) annual reports of the Exchange.
2. Any changes hereto shall always be published by the Exchange on its website at least 15 days before they take effect.

## **PART 2 – PARTICIPATION RULES**

### **CHAPTER I**

#### **ENTITIES AUTHORIZED TO CONCLUDE EXCHANGE TRADES**

### **Article 4**

#### **Entities Authorized to Conclude Exchange Trades**

An entity authorized to trade on the Exchange shall be an entity that meets the conditions of participation in trading on the Market in accordance with legal regulations, the Exchange Rules and the Exchange Regulations.

### **Article 5**

#### **Participation Agreement**

1. Participation in trading on the Market is conditioned upon concluding a Participation Agreement. If multiple Applicants intend to conclude Exchange Trade(s) on the Market as Associated Customers, the Participation Agreement must be concluded with the Exchange by each of the Associated Customers. The Participation Agreement may also be concluded by Associated Customers through a Common Representative, by signing one contractual document. The Common Representative may conclude a Participation Agreement on behalf of Associated Customers if the Common Representative submits to the Exchange a power of attorney or another document that authorizes the Common Representative to do so. The Participation Agreement must be in writing and must be executed in accordance with generally binding legal regulations and these Rules. One of the Associated Customers or such an Associated Customer's representative may also be a Common Representative.
2. The draft Participation Agreement is available on the Exchange's website in the Czech language.
3. In addition to a completed draft Participation Agreement, signed by a person authorized to represent the Applicant, the Applicant shall always submit to the Exchange the following annexes:

- a) if the Applicant is a legal entity registered in a public register, an extract from such a register containing the Applicant's current data and, as the case may be, copies of petitions to make or change the entry in the register that have not been registered in the register as of the filing date of the application; the extract from the register shall not be older than three months before filing date of the petition;
  - b) consent of the Applicant's body or consent of a third party with conclusion of the Participation Agreement if required by legal regulations for the agreement to be valid;
  - c) if the Applicant is a legal entity represented by one or more agents in concluding Exchange Trades, a power of attorney for each agent, including the authenticated signature of the principal on the power of attorney; this shall not apply if the Applicant communicates with the Exchange exclusively through its data box in matters concerning conclusion of Exchange Trades;
  - d) other documents required by the Exchange the submission of which will be deemed necessary by the Exchange for the purpose of establishing participation in the Exchange.
4. If the Applicant is represented by a legal entity in concluding Exchange Trades, the Applicant must also always specify in the power of attorney one or more natural persons who will act on behalf of such a legal entity in the case in question.
  5. Associated Customers shall always submit the following to the Exchange:
    - a) a power of attorney or another document authorizing the Common Representative to act on behalf of such Associated Customers in matters concerning conclusion of Exchange Trades, particularly for making, changing and cancelling Bids on behalf of such Customers; if the Common Representative is a legal entity, it shall always submit a power of attorney complying with the requirements of the preceding paragraph;
    - b) documents relating to all Associated Customers under points a), b) and d) of the paragraph 3 of this Article.
  6. If the legal nature of the Applicant does not allow submitting some of the annexes specified in the preceding paragraph, the Applicant shall notify the Exchange of this fact no later than when submitting the completed draft Participation Agreement.
  7. For a legal entity having its registered office abroad, an extract from a public register means a public document proving at least the existence of the legal entity and data of its registration, legal form and name. If this document does not include data of the address of the registered office, statutory bodies or manner of acting of the foreign legal entity, such data must be documented in another conclusive manner. In the event that the statutory body of the foreign legal entity is another legal entity, it is also necessary to submit an extract from a public register or another similar public document of the legal entity which is a statutory body.
  8. The Applicant shall submit the annexes to the draft as the original or a certified copy, unless the Exchange also accepts submission of the annexes in a different form. In the event that the document is submitted in a language other than Czech, Slovak, English or German, such a document must be provided with an official translation into Czech, unless agreed otherwise in a particular case by the Trading Participant with the Exchange.
  9. The Exchange may request from the Applicant additional information and documents the submission of which will be deemed necessary for the purpose of concluding a Participation Agreement.
  10. In the event that the Applicant meets all of the requirements stipulated by law, other generally binding legal regulations and these Rules, and submits all required annexes to conclude an agreement, the Exchange may conclude a Participation Agreement with such an Applicant without undue delay, unless the Exchange justifies failure to conclude an agreement by a threat to the interests of the Exchange or its participants or a threat to the credibility of trading on the Exchange. This provision shall also be applied if the Exchange releases the Applicants from the obligation to submit any document.
  11. In the event that the Applicant fails to meet all of the requirements stipulated by law, other generally binding legal regulations and these Rules, and fails to submit all required annexes to conclude an agreement, the Exchange may refuse to conclude a Participation Agreement with such an

Applicant. The Exchange shall communicate this fact to the Applicant without undue delay, stating all reasons.

12. By signing the Participation Agreement, the Trading Participant explicitly agrees to accept and abide by any potential measures, including the obligation to pay financial penalties arising for the Trading Participant as a result of failure to comply with the Statutes and these Rules.
13. By signing the Participation Agreement, the Trading Participant acknowledges that its position is subject to state supervision by a competent state authority. The Trading Participant shall provide necessary assistance for the performance of state supervision.

## **Article 6**

### **Establishment of Authorization to Conclude Trades on the Exchange**

1. The Applicant's authorization to conclude Exchange Trades in the Commodity and right to use the Related Services shall be established upon issuance of the Admission Ticket to the Exchange Floor by the Exchange, with an appropriate range for trading in such a Commodity. Issuance of the Admission Ticket to the Exchange Floor shall be conditioned upon the following:
  - a) conclusion of a Participation Agreement authorizing for concluding Exchange Trades in the Commodity and submission of documents pursuant to Article 5 hereof;
  - b) fulfilment of other conditions for participation in trading on the Exchange stipulated by law and these Rules (in particular by Article 7).
2. The Admission Ticket to the Exchange Floor shall be valid for an indefinite period, but no longer than the effective period of the Participation Agreement.
3. The Admission Ticket to the Exchange Floor shall also expire upon expulsion of the Trading Participant from Exchange Trade.
4. The authorization to conclude Exchange Trades in the Commodity shall include:
  - a) in the case of the Customer, the right to make Bids in relation to the Commodity;
  - b) in the case of the Supplier, the right to make Offers in relation to the Commodity.However, Associated Customers may only make, change and cancel Bids through a Common Representative acting through designated natural persons.
5. Other regulations of the Exchange may stipulate conditions for the possibility of the Trading Participant to implement specific Exchange Trades. The condition for the implementation of specific Exchange Trades by the Supplier shall also be the connection of the Supplier to the Trading System in accordance with the Exchange's regulations.

## **Article 7**

### **Basic Obligations of the Trading Participant**

1. The Trading Participant must hold all licences and permits that are necessary for concluding Exchange Trades.
2. A person or an entity may not become a Trading Participant if such a person or such an entity is in liquidation or if such a person's or such an entity's assets have been subject to any of the following during the past 5 years:
  - a) declaration of a bankruptcy order or a permission of composition or a decision to dismiss a petition for bankruptcy due to insufficient assets under Act No. 328/1991 Coll., on Bankruptcy and Composition; or
  - b) a court's decision regarding such a person's or such an entity's bankruptcy and its resolution through a bankruptcy or debt discharge, or a court's decision regarding refusal of an insolvency petition due to insufficient assets or cancellation of bankruptcy due to entirely insufficient assets under Act No. 182/2006 Coll., on Bankruptcy and Methods of its Resolution; or
  - c) issuance of a similar decision in accordance with foreign legislation.



3. A person or an entity that does not have or has lost its authorization for its activities on the basis of which it is authorized to conclude Exchange Trades may not be a Trading Participant.
4. Access of the Supplier to the PARC System shall always be required for the Supplier's participation in auctions. Access of the Customer to the PARC System shall be required for the Customer's participation in auctions. The Exchange shall grant the Trading Participant access to the PARC System after all conditions required by the Exchange have been met.
5. An Electricity Supplier may not be an entity that has not secured clearing and settlement of imbalances at OTE, a.s., for Electricity. Only the following entities may act as Electricity Suppliers:
  - a) Trading participant on the EEX with the authorization to trade standardized futures contracts for electricity, or an entity that is a Related Entity in relation to such a trading participant, or
  - b) Entity that sold Electricity and Gas to end customers in the volume of no less than 1 TWh, (of which Electricity in the volume of no less than 0.2 TWh of Electricity) during the previous calendar year, that is reliable and complies with other requirements of the Exchange, or
  - c) Entity that is a producer of Electricity with sufficient production volume or a Related Entity to such producer, is reliable and meets other requirements of the Exchange; such Supplier may participate in a Market auction for the sale of Electricity only if the projected annual volume of Electricity produced by such Supplier or its Related Entity covers at least 80% of the projected aggregate volume of Electricity requested in such auction together with the volume of Electricity that such Supplier is obliged to deliver under all previous Exchange Trades relating to that annual delivery period.
6. A Gas Supplier may not be an entity that has not secured clearing and settlement of imbalances at OTE, a.s., for Gas. Only the following entities may act as Gas Suppliers:
  - a) Trading participant on the relevant platform of the EEX Group with the authorization to trade standardized futures contracts for gas, or an entity that is a Related Entity in relation to such a trading participant, or
  - b) Entity that sold Electricity and Gas to end customers in the volume of no less than 1 TWh, (of which Gas in the volume of no less than 0.2 TWh of Electricity) during the previous calendar year, that is reliable and complies with other requirements of the Exchange.
7. In the cases when the Customer bids to buy the Commodity on the Market as a contracting authority (in Czech: *veřejný zadavatel*) and it is not a small-scale public contract (in Czech: *"zakázka malého rozsahu"*), only such Supplier can participate in auctions on the Market that:
  - a) has proved to the Exchange its basic qualification according to Section 74 of APT and professional qualification according to Section 77 Par. 1 of APT,
  - b) if it is a joint-stock company (*akciová společnost*), or its form is similar to a joint-stock company, has issued shares in book entry form only; this condition does not apply in the case of a joint-stock company whose shares with an aggregate nominal value of 100% of the share capital are owned by the state, a municipality or a region,
  - c) if it is a Czech entity, has proved to the Exchange the identification information of the beneficial owner by a statement from the Register of Beneficial Owners or, if it is a foreign entity, has proved to the Exchange the identification information of the beneficial owner by a statement from a register similar to the Register of Beneficial Owners, or if there is no such register, has provided to the Exchange the identification information of all persons who are the beneficial owners of the Supplier and presented to the Exchange the documents which the relationship of these persons to the Supplier follow from, and
  - d) in case of doubts of the Exchange on the veracity of the entry of the beneficial owner in the Register of Beneficial Owners (or in the foreign register, if it is a foreign entity), has submitted additional documents to prove the beneficial owner as required by the Exchange.
8. Suppliers shall prove the fulfilment of the requirements according to the previous paragraph by documents which must not be older than 3 months as of the day the auction takes place. These documents must be submitted to the Exchange no later than 3 working days before the auction takes place; the Exchange may accept later submission of these documents. The documents have to be submitted in original electronic form through the PARC System, unless the Exchange and



the Supplier agree otherwise. Electronic statements from the registers held by public authorities must be signed with the qualified electronic signature or the qualified electronic seal.

9. A Supplier cannot be a person subject to international sanctions under the International Sanctions Implementation Act.
10. Where stipulated by law or required by the Exchange, the Trading Participant shall appoint one or more natural persons as its agents who will conclude Exchange Trades on its behalf. Only a person who has a clean criminal record may be an agent.<sup>1</sup> If stipulated by law or required by the Exchange, a power of attorney must be granted in writing and the principal's signature must be authenticated.
11. The Trading Participant must comply with any and all regulations concerning Exchange Trades.
12. The Trading Participant shall fulfil any and all commitments arising from Exchange Trades.
13. The Trading Participant must meet the conditions or, as the case may be, obligations specified in the preceding paragraphs of this article during the entire effective period of the Participation Agreement.

## Article 8

### Other Rights and Obligations of the Trading Participant

1. As part of the provision of Related Services, the Trading Participant shall obtain Exchange Information. The Trading Participant may only use Exchange Information for its own use. Use for the Trading Participant's own use means storing, processing, use and keeping (not limited as to time) of information provided by the Exchange on the Trading Participant's premises. Use for the Trading Participant's own purposes also means provision of information during performance for the benefit of third parties if such performance is related to the object of the Trading Participant's activity.
2. The Trading Participant may only disseminate Exchange Information if it has concluded an agreement with the Exchange on the terms of such dissemination.
3. The Trading Participant shall provide the Exchange with all necessary assistance in the event of a tax audit or, as the case may be, inspection of another state authority concerning trading.
4. Unless stipulated otherwise below, any and all information that a Trading Participant is required to submit to the Exchange in accordance with these Rules shall be confidential in nature and may be used solely for the purposes of concluding trades on the Exchange; this shall not affect the reporting duty of the Exchange under generally binding legal regulations.
5. The Trading Participant acknowledges and agrees that:
  - a) within trading on the Market, Bids and Offers and the related data (for the purposes of this paragraph, hereinafter collectively referred to as "**Data**") may be entered into a Trading System that is fully or partially operated by a third party or the copyright on which is held by a third party;
  - b) the Trading Participant does not have and will not have intellectual property rights to the Data;
  - c) the Exchange may grant to the operator of the Trading System or any part thereof or to the holder of copyright on the Trading System or any part thereof the authorization to keep, process or otherwise use the Data for the purposes of ensuring proper trading on the market of the Exchange or fulfilling the requirements stipulated for those entities by applicable legal regulations;
  - d) the Exchange may grant to third parties the authorization to use the Data for the purposes of providing information services or for the purposes of education, training and presentations, provided that anonymity of the Data is maintained; the Exchange may also use the Data under these conditions and for these purposes;
  - e) the Exchange may collect and process the Data for the purposes of concluding trades on the Exchange.
6. The Trading Participant shall notify the Exchange, without undue delay, of any and all facts that may affect Trading Participant's exercise of rights and fulfilment of obligations under the Participation Agreement, in particular of:

<sup>1</sup> Section 40 (2) of Act No. 229/1992 Coll., on Commodity Exchanges

- a) any and all changes in the data entered in a public register and of other significant organizational changes;
  - b) any and all changes in the facts based on which the Trading Participant has received a permit from the competent authority entitling such a Trading Participant to conclude Exchange Trades;
  - c) any and all facts that could result in failure to fulfil financial commitments of the Trading Participant under the Participation Agreement;
  - d) initiation of proceedings to revoke the permit to conduct its activities;
  - e) the fact that insolvency proceedings have been initiated against such a Trading Participant or that it has been decided to impose receivership or to wind up its entity;
  - f) any action (even within arbitration proceedings) or another act taken in relation to the Trading Participant if, as a result, it could endanger its position as a Trading Participant or damage its good reputation;
  - g) any and all facts that threaten or may threaten trading on the Market.
7. The Trading Participant shall specify an address for delivery of documents. For the entire duration of the Participation Agreement, the Trading Participant shall ensure acceptance of the delivered documents.
  8. The Trading Participant shall provide the Exchange with maximum assistance in performing Analytical Trading Control in accordance with these Rules.
  9. Based on the Customer's permission granted in written form or in the Bid by means of the PARC System, the Supplier that has entered into a Commodity supply contract or a Contract for associated services of Commodity supply (whether as a consequence of the Exchange Trade or a trade concluded outside the Exchange) is, without undue delay after the permission is presented to the Supplier, obliged to denominate the Exchange as the Observer in the Central Information System of OTE in relation to the Customer's supply points, to which the Supplier arranges supply of the Commodity, and to keep this denomination until the supply is terminated or the Customer's permission revoked.

## **Article 9**

### **Transparency**

1. The Trading Participant shall carry out its activities so as to prevent a breach of transparency of trades concluded on the Exchange. The Trading Participant shall in particular:
  - a) refrain from any conduct leading to price manipulation in relation to Exchange Trade (not distort the price of Exchange Trade);
  - b) not publish incorrect information about concluded trades;
  - c) not distort information about supply and demand in relation to products;
  - d) not distort other information relating to trading on the Exchange.

## **Article 10**

### **Measures in the Event of Failure to Meet the Obligations of the Trading Participant**

1. If the Trading Participant breaches its obligations stipulated by the Participation Agreement or by the Exchange Rules and Regulations, the Exchange may take the following measures with regard to the Trading Participant
  - a) issue a written reprimand;
  - b) notify all persons authorized to trade on the Exchange of the breach of such a Trading Participant's obligations;
  - c) disclose such breach of these Rules by the Trading Participant to both the professional and general public;

- d) temporarily suspend the authorization to trade on the Market in relation to one or more Commodities;
  - e) permanently expel the violator from Exchange Trade in relation to one or more Commodities.
2. For the avoidance of doubt, it shall apply that if the Participation Agreement has been concluded by Associated Customers through a Common Representative by signing one contractual document, a measure in the event of failure to meet the obligations by one of the Associated Customers may be imposed on this particular Associated Customer.
  3. The measures may be imposed within 6 months after the date when the Exchange Chamber learned of the facts decisive for imposition of such measures, but no later than 2 years after the date on which such breach occurred.
  4. The decision on imposing the measures set forth in paragraph 1 (a) through (d), including the determination of the effective date of such measures, shall be made by the General Secretary of the Exchange. The decision on expulsion from Exchange Trade may only be taken by the Exchange Chamber of the Exchange.
  5. The Exchange may require the Trading Participant to clarify any and all circumstances which are relevant to the reason for imposing a measure.
  6. For the purpose of imposing a measure, the Exchange may require the Trading Participant to submit information, documents or other materials which can contribute to ascertaining the true facts of the case. The Trading Participant may express its viewpoint regarding any and all materials and circumstances relevant to the reasons for imposing a measure.
  7. The decision to impose a measure shall be delivered to the Trading Participant's registered office and must include the grounds based on which it was made. Such a decision to impose a measure may also include a decision on its publication on the Exchange's website.
  8. The General Secretary shall suspend the authorization to trade on the Market (if the Trading Participant is not expelled from Exchange Trade) in the event that the Trading Participant fails to meet the requirements stipulated by law, other generally binding legal regulations or the Exchange Rules and Regulations for participation in trading on the Market.

## **Article 11**

### **Expulsion from Exchange Trade**

1. There may be in particular the following reasons for expulsion from Exchange Trade:
  - a) the Trading Participant repeatedly fails to comply with the regulations concerning Exchange Trades; or
  - b) the Trading Participant fails to fulfil duly and in a timely manner the obligations resulting from Exchange Trades.
2. The Trading Participant shall be expelled from Exchange Trade if:
  - a) the Trading Participant has entered into liquidation or a bankruptcy order has been adjudicated or composition has been permitted with respect to the Trading Participant, or if a bankruptcy petition has been dismissed due to insufficient assets, or if a court has decided about the Trading Participant's bankruptcy or refused an insolvency petition filed against the Trading Participant due to insufficient assets, or if a similar decision has been issued in accordance with foreign legislation;
  - b) the Trading Participant's licence authorizing it to conclude Exchange Trades has been withdrawn under a special law;
  - c) it has been decided to wind up the Trading Participant, and its legal successor fails to meet the conditions stipulated herein; or
  - d) the Trading Participant has requested its expulsion from Exchange Trading.
3. Expulsion from Exchange Trade means termination of the authorization for active trading under the Participation Agreement as of the expulsion date stipulated in the Exchange Chamber's decision. The Participation Agreement shall remain in force in all other respects until all obligations have been met by the Trading Participant. In its decision, the Exchange Chamber shall determine

whether the expulsion terminates the authorization for active trading in all or only in certain Commodities, depending on the reason for the expulsion.

4. Following its expulsion from Exchange Trade, the Trading Participant shall meet all its obligations in relation to the Exchange and, as the case may be, to other Trading Participants, unless stipulated otherwise in the decision on expulsion from Exchange Trade.

## **CHAPTER II CONTRACTUAL ARRANGEMENTS**

### **Article 12 Related Services**

1. The Exchange shall provide the Trading Participant with the following Related Services under the terms stipulated in the Exchange Rules and Regulations:
  - a) ensuring conclusion of Exchange Trades in Commodities in which the Trading Participant is entitled to trade under the Agreement – ensuring conclusion of transactions via the Trading System using a Trading Officer;
  - b) enabling a communication connection for the Supplier to the Trading System for the purpose of using the services under the previous subsection.
2. The Exchange may provide one or more Related Services through a third party, but it shall always bear responsibility as if it provided the Related Service by itself.

### **Article 13 Pricing Terms of Service Provision and Billing**

1. The Exchange shall provide its services for a fee that is stipulated together with the method of payment and maturity in the Fee Schedule or in the relevant contractual arrangement.
2. The Trading Participant shall pay the Exchange a fee according to the Fee Schedule.

### **Article 14 Obligation to Compensate for Damage**

1. Each Contracting Party shall be liable for damage caused to the other Contracting Party as a result of a breach of its obligation, in accordance with the Civil Code.
2. The Trading Participant acknowledges that the Trading System may not be completely free of errors and that its functioning may not be continuous, and agrees that failure to enable conclusion of Exchange Trades or use of Related Services by the Exchange as a result of occurrence of errors or interruptions of the operation of the Trading System does not constitute a breach of the Exchange's obligation. However, in the event that such an event occurs, the Exchange shall make efforts necessary to remedy the situation as soon as possible.
3. This shall not affect the obligation to compensate for damage caused to third parties.
4. In addition to the assurances which the Contracting Parties provided in the Participation Agreement and those which are listed herein, none of the Contracting Parties shall have any other rights and obligations in respect of any facts which will come to light and which were not communicated by the other Contracting Party in negotiations on the Participation Agreement. The exception shall be cases where the Contracting Party intentionally misinformed the other Party with regard to the facts concerning the subject matter of the Participation Agreement.

### **Article 15 Other Arrangements**

1. Any information, notices or communications to be delivered by one Contracting Party to the other Contracting Party shall be deemed duly delivered:

- a) in the case of delivery in person at the time of delivery to the other Contracting Party, and
- b) in the case of sending by registered mail or fax on the day of delivery to the other Contracting Party or, in case of doubts concerning the delivery, 2 days after being sent to the addresses provided in the heading of the Participation Agreement or communicated by the other Contracting Party.

This provision shall not apply to electronic communication between the Contracting Parties.

2. In connection with the provision of services to the Trading Participant, the Exchange processes personal data of individuals that act on behalf of the Trading Participant in relation to the Exchange. Specification of type of the processed personal data, nature, term, purpose and conditions of the processing is stipulated in the Annex No. 3 to these Rules.

## Article 16

### Termination of the Participation Agreement

1. The Participation Agreement may be terminated by either of the Contracting Parties with a one-month notice period commencing on the first day of the calendar month following the month in which a written termination notice was delivered to the other Contracting Party. The Contracting Party may thus also terminate the Participation Agreement only in the part concerning any of the Commodities to which the Trading Participant's authorization to conclude Exchange Trades applies.
2. Either of the Contracting Parties ("**Withdrawing Party**") may withdraw from the Participation Agreement if the other Contracting Party ("**Breaching Party**") (i) repeatedly breaches any of the obligations resulting from the Participation Agreement or the Exchange Rules and Regulations, or (ii) is in default with settlement of any sum pursuant to the Participation Agreement or the Exchange Rules and Regulations for a period of more than 14 days, or (iii) breaches an obligation resulting from the Participation Agreement or the Exchange Rules and Regulations and if the Breaching Party fails to remove such a breach within 14 days from receiving a written notice from the Withdrawing Party to remedy the situation. Withdrawal from the Participation Agreement must be performed in writing. The Withdrawing Party may also withdraw from the Participation Agreement only in the part concerning any of the Commodities to which the Trading Participant's authorization to conclude Exchange Trades applies and to which the breach of an obligation is related.
3. Effect of the Participation Agreement shall also end in the event that either of the Contracting Parties loses its qualifications to be a Contracting Party to the Participation Agreement under generally binding legal regulations.
4. Furthermore, the Participation Agreement may be terminated by mutual agreement between the Contracting Parties.
5. The Participation Agreement shall also be terminated in the event of revocation or loss of the authorization to be a Trading Participant which occurred in accordance with generally binding legal regulations, the Statutes or these Rules. However, the Participation Agreement shall only be terminated in the part concerning any of the Commodities if the reason for revocation or loss of the authorization to be a Trading Participant is only related to such a Commodity.
6. For the avoidance of doubt, it shall apply that if the Participation Agreement has been concluded by Associated Customers through a Common Representative by signing one contractual document, then termination of the Participation Agreement concluded by one of the Associated Customers does not automatically terminate Participation Agreements concluded by other Associated Customers.
7. The Participation Agreement shall be governed by and construed in accordance with the laws of the Czech Republic.
8. The right to participate in trades on the Market shall not be transferred automatically to the Trading Participant's legal successors, unless the Trading Participant's legal successor demonstrates that it fulfils all conditions for participation in trading on the Market within the transfer period of the rights and obligations.

9. Unless stipulated otherwise in the arrangements between the Contracting Parties, the Participation Agreement may only be changed or amended by mutual agreement between the Contracting Parties in the form of written addenda.

## **PART 3 – TRADING RULES**

### **CHAPTER III PRELIMINARY PROVISIONS**

#### **Article 17**

##### **Exchange Floor**

1. Participation in the Exchange Floor shall be restricted to the following:
  - a) Exchange founders and members;
  - b) Trading Participants and other entities granted an Admission Ticket to the Exchange Floor;
  - c) Trading Officers;
  - d) Exchange employees during execution of their work duties;
  - e) Exchange Commissioner.
2. Exchange Floors shall be held by means of connection to the Trading System, without direct attendance.

#### **Article 18**

##### **Trading Officers**

1. The position of Trading Officers and the establishment and termination of their positions shall be regulated in particular by the Exchange Statutes.
2. The Trading Officer shall act as an intermediary of Exchange Trades, and its activities shall be carried out via the Trading System.
3. In addition to the responsibilities stipulated herein, the Trading Officer shall in particular:
  - a) oversee the trade book in which trades are recorded in a chronological manner;
  - b) hand over the contract note to the parties participating in Exchanges Trades, specifying the agreed trading terms.
4. The Trading Officer may refuse to intermediate trades if they have a reasonable suspicion that the participant is not acting in accordance with applicable legal regulations or these Rules.
5. When intermediating Exchange Trades, the Trading Officer in particular:
  - a) may enter data from Bids into the Trading System;
  - b) shall notify the Supplier of Bids;
  - c) shall inform the Customer and the Supplier of a concluded Exchange Trade.
6. In justified cases, the Trading Officer may enter an Offer into the Trading System on behalf of the Supplier. The request for an Offer to be entered by the Trading Office must be confirmed in writing or by email.
7. The Trading Officer is entitled to remuneration for his activities amounting to CZK 0. In rare cases, the Exchange Chamber may decide otherwise with consent of competent state authority.



## CHAPTER IV TRADING

### Article 19

#### Trading Method

1. The Exchange uses auction as the trading method, based on the electronic processing of Bids and Offers.
2. Trading Participants shall conclude Exchange Trades exclusively via Trading Officers who are employees of the Exchange.
3. Auctions may be held on any working day. Particular date of the auction shall be determined by the General Secretary based on the Trading Participants' needs.
4. Auctions shall be held in the Trading System as open auctions, i.e. all Offers presented by Suppliers are anonymously visible to other Suppliers throughout the auction.
5. Trading Participants shall be responsible for the content correctness and completeness of the Bids and Offers made by them, and check the data and facts based on which the Offers/Bids are made.
6. When trading on the Market, Trading Participants shall be governed by the Exchange Rules and Regulations, especially by these Rules.
7. Fees for the establishment of the right of access to the Market and trading fees shall be regulated by the Fee Schedule.

### Article 20

#### Bids

1. The Customer shall make and hand over the Bid to the Exchange through the PARC System. Upon agreement between the Customer and the Exchange, the Bid made in the PARC System may be handed over to the Exchange in another manner. On request, the Exchange may provide the Customer with assistance to make a Bid in the PARC System.
2. The Trading Officer shall enter the Bid which meets all the requirements and which contains all the required annexes into the closest possible auction, unless determined otherwise by the Customer in the Bid. The Trading Officer may refuse to enter a Bid into an auction if the Exchange does not receive the Bid at least 8 working days before the date on which the auction is held.
3. In the event of any doubt on the part of the Exchange about the ability of the Customer to fulfil its commitments arising from these Rules, the Customer shall be obliged, on the Trading Officer's request, to pay a financial security to the Exchange's account, in an amount stipulated by the Exchange, to secure compliance with these commitments, including the commitments arising from the breach of the Customer's obligations; should the Customer fail to do so, the Trading Officer shall be entitled not to enter the Bid into the auction. The paid financial security shall be returned by the Exchange to the Customer within 2 months after conclusion of the Exchange Trade. The Trading Officer shall also be entitled not to enter a Bid into the auction for other serious reasons.
4. The Customer may change the submitted Bid no later than the Trading Officer has informed all Suppliers of the Bid. After this period, the Bid may not be changed, unless stipulated otherwise below.
5. The Customer may only withdraw the submitted Bid before the auction has started. After this period, the Bid may not be withdrawn.
6. One Bid may have either one or more supply points as its subject, as selected by the Customer. One Bid may only lead to the selection of one Supplier.
7. Within the Bid, the Customer shall determine whether the Suppliers shall state in the Offer either:
  - a) directly the unit price of the Commodity per 1 MWh; or
  - b) Additive Coefficient; or



- c) Multiplicative Coefficient.
8. In the Bid, the Customer shall set CZK or EUR as the currency in which the price of the Commodity will be paid by the Customer. The price in the currency so set is the subject of the auction.
  9. The Customer must determine the Limit Price within the Bid. If the Bid does not include a Limit Price, it shall be determined by the Trading Officer under the market conditions. If none of the Offers includes a price less than or equal to the Limit Price, the Exchange Trade shall not be concluded.
  10. If the Customer requires to relate the price of the Commodity to the Reference Contract price (i.e. if the Coefficient is to be used for the price calculation), the rules set in the Article 21 hereof shall be applied.
  11. If, within one Bid, the Commodity is bid for by Associated Customers, all such Customers shall be identified in the Bid. Such a Bid is then subject to one auction, resulting in one price (Coefficient) which is mandatory for each of the Associated Customers.
  12. In the Bid, the Customer shall list all supply points for which it demands supply of the Commodity. In the event of a Bid by Associated Customers, such Associated Customers shall specify in the Bid which supply points belong to which of the Associated Customers.
  13. In addition, the Customer shall determine the following in the Bid:
    - a) whether it bids for the Commodity with or without the associated services of the Commodity supply;
    - b) the date of performance of Commodity supply (supply period);
    - c) the expected consumption of the Commodity (estimate of consumption) for individual supply points for the period under subsection b).
  14. In the event of a Bid for purchase of Electricity, the Customer shall also specify the following for individual supply points in the Bid:
    - a) the category of individual supply points, namely:
      - category “large consumption Customers” – supply points connected from very high or high voltage networks;
      - category “small consumption Customers” – supply points connected from low voltage networks;
    - b) for supply points of category “small consumption Customers” – the distribution rate agreed for the supply point in the connection agreement; for category “large consumption Customers” – time definitions of tariff zones (single tariff, double tariff with high tariff from 8 a.m. to 8 p.m. on working days, other tariff).
  15. In the event of a Bid for purchase of Gas, the Customer shall also specify the following for individual supply points in the Bid:
    - a) the category of supply points, namely:
      - category “large consumption Customers” and “medium consumption Customers” within the meaning of the legal regulation (further referred to collectively only as “**category large consumption Customers**”);
      - category “small consumption Customers” within the meaning of the legal regulation (further referred to only as “**category small consumption Customers**”);
    - b) in category large consumption Customers, it shall also specify the division of the total expected amount of Gas supply for individual supply points into individual calendar months;
    - c) specification of the associated services of supply.
  16. In the Bid, the Customer may define billing groups for which the Supplier will use merged billing of supply or a method of reading based on which billing will be performed (distributor reading, self-reading, etc.). The Customer may also include other data in the information on supply points

through links to external documents (websites, etc.); however, only the information provided in the Bid shall be deemed legally binding.

17. The Customer shall determine the terms of supply in the Bid. Unless the Customer determines otherwise in the Bid, the reference business terms and conditions contained in Annex No. 1 (for electricity) and Annex No. 2 (for gas) hereto shall apply, as applicable at the moment when the Bid is handed over to the Exchange. In the event of any conflict between the conditions contained in the Bid and the conditions in Annex No. 1 and Annex No. 2 hereto, the content of the Bid shall take precedence. If the Customer in the Bid refers to any technical data that is not a direct part of the Bid, then in the event of any conflict between the technical data contained in the Bid and the technical data in sources outside the Bid the content of the Bid shall take precedence.
18. In the Bid, the Customer may request a bank guarantee from the Supplier to ensure full and proper satisfaction of Supplier's obligations to the Customer arising from Exchange Trading or breach of obligations agreed in the course of an Exchange Trade, particularly the failure to supply electricity/gas to the Customer – namely if the Supplier or its Related Party is not a producer of the requested Commodity nor a Trading Participant on the EEX market with the authorization to trade standardized futures contracts. Instead of the bank guarantee, the Customer may request another guarantee – e.g. a document that includes an irrevocable commitment of another entity that is a Trading Participant on the EEX market with the authorization to trade the relevant standardized futures contracts to supply electricity/gas to the Customer at the agreed terms and conditions instead of the Supplier if the Supplier fails to comply with its obligation
19. In the case that the supply of the Commodity to the supply points is not subject of the Bid and only the registration of the supply with OTE, a.s. takes place, the provisions of these Rules relating to the supply points shall not apply.
20. In the case that the Customer does not intend to use the Commodity solely for the purposes of its own consumption or the consumption of its Associated Customers, the Customer is obliged to state this fact in the Offer.
21. The prerequisites for the Supplier's participation in the auction determined by the Customer in the Bid shall be disregarded unless stipulated otherwise in these Rules or by an agreement of the Customer and the Supplier.

## Article 21

### Rules of Fixation and Sequential Purchases

1. The provisions of this Article shall apply if the Customer requires relating the price of the Commodity to the Reference Contract price (Sequential Purchases).
2. In the Bid, the Customer shall specify one or more Reference Contracts against which the price of the Commodity is to be fixated, with the name used by the respective trading platform operated within the EEX Group. Only Month, Quarter or Year Reference Contracts may be used for fixation.
3. In the Bid, the Customer shall determine if one Reference Contract will be used for the whole supply period, or if the supply period divides into partial supply periods where a different Reference Contract will be used for each partial supply period.
4. In the Bid, the Customer shall further determine if it will fixate the price of the Commodity for the whole supply period (one price for the whole supply period) or for each of the partial supply periods separately (individual price for each of the partial supply periods).
5. The Customer may divide the fixation of the Commodity price in the supply period or in the partial supply period into several fixation steps. The Customer shall determine the number of individual fixation steps in the Bid. If the supply period is divided into partial supply periods, the Customer shall determine in the Bid the number of individual fixation steps for each of the partial supply periods. Unless stipulated otherwise by the Customer, the volume of Commodity pertaining to each fixation step is equal.
6. The Customer shall decide on the moment to which the Commodity price is to be fixated (further as the "**Fixation Moment**"). The Fixation Moment may be a specific time (further as the "**Fixation Time**") or a specific day (further as the "**Fixation Date**"). If the fixation is divided into several fixation steps, the Customer shall set the Fixation Moment for each of the fixation steps.

7. The Customer may either set the Fixation Moment in advance in the Bid, or it will fixate the price of the Commodity subsequently.
8. The Customer may fixate the price, by its own choice made in the Bid, against:
  - a) the actual lowest selling price of the respective Reference Contract offered on the EEX Group market at the Fixation Time; this fixation may be executed only on the Trading Days from 9 a.m. to 3 p.m., or
  - b) the closing price of the respective Reference Contract offered on the EEX Group market valid on the Fixation Date; this fixation may be executed only from 9 a.m. to 3 p.m. of the Fixation Date, or
  - c) the arithmetic mean of closing prices of the respective Reference Contract offered on the EEX Group market, achieved on all Trading Days of the period defined by the Customer in the Bid, or
  - d) a different price, price average or combination of prices of Reference Contracts as specified in the Bid.
9. The subsequent fixation shall be executed online through the PARC System, unless the Customer stipulates otherwise in the Bid. The Customer and the Supplier agree to the rules and terms stipulated in the Fixation Manual that is current at the Fixation Moment. The Exchange makes the current Fixation Manual available to the Trading Participants in the PARC System or in other suitable manner. The Trading Participants acknowledge that the part of the PARC System used to perform fixations (further as the “**Fixator**”) may not be completely free of errors and that its functioning may not be continuous. The Exchange shall not be responsible for failure to fixate or error in fixation as a result of occurrence of errors or interruptions of the operation of the Fixator. However, in the event that such an event occurs, the Exchange shall make efforts necessary to remedy the situation as soon as possible. In the event that the obligation of the Exchange to pay the damages arises in connection with operation of the Fixator or the use of the Fixator by the Customer, the Exchange limits the amount of such damages (in particular the damage caused by incorrect fixation or by failure to fixate) to the amount of CZK 5000 per year. If the PARC System is unavailable or non-functional, the subsequent fixation may be executed over the phone. The Supplier shall confirm the fixation via the phone to the Customer in writing.
10. The Customer may execute several fixation steps altogether. In the Bid, the Customer may determine maximum number of the fixation steps that can be executed in one day.
11. The subsequent fixation must be executed by the Customer no later than on the 15<sup>th</sup> day of the calendar month in which the end of trading in the Reference Contract on the respective platform operated within the EEX Group occurs (further as the “**Last Possible Fixation Date**”). If the Customer does not execute the fixation within this time-limit, the price used shall be the closing price of the Reference Contract reached on the 15<sup>th</sup> day of the calendar month in which the end of trading in the Reference Contract on the respective platform operated within the EEX Group will occur, or, if there is no such a price, the closing price of the Reference Contract reached on the closest preceding day when the Reference Contract was traded on the respective platform operated within the EEX Group.
12. If the Customer determines, in the Bid, the maximum number of the fixation steps that may be executed in one day, then it is stipulated that if, on a specific Trading Day, at the time of closing of the exchange trading on a respective EEX Group market where the Reference Contract is traded, the Customer has more fixation steps left than the number of fixation steps that can be executed by the Last Possible Fixation Date, an automatic fixation shall be executed against the closing price of the Reference Contract valid on the said Trading Day. The automatic fixation shall be executed in such a number of fixation steps so that after the automatic fixation the Customer shall have the number of fixation steps left equal to the multiple of maximum number of fixation steps that may be executed in one day and the remaining number of Trading Days when the fixation may be executed (e.g. *Two Trading Days ahead of the Last Possible Fixation Date (which is also a Trading Day), the Customer has 13 fixation steps left with fixation against actual price and daily limit of 5 purchasing steps. The Customer does not execute any fixation step on this day. Therefore, this day, the automatic fixation for closing price of the Reference Contract will be executed for 3 steps. Next Trading Day the Customer executes fixation for actual price only for 4 steps. Therefore, this day, the automatic fixation against closing price of the Reference Contract will be executed for 1 step. Next*

*Trading Day (Last Possible Fixation Date) the Customer does not execute any fixation step. Therefore, the last automatic fixation against closing price of the Reference Contract will be executed for 5 steps.*

13. None of the Fixation Moments may be determined
  - a) for a date later than the 15th day of the calendar month in which the end of trading of the Reference Contract on the respective platform operated within the EEX Group will occur;
  - b) for a time preceding the execution of the fixation by the Customer.
14. In the Bid, the Customer is obliged to define the means and conditions of the Reference Contract price fixation, within the limits set forth in these Rules. The Customer is entitled to choose from the means and conditions of the fixation pre-set in the PARC System.
15. For the avoidance of doubt, it shall apply that purchase of the Commodity is already agreed within the auction, and the individual fixation steps are only important for relating the Commodity price to the Reference Contract price.
16. Unless it is stipulated otherwise in the Bid
  - a) the resulting unit price of the Commodity for the supply period (partial supply period) is the arithmetic average of prices of all fixation steps relating to the respective supply period (partial supply period);
  - b) the price of the individual fixation step relating to the respective supply period (partial supply period) is
    - (i) in the case the Additive Coefficient is used - the sum of the Additive Coefficient and the price of the Reference Contract, against which the price of the Commodity is fixated for the respective fixation step according to Article 21 (8) hereof,
    - (ii) in the case the Multiplicative Coefficient is used - the multiple of the Multiplicative Coefficient and the price of the Reference Contract, against which the price of the Commodity is fixated for the respective fixation step according to Article 21 (8) hereof,
17. If CZK is the currency in which the price of the Commodity will be paid by the Customer, and if not stipulated otherwise in the Bid by the Customer, the price of the Reference Contract, against which the price of the Commodity is fixated for the respective fixation step according to Article 21 (8) hereof, will be converted from EUR to CZK using the currency spot rate or currency forward rate, as selected by the Customer in the Bid.
18. The currency spot rate means the foreign exchange rate of the Czech National Bank for the CZK/EUR currency pair valid for the day when the Fixation Moment occurred. If the foreign exchange rate valid for that day cannot be determined, the last published foreign exchange rate known at the Fixation Moment shall be used.
19. The currency forward rate means the currency spot rate for the CZK/EUR currency pair modified by the respective forward points, reflecting relevant interest rates relating to this currency pair, taking the due date of the Commodity price into account, which will be valid on the day, when the Fixation Moment occurred. The Customer shall put the definition of the currency forward rate more precisely in the Bid. If the value of the currency forward rate valid for the day when the Fixation Moment occurred cannot be determined, the last known value of the currency forward rate immediately preceding the Fixation Moment shall be used.

## **Article 22**

### **Offers**

1. Usually no later than 4 working days before the auction is held, the Trading Officer shall inform all Suppliers of the Bid, inviting them to submit Offers. Any questions regarding the Bid and any requirements concerning its clarification or amendment must be addressed directly to the Exchange. The Exchange shall inform the Customer of such a question or requirement of without undue delay. Clarification or amendment of the Bid by the Customer shall be communicated by the Exchange to all Suppliers without undue delay. Clarification or amendment of the Bid

communicated to the Suppliers by the Exchange no later than the start of the auction shall constitute an integral part of the Bid.

2. Any Supplier that wants to conclude an Exchange Trade based on a Bid shall participate in an auction announced by the Exchange. The Supplier shall participate in an auction by entering an Offer into the Trading System.
3. Any Offers that fail to comply with these Rules or the Bid shall be removed from the auction by the Trading Officer. The Trading Officer shall also have the right to remove an Offer from an auction for other serious reasons.
4. The Supplier may not withdraw the Offer already presented in the Trading System or change it in other way than by decreasing the unit price of the Commodity, the Sales Margin, the Coefficient or the otherwise determined Commodity price.
5. Offers may only be entered or changed until the end of the auction.
6. In the Offer, the Supplier shall specify the offered unit price of the Commodity, Additive Coefficient or Multiplicative Coefficient as requested in the Bid. If the price in CZK is subject of the auction, the unit price of the Commodity can be specified in the Offer only as a whole number without decimal places, the Additive Coefficient as a number with no more than one decimal place and the Multiplicative Coefficient as a number with no more than three decimal places. If the price in EUR is subject of the auction, the unit price of the Commodity and the Additive Coefficient can be specified in the Offer only as a number with no more than two decimal places and the Multiplicative Coefficient as a number with no more than three decimal places.
7. If the Customer bids for the Commodity for multiple supply points with different consumption parameters (consumption character defined by a consumption diagram, categories of supply points, distribution rate or tariff zones), the resulting unit price of the Commodity shall be the weighted average of the unit prices of the Commodity for such defined groups of supply points. In the Bid, the Customer may specify the method of recalculating the weighted average index in the form of indexes for individual groups whereby the resulting price reached in the auction is divided. The Supplier shall notify the Customer, as well as each of the Associated Customers, in writing of the unit price of the Commodity separately for each of such groups, rates or tariff zones, unless these facts follow from the Bid. When notifying of these prices, the Supplier shall respect the total average price specified in the Offer, expected consumption declared by the Customer in the Bid and indexes for price recalculation (if determined by the Customer), which means that the unit prices of the Commodity for individual categories may differ from each other with respect to rounding the final prices to 2 decimal places.
8. Any Supplier that concludes an Exchange Trade in the Commodity, with the exception of a Supplier under Article 7 (5) (c) hereof who enters into an Exchange Trade in Electricity, shall purchase, on the respective platform operated within the EEX Group or outside the platform, the Commodity or corresponding futures contract in the volume corresponding to at least 70% of the expected total consumption specified in the Bid (further as the “**Target Volume**”). The subject of purchase must be a contract whose object is a Commodity of the same type (i.e. Electricity or Gas) supplied in the same supply period or part thereof as the Commodity in the case of the Exchange Trade, whereas the place of supply does not need to be the same, with the exception of physical purchase of the Commodity outside the platform of the EEX Group, where it is not possible to ensure transmission of the purchased Commodity to the territory of Czech Republic. If the place of supply for the Commodity per terms of the Exchange Trade is not the same as the place of supply of the associated physical purchase of the Commodity outside the EEX Group platform, the Supplier shall also secure transmission capacity to transmit the Commodity to the territory of Czech Republic. The Supplier shall made the purchase of the Target Volume of the Commodity no later than 15 days before the supply period starts, while at the same time:
  - a) The Supplier shall purchase the total volume corresponding to at least 50% of the expected total consumption specified in the Bid prior to the conclusion of the Exchange Trade or within 30 days after concluding the Exchange Trade, and
  - b) If the final price of the Commodity is related to the Reference Contract price, the Supplier may, instead of the procedure according to Letter a) of this Paragraph, use this procedure:



- (i) If the fixation is not divided into more fixation steps, the Supplier shall make the purchase of the total volume corresponding to at least 50% of the expected total consumption specified in the Bid after the fixation of the price, but no later than 30 days after the Fixation Moment,
- (ii) If the fixation is divided into more fixation steps, the Supplier shall make the purchase so that the Supplier buys the given Commodity in the total volume reaching at least 50% of the volume of the given fixation step no later than 30 days after performing the fixation step.

One purchase may cover multiple Exchange Trades. The Supplier may also meet the obligation under this paragraph by ensuring a purchase on the respective platform operated within the EEX Group by another Supplier that is its Related Entity. However, the Supplier's obligations under this paragraph shall not apply to the first 12 500 MWh of the volume of Commodities traded by the Supplier on the Market for the relevant year supply period. The Supplier shall prove the purchase of the Commodity or corresponding futures contract outside the EEX Group platform to the Exchange by presenting a document corroborating the purchase (e.g. transaction confirmation); in the event the purchase covered physical supply of the Commodity with the place of supply outside of the Czech Republic, the Supplier shall also present a document confirming that the transmission capacity for the transmission of the Commodity to the territory of Czech Republic was secured

9. Any Supplier that breaches the obligation under the preceding paragraph may be temporarily or permanently expelled by the Exchange from participating in future auctions on the Market in relation to all Commodities or only to the Commodities concerned.
10. However, the provisions of paragraphs 8 and 9 of this Article of the Rules shall not apply to Exchange Trades concluded by the Supplier where the price of the Commodity is derived from the spot price of the Commodity resulting from trading on an organised market.
11. The Supplier shall inform the Exchange of each Fixation Moment chosen by the Customer, unless it has been included in the Bid. This obligation shall always be met without undue delay after the Supplier learns of the Fixation Moment. At the Exchange's request, the Supplier shall prove the Customer's choice of the Fixation Moments. The Supplier's obligation stipulated in this paragraph shall not apply if the Customer fixates the price of the Commodity through the PARC System.

## **Article 23**

### **Bid/Offer Matching**

1. Basic duration of each auction is 10 minutes. After the lapse of the basic time the auction continues, and ends randomly within the next 2 minutes. The moment when the auction randomly ends is determined by a computer application using randomization function.
2. Within auctions, an Exchange Trades is concluded by matching the Bid with the best Offer and confirmation of the Exchange Trade by the Trading Officer via the Trading System. The best Offer means an Offer with the lowest final price in the case specified in Article 20 (7) (a) hereof or an Offer with the lowest Additive Coefficient in the case specified in Article 20 (7) (b) hereof or an Offer with the lowest Multiplicative Coefficient in the case specified in Article 20 (7) (c) hereof. If multiple Offers contain the same lowest price or Coefficient, the best Offer shall be the Offer submitted to the Exchange as the first.
3. The Trading Officer shall inform the parties to a concluded Exchange Trade of the conclusion of the Exchange Trade. The Trading Officer shall do so by presenting the contract note which is handed over to the parties to the Exchange Trade. The contract note may also be handed over by the Trading Officer to the parties to the Exchange Trade through the Trading System. The contract note shall be handed over by providing access to it to the parties to the Exchange Trade in the Trading System. The Trading Officer shall simultaneously publish the concluded trade, without identifying the counterparties, on the Exchange's website.
4. Conclusion of an Exchange Trade shall establish an obligation for the Supplier that is a party to such an Exchange Trade to supply to the Customer or, as the case may be, to each of the Associated Customers, the Commodity under the matched Bid and Offer and under the terms of supply.

5. Conclusion of an Exchange Trade shall establish an obligation for the Customer or, as the case may be, for each of the Associated Customers, to consume the Commodity under the matched Bid and Offer and under the terms of supply, and to pay the agreed price to the Supplier.
6. The Exchange shall have the right to publish the results of auctions on its website. The Exchange shall in particular publish the expected consumption declared in the Bid and the resulting price of the Exchange Trade. However, the Exchange shall only publish the Customer's identification data with the Customer's consent. The Exchange shall only publish the Associated Customers' identification data with the consent of their Common Representative.

## **CHAPTER V MONITORING AND SUPERVISION**

### **Article 24**

#### **Operative Market Monitoring**

Operative market monitoring (hereinafter referred to as "Monitoring") is an integral part of the Exchange's regulation system. The objective of Monitoring is to protect the interests of Trading Participants by supervising the trading rules and conditions on the Exchange on a continuous basis. Monitoring is especially focused on prevention.

### **Article 25**

#### **Forms of Monitoring**

Forms of Monitoring shall be as follows:

- a) trading supervision;
- b) analytical control of trades concluded by Trading Participants.

### **Article 26**

#### **Trading Supervision**

1. Trading supervision means a consistent activity in the course of trading, focusing especially on:
  - a) meeting the stipulated conditions for concluding trades on the Exchange and identifying deviations from such procedures in real time;
  - b) adopting measures to remedy the identified deviations.
2. Trading supervision shall be conducted by the authorized Exchange employees.

### **Article 27**

#### **Analytical Trading Control**

1. The analytical trading control means:
  - a) continuous activities focusing on identifying trades and actions that may breach the Exchange Rules (hereinafter referred to as "Selected Trades and Actions");
  - b) collecting basic data necessary for the verification of the fulfilment of obligations by entities authorized to conclude Exchange Trades;
  - c) investigation into Selected Trades and Actions;
  - d) investigation into the fulfilment of the Exchange Rules by entities authorized to conclude Exchange Trades;
  - e) investigation into information relating to the Exchange's activities in connection with trading supervision, etc.
2. Analytical trading control shall be conducted by the authorized Exchange employees.



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## **CHAPTER VI SETTLEMENT OF TRADES**

### **Article 28**

#### **Settlement of Exchange Trades**

1. Settlement of Exchange Trades shall be ensured by Trading Participants.

## **PART 4 – TRANSITIONAL AND FINAL PROVISIONS**

### **Article 29**

#### **Liability and Obligations of the Exchange**

1. The Exchange shall not be liable for any damage incurred by Trading Participants or by third parties due to a breach of these Rules by another Trading Participant.
2. The Exchange shall enable the Trading Participant to conclude Exchange Trades and to use Related Services within the meaning of and under the conditions stipulated herein.
3. The Exchange shall be liable for the accuracy and timely execution of orders (Bids, Offers) submitted by the Trading Participant to the extent specified herein.

### **Article 30**

#### **Changes to the Rules**

1. Any changes hereto shall be approved by the Exchange Chamber of the Exchange.
2. These Rules shall come into effect from the date set out by the Exchange Chamber of the Exchange.
3. The current wording of these Rules shall also be published on the Exchange's website.
4. If the current Participation Agreement or any other contract or regulation speaks of the Exchange Rules for the Electricity Market for End Customers, it shall mean these Exchange Rules for the Commodity Market for End Customers.

### **Article 31**

#### **Transitional Provisions**

1. Admission Tickets to the Exchange Floor granted for a fixed period shall be changed to the admission tickets granted for indefinite period as of the day when this Exchange Regulation approved by the Exchange Chamber on 6 December 2017 ("Regulation") becomes effective. When the Regulation becomes effective, the validity of the admission ticket shall be restored for indefinite period for such Customer who has not paid the maintenance fee for participation by the end of validity of the admission ticket and whose participation has not ended yet.

### **Article 32**

#### **Effect of the Rules**

These Rules shall come into effect on June 1, 2023.

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**Annex No. 1 to the Exchange Rules for the Commodity Market for End Customers (CZ)****CONDITIONS OF ELECTRICITY SUPPLY****I. General Provisions**

- 1.1. Unless the context indicates otherwise below, the terms used in this annex (hereinafter referred to as the “**Conditions**”) have the meanings defined in the Exchange Rules for the Commodity Market for End Customers (CZ) issued by POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter referred to as the “**PXE**”).
- 1.2. Conclusion of an Exchange Trade between the Customer and the Supplier (hereinafter jointly also referred to as the “**Contracting Parties**”) shall constitute conclusion of an electricity supply contract or a contract for associated services of electricity supply under the conditions, with the parameters and in the course of time specified in the Customer’s Bid and at the price specified in the Supplier’s Offer, or in the case of the so called sequential purchase, at the price calculated according to the Supplier’s Offer, Customer’s Bid and the Exchange Rules of PXE for the Commodity Market of End Customers (CZ) valid as of the date of the Exchange Trade (hereinafter referred to as the “**Contract**”).
- 1.3. By concluding the Contract, the Supplier which is a party to the Exchange Trade (hereinafter referred to as the “**Supplier**”) undertakes to deliver to the Customer which is a party to the Exchange Trade (hereinafter referred to as the “**Customer**”) Electricity under the conditions stipulated in the Bid, in the Offer and in the Conditions. The Customer undertakes to pay the Supplier the agreed price for Electricity supply. For the avoidance of doubt, it shall apply that each of the Associated Customers shall be a Customer.
- 1.4. If a Bid stipulates that supply is to be performed based on an electricity supply related services contract, the Supplier, in its own name and for its own account, shall ensure for the Customer transport of Electricity and related services (associated services of electricity supply).
- 1.5. The list of supply points specified in the Bid or its annex shall also constitute an integral part of the Contract.
- 1.6. The Contract shall be concluded for the period of supply performance stipulated in the Bid.

**II. Rights and Obligations of the Contracting Parties**

- 2.1. The Customer shall not be obliged to consume exactly the expected amount of Electricity specified in the Bid (or otherwise determined in compliance with the Conditions). In the event the Customer consumes high voltage (hereinafter referred to as the “**HV**”) or very high voltage (hereinafter referred to as the “**VHV**”) Electricity at a specific supply point in an amount that does not deviate from the expected consumption relating to the supply point and the calendar month in question by more than 10% (hereinafter referred to as the “**Tolerance**”), this fact shall not affect the agreed unit price paid for the supply of Electricity to such supply point in the given month and shall not be subject to any charge or sanction payment by the Supplier.
- 2.2. However, if the Customer exceeds such Tolerance in connection with an HV or VHV supply point in any calendar month, and unless hereinafter specified otherwise, the following provisions shall apply:
  - a) In the event the Customer consumes more Electricity at the given supply point compared to the expected consumption while also exceeding the Tolerance, the Supplier shall supply such Electricity to the supply point, to the extent exceeding the Tolerance, at the average spot price prevailing on the Daily Electricity Market organised by OTE, a.s., ID No.: 26463318, with registered office at Sokolovská 192/79, Praha 8 - Karlín, Postal Code 186 00 (hereinafter referred to as the “**OTE Daily Market**”) achieved in the calendar month, in which the Tolerance was exceeded, increased by the surcharge specified in the Customer’s Bid or, if no surcharge is specified in the Customer’s Bid, by a surcharge of 100 CZK/MWh (*e.g. in case the expected Electricity consumption for a supply point amounts to 100 MWh in June 2022, but the actual consumption during the month amounts to 120 MWh, the Customer shall pay to the Supplier the agreed price for 110 MWh and the remaining*

10 MWh shall be paid at the average spot price achieved in June 2022 increased by the appropriate surcharge).

- b) In the event the Customer consumes less Electricity at the given supply point compared to the expected consumption while also exceeding the Tolerance, the Customer shall pay compensation to the Supplier in CZK for such unconsumed Electricity, to be determined as the product of:
- (i) The amount of Electricity not consumed in excess of the Tolerance in MWh; and
  - (ii) Positive difference between
    - a. the agreed unit price of Electricity in CZK/MWh valid for the calendar month, in which the Tolerance was exceeded, and
    - b. the average spot price of Electricity on the OTE Daily Market expressed in CZK/MWh, achieved in the same month, reduced by the deduction specified in the Customer's Bid or, if no deduction is specified in the Customer's Bid, by a deduction of 100 CZK/MWh;

*(e.g. if the expected Electricity consumption for the given supply point amounts to 100 MWh in June 2022, the actual consumption is 70 MWh, the agreed Electricity price amounts to CZK 4,000 per MWh, the average spot price amounts to CZK 3,500 per MWh for the month in question, and unless a different amount of deduction has been agreed, the Customer shall pay to the Supplier the agreed price for 70 MWh of Electricity, together with compensation for unconsumed Electricity in the amount of 20 MWh, to be determined as follows:  $20 \text{ MWh} \times (4,000 - (3,500 - 100)) \text{ CZK/MWh} = \text{CZK } 12,000$ ). For the avoidance of doubt, the Supplier shall only be entitled to the compensation for unconsumed Electricity if the average spot price for Electricity on the OTE Daily Market, reduced by the appropriate deduction, is lower than the agreed unit price of Electricity during the calendar month in question.*

- 2.3. The average spot price of Electricity means the weighted mean of all spot prices of Electricity achieved on the OTE Daily Market during the calendar month, for which the Tolerance is being assessed, where the weight is the amount of Electricity consumed in each trading interval<sup>2</sup>. Weighted mean of spot prices is set in EUR/MWh and converted to CZK/MWh using the foreign exchange rate of the Czech National Bank for the CZK/EUR currency pair valid for the day, to which the spot price relates; provided that, if it is not possible to determine the foreign exchange rate valid for such date, the last published foreign exchange rate shall be used. For the avoidance of doubt, spot prices of Electricity shall not be recalculated based on the assigned distribution rate.
- 2.4. Unless otherwise stated in these Conditions, the Supplier may not charge to the Customer any costs incurred by the Supplier in connection with the Tolerance being exceeded.
- 2.5. For the avoidance of doubt, the Tolerance shall not be assessed for low-voltage supply points and the deviation of actual consumption from the expected consumption is not subject to any charge or sanction payment by the Supplier.
- 2.6. The Customer may reduce or increase the number of supply points to which Electricity is to be supplied solely with the Supplier's consent, unless hereinafter specified otherwise. The Supplier shall commence the supply of Electricity to a new supply point from the moment agreed by and between the Contracting Parties. Unless the Contracting Parties agree otherwise, the terms and conditions agreed in the Contract shall apply to the supply of Electricity to a new supply point. In cases of cancellation / withdrawal of supply points at the Customer due to the transfer of ownership rights to a supply point, removal of a supply point, demolition or destruction by natural disaster, the Customer may terminate the contractual relationship with the Supplier in relation to the supply point in question as of the date required by the Customer in the notification to the Supplier of the supply point cancellation / withdrawal, whereas the Supplier shall not be entitled to any financial compensation. The notification of the supply point cancellation / withdrawal must be delivered to the Supplier so that the supply point deregistration / transfer can be performed in compliance with the legal regulations and the Business Terms of OTE, a.s. for the Power Sector.

<sup>2</sup> At the time of approval of these Conditions, the spot price shall refer to prices of contracts with an hourly trading interval traded on the OTE Daily Market and published at [www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh](http://www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh). From 1 July 2024 it is planned to change hourly contracts to contracts with a 15-minute trading interval.

- 2.7. The expected consumption of Electricity for each supply point is specified in the Bid. In the event the number of supply points increases during a calendar year, the expected consumption for new supply point(s) shall be agreed by and between the Customer and the Supplier; if the Contracting Parties fail to reach such agreement by the time the Supplier gives its consent to the addition of such supply point, the expected consumption shall be determined on the basis of the actual consumption during the previous calendar year, taking into account the period of supply to the new supply point during the given calendar year. In the event the number of supply points is reduced during a calendar month/year, the expected annual/monthly consumption for the withdrawn/cancelled supply point shall be reduced in proportion to the number of days of supply to such supply point during the calendar year/month in question and the total number of days during such calendar year/month.
- 2.8. For the avoidance of doubt, the Tolerance assessment shall also comprise the actual and expected consumption for newly added or cancelled/withdrawn HV or VHV supply points, whereas the Tolerance assessment for such supply points shall only cover the actual and expected consumption during the period of supply from the Supplier.
- 2.9. Responsibility for a deviation at all supply points shall be borne by the Supplier, unless stated otherwise in the Bid by the Customer.
- 2.10. The Supplier shall, inter alia:
- a) if the Supplier agrees with the Customer, inform the Customer of any planned interruptions of Electricity supply due to reasons on the part of the distribution system operator, in accordance with applicable legal regulations;
  - b) if the Supplier agrees with the Customer, check consumption at individual supply points and ensure comprehensive communication and processing of documentation (materials) in communication with the distribution system operator, in accordance with the Customer's requirements;
  - c) ensure full performance under the Contract in its own name with the necessary professional care and in the required quality while respecting the Customer's legitimate interests.
- 2.11. In the event of an unexpected event that has an impact on the Customer's Electricity consumption (e.g. damage to the meter), the Customer shall notify the Supplier of such an event without undue delay. In the case of a planned event that has an impact on the Customer's Electricity consumption, the Customer shall notify the Supplier of such an event no later than 10 calendar days prior to its beginning.
- 2.12. The Contracting Parties undertake to exert maximum efforts to prevent damage and to minimize harm.
- 2.13. The Customer may ask the Supplier for arrangement of the monthly booked capacity. The request for the booked capacity for the respective months of supply is possible to submit at the latest by the 4th working day before the end of calendar month preceding the calendar month for which the book capacity is arranged, however the request for arrangement of the monthly booked capacity for January is possible to submit at the latest by the 8th working day before the end of December. The Customer may ask for the booked capacity via web portal or via e-mail communication. The booked capacity is arranged when the Supplier confirms the receipt of the request for the booked capacity. The Supplier undertakes to not unreasonably withhold the arrangement of the booked capacity. The provision of this paragraph applies equally to the change of the booked capacity already arranged.
- 2.14. The Supplier is obliged to provide the Customer free of charge upon its request with up-to-date data concerning the Customer's supply points, either by feeding the data into the PARC application operated by PXE or in the .xls electronic format, as selected by the Customer.
- 2.15. In the case that the Contract is or is treated as the wholesale energy product according to the Regulation of the European Parliament and of the Council (EU) No 1227/2011, on wholesale energy market integrity and transparency (REMIT), the Supplier shall be obliged, on behalf of the Customer, to fulfil the duty to provide the Agency for the Cooperation of Energy Regulators (ACER) with the information on the transaction that is subject of the Contract. The Customer shall render the Supplier the assistance needed to do so.

### III. Price and Payment Terms

- 3.1. The Customer shall pay the Supplier the unit price for Electricity supply in accordance with the Supplier's Offer or, if the price for the supply of Electricity is linked to the price of spot or futures contracts traded on an organised market, the unit price of Electricity calculated according to the Contract. The unit price of Electricity is stipulated as final and fixed for the whole supply period, unless stipulated otherwise in the Bid. The provisions of this paragraph are without prejudice to the provisions of paragraph 2.1. and 2.2 hereof.
- 3.2. If the Customer has set the price for the supply of Electricity in the Customer's Bid as linked to the price of futures contracts traded on an organised market with fixation for each partial supply period separately, , then the unit price of Electricity shall be determined for each of the partial supply period separately.
- 3.3. If the Customer has set the price for the supply of Electricity in the Customer's Bid linked to the price of spot contracts traded on an organised market, the price for the supply of Electricity shall be determined as follows:
- (a) The price shall be determined separately for each billing period.
  - (b) The total price for the supply of Electricity in each individual billing period shall be calculated as the sum of the unit price for the supply of Electricity and the agreed trade mark-up multiplied (*the sum*) by the total consumption of Electricity (in MWh) in that billing period. The trade mark-up shall be determined (has been determined) in the auction on the PXE market. The rules for the trade mark-up shall be the same as for the so-called "Additive Coefficient" as set out in Article 22(6) of the PXE Exchange Rules for End Customers (hereinafter referred to as the "Exchange Rules").
  - (c) The unit price for the supply of Electricity in the billing period shall be calculated as a weighted mean of the unit spot prices for the supply of Electricity in all trading Intervals of the billing period, where the weight is the amount of Electricity consumed in each trading interval.
  - (d) The unit spot price shall be the price of electricity for a given trading interval<sup>3</sup> of supply resulting from trading on the OTE Daily Market. The unit spot price is available at [www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh](http://www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh), is set in EUR/MWh and is converted into CZK/MWh at the exchange rate announced by the Czech National Bank for each delivery day, and if the delivery day falls on a non-working day, the exchange rate announced for the last preceding working day is used for that day.
  - (e) The amount of Electricity consumed by the Customer in each trading interval of the billing period shall be
    - (i) with type "C" metering shall be determined based on the distribution of consumption in each trading interval according to the assigned, temperature-recalculated Type Delivery Diagram (TDD),
    - (ii) with continuous metering type 'A, B' determined by the actual measured consumption at the point of consumption.
  - (f) The recalculated TDD shall be determined by OTE, a.s. on the basis of the standardised TDD adjusted by temperature coefficients. The recalculated TDD shall be multiplied in each trading interval by the respective coefficient of the residual TDD of the given distribution system operator to determine the electricity consumption in the given trading interval. The normalised TDD, the recalculated TDD, the temperature coefficients and the coefficients of the residual diagrams are published by OTE. a.s. on its website <https://www.ote-cr.cz/cs/statistika/typove-diagramy-dodavek-elektriny>. In the event that the price of electricity on the OTE Daily Market is negative for a specific trading interval, a value equal to zero shall be used for the purpose of calculating the unit spot price of Electricity for that specific trading interval. The Supplier undertakes to communicate to the Customer, at the Customer's request, the TDD assigned to it.

<sup>3</sup> At the time of approval of these Conditions, the spot price is the price of contracts with an hourly trading interval traded on the OTE Daily Market, published at [www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh](http://www.ote-cr.cz/kratkodobe-trhy/elektrina/denni-trh). From 1 July 2024, a change to contracts with a 15-minute trading interval is planned.



- g) For Customer's points of consumption with a two-tariff distribution tariff, one Electricity price shall apply for both the high and low tariff.
  - h) For the avoidance of doubt, Article 21 of the Exchange Rules ([Rules of Fixation and Sequential Purchases](#)) shall not apply.
  - i) The Customer acknowledges that the prices of OTE Daily Market are set separately for each trading interval and are variable.
- 3.4. In Electricity supply billing, the Supplier may only add the following to the unit price of Electricity:
- a) VAT;
  - b) other applicable taxes under applicable legal regulations.
- 3.5. In addition to the price of Electricity, the Supplier may require the Customer to pay (i) the price for regulated services under the binding price conditions stipulated by the Energy Regulatory Office, in force at the time of supply, and (ii) the fees that the Supplier has been charged by the distribution system operator for paid services required by the Customer (e.g. a fee paid to the distribution system operator for extraordinary billing or extraordinary reading). The Supplier may not charge the Customer any other payments unless otherwise stipulated herein.
- 3.6. The Supplier shall charge the Customer the actual price for Electricity supply to supply points in a bill drawn up in accordance with the applicable legal regulations, based on the quantity of Electricity consumed in MWh at the contractual unit prices, taking into account the advances paid and the possible exceeding of the Tolerance.
- 3.7. The billing period for which the Supplier charges the Customer for the actual Electricity supply shall be determined by regular meter readings by the distribution system operator. The Customer may agree a billing period shorter than that determined in such a manner, but not shorter than a calendar month. If the amount of Electricity consumed is measured by continuous metering, the billing period shall always be a calendar month.
- 3.8. The period of advance payments for supply and their individual amounts (in % of the expected annual, quarterly or monthly consumption) shall be stipulated in the Bid. The Supplier shall confirm such defined advances for the Customer by sending an advance payment schedule.
- 3.9. The Customer that has agreed a shorter billing period within the meaning of the second sentence of paragraph 3.5. shall perform, as of the last day of the billing period, a true self-reading and shall hand it over to the Supplier no later than the second working day of the immediately following month.
- 3.10. If the Bid does not determine the frequency and amount of advances, the Customer shall pay advances to the Supplier in accordance with the advance payment schedule sent by the Supplier. Monthly advances may be determined by the Supplier in the amount of 100% of 1/12 of the anticipated annual payments, and quarterly advances in the amount of 100% of 1/4 of the anticipated annual payments determined according to the agreed prices and based on the anticipated annual consumption for the annual period specified in the Bid.
- 3.11. The Supplier shall perform billing of Electricity consumption by the Customer for the billing period as taxable supply under the Value Added Tax Act, within periods of time stipulated by the applicable legal regulations, otherwise after the end of such a billing period. In the event of any legislative changes in administration of taxes and charges, the Supplier shall perform billing of Electricity consumption by the Customer in accordance with applicable legal regulations to ensure that the Customer can apply the relevant input value added tax for such billed Electricity consumption.
- 3.12. Upon the Customer's request, the Supplier shall perform free extraordinary billing as of 31 December, based on the self-reading data handed over to the Supplier in due time by the Customer.
- 3.13. Immediately after the conclusion of the Contract, the Supplier shall draw up and hand over to the Supplier an advance payment schedule for Electricity consumption for supply points in the small consumption Customers category. The advance payment schedule must be drawn up in accordance with the Customer's Bid.

- 3.14. All payments shall be made by the Customer's payment order in favour of the Supplier, to the account number specified in the invoice or, as the case may be, in the advance payment schedule of the Supplier, unless the Customer and the Supplier agreed on another payment method (e.g. collection). Variable symbols specified in the Supplier's invoice shall be used in banking transactions. Payments shall be made in CZK, unless the Contracting Parties agreed on payments in another currency.
- 3.15. If the Customer defined billing groups in the Bid, the Supplier shall charge the Customer the price and advances for each billing group separately.
- 3.16. Maturity of invoices for supply shall be stipulated in the Bid. If no maturity has been stipulated, any invoices shall be payable within 20 days from the date of issue of the invoice for the Customer.
- 3.17. In the event of delay in payment of a fee or an advance, the Customer shall only pay the Supplier a late payment interest in the amount determined by civil law regulations. No other sanctions for late payment shall be permissible (e.g. contractual late payment interest, contractual penalty).
- 3.18. Any and all tax documents (invoices) must meet the requirements of the tax document (invoice) under special legal regulations, particularly under Act No. 235/2004 Coll., on Value Added Tax, as amended. In the event that the Customer receives a tax document (invoice) that does not meet all statutory requirements, the Customer shall send such a document back to the Supplier to be corrected or completed, with the new maturity period commencing upon delivery of the error-free (corrected or completed) tax document (invoice) to the Customer.
- 3.19. The tax document (invoice) must be marked by the Supplier with the unique number of the Contract.

#### **IV. Sanction Arrangements**

- 4.1. If the Supplier fails to commence Electricity supply in due time or in the event of interruption of Electricity supply during the term of the Contract in conflict with the law, the Supplier shall pay the Customer a contractual penalty in the amount of:
  - a) CZK 50,000 for each supply point of category large consumption Customers – for which Electricity supply has not been commenced or for which it has been interrupted without prior notice within periods of time under applicable legal regulations, and
  - b) CZK 2,000 for each supply point of category small consumption Customers – for which supply has not been commenced or for which it has been interrupted without prior notice within periods of time under applicable legal regulations.
- 4.2. If the Customer, at any time during the term of the Contract, despite previous notices by the Supplier, fails to enable Electricity supply to any of the supply points listed in the Bid for a reason on the part of the Customer, the Customer shall pay the Supplier a contractual penalty in the amount of:
  - a) CZK 50,000 for each supply point of category large consumption Customers – for which supply has not been enabled, and
  - b) CZK 2,000 for each supply point of category small consumption Customers – for which supply has not been enabled.
- 4.3. In addition to the contractual penalty, each Contracting Party has the right to compensation for damage caused by a breach of the obligation to which the contractual penalty relates. However, the amount of damages claimed may not exceed the difference between the amount of damages actually incurred and the amount of the required contractual penalty.

#### **V. Customer Support**

- 5.1. The Supplier undertakes to provide the Customer with customer support. The customer support shall be used for dealing with problems related to Electricity supply, including price charging issues.
- 5.2. The Supplier shall present to the Customer the contact information for the provision of customer support services.



- 5.3. The Customer shall present to the Supplier the information of the contact person for communication with the Supplier on contractual matters and on matters of customer support.
- 5.4. The Contracting Parties may unilaterally change their own contact information by written notification presented to the other Contracting Party.

## **VI. Termination of the Contract**

- 6.1. The Contracting Parties may terminate the Contract by written agreement.
- 6.2. The Customer may terminate the Contract without notice period in the event:
  - a) that Electricity supply is not commenced in due time to any supply point or Electricity supply is interrupted, except where this would be an extraordinary unpredictable and insurmountable obstacle arising independently of the Supplier's will (Section 2913 (2) of the Civil Code) or a situation where the Supplier may interrupt or limit Electricity supply by law;
  - b) that performance under the Contract is not provided by the Supplier in accordance with the provisions of the Contract or, as the case may be, in accordance with special legal regulations and, simultaneously, no remedial action is taken even after a written notice by the Customer which sets a period of time within which the Supplier is obliged to take a remedial action;
  - c) of a court's decision regarding the Supplier's bankruptcy and its resolution through a bankruptcy or debt discharge, or a court's decision regarding refusal of an insolvency petition due to the Supplier's insufficient assets or cancellation of bankruptcy due to the Supplier's entirely insufficient assets under Act No. 182/2006 Coll., on Bankruptcy and Methods of its Resolution; or
  - d) of loss of the Supplier's eligibility or ability to supply Electricity.
- 6.3. The Supplier may terminate the Contract without notice period in the event:
  - a) that the Customer is in arrears with payment to the Supplier for more than 30 calendar days;
  - b) that the Customer repeatedly fails to provide assistance necessary for the proper fulfilment of obligations by the Supplier, even though the Customer has been notified in writing by the Supplier, and the Customer fails to take remedial action even in an additionally provided reasonable time; or
  - c) of a court's decision regarding the Customer's bankruptcy and its resolution through a bankruptcy or debt discharge, or a court's decision regarding refusal of an insolvency petition due to the Customer's insufficient assets or cancellation of bankruptcy due to the Customer's entirely insufficient assets under Act No. 182/2006 Coll., on Bankruptcy and Methods of its Resolution;
- 6.4. Termination of the Contract shall take effect upon delivery of a written notice of termination.

## **VII. Other Arrangements**

- 7.1. Unless the Contract indicates otherwise, the Contract may only be changed by written agreement. The agreement on changing the Contract must be in accordance with the relevant provisions of the Public Procurement Act.
- 7.2. Any and all correspondence, i.e. particularly invitations, terminations, as well as other unilateral acts taken by either of the Contracting Parties under the Contract or under law in relation to the other Contracting Party, shall be deemed delivered within five working days after the Contracting Party taking such an act filed it in the form of a recorded letter post directed to the other Contracting Party's address of residence or registered office declared by that Contracting Party in the Bid/Offer (or later communicated in writing) for postal delivery by an entity having a postal licence, if the other Contracting Party fails to accept the post in the deposit period of at least five working days and the post is returned to the sender.

**Annex No. 2 to the Exchange Rules for the Commodity Market for End Customers (CZ)****CONDITIONS OF GAS SUPPLY****I. General Provisions**

- 1.1. Unless the context indicates otherwise below, the terms used in this annex (hereinafter referred to as the “**Conditions**”) have the meanings defined in the Exchange Rules for the Commodity Market for End Customers (CZ) issued by POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter referred to as the “**PXE**”).
- 1.2. Conclusion of an Exchange Trade between the Customer and the Supplier (hereinafter jointly also referred to as the “**Contracting Parties**”) shall constitute conclusion of a gas supply contract or a contract for associated services of gas supply under the conditions, with the parameters and in the course of time specified in the Customer’s Bid and at the price specified in the Supplier’s Offer, or, in the case of the so called sequential purchase, at the price calculated according to the Supplier’s Offer, Customer’s Bid and the Exchange Rules of PXE for the Commodity Market of End Customers (CZ) valid as of the date of the Exchange Trade (hereinafter referred to as the “**Contract**”).
- 1.3. By concluding the Contract, the Supplier which is a party to the Exchange Trade (hereinafter referred to as the “**Supplier**”) undertakes to deliver to the Customer which is a party to the Exchange Trade (hereinafter referred to as the “**Customer**”) Gas under the conditions stipulated in the Bid, in the Offer and in the Conditions. The Customer undertakes to pay the Supplier the agreed price for Gas supply. For the avoidance of doubt, it shall apply that each of the Associated Customers shall be a Customer.
- 1.4. If a Bid stipulates that supply is to be performed based on a gas supply related services contract, the Supplier, in its own name and for its own account, shall ensure for the Customer associated services of supply as specified in the Bid (associated services of gas supply).
- 1.5. The list of supply points specified in the Bid or its annex shall also constitute an integral part of the Contract.
- 1.6. The Contract shall be concluded for the period of supply performance stipulated in the Bid. Unless stipulated otherwise in the Bid, the supply period begins at 6:00:00 a.m. of the first calendar day of the supply period and ends at 6:00:00 a.m. of the last calendar day of the supply period (i.e. e.g. the supply period specified as period from 1 January 2017 to 1 January 2018 begins on 1 January 2017 at 6:00:00 a.m. and ends on 1 January 2018 at 6:00:00 a.m.).

**II. Rights and Obligations of the Contracting Parties**

- 2.1. The Customer shall not be obliged to consume exactly the expected amount of Gas specified in the Bid (or otherwise determined in compliance with the Conditions). In the event the Customer consumes Gas at a specific supply point of the large consumption category (hereinafter referred to as the “**LC**”) in the amount that does not deviate from the expected consumption relating to the supply point and the calendar month in question by more than 10% (hereinafter referred to as the “**Tolerance**”), this fact shall not affect the agreed unit price paid for the supply of Gas to such supply point in the given month and shall not be subject to any charge or sanction payment by the Supplier.
- 2.2. However, if the Customer exceeds such Tolerance in connection with an LC supply point in any calendar month, and unless hereinafter specified otherwise, the following provisions shall apply.
  - a) In the event the Customer consumes more Gas at the given supply point compared to the expected consumption while also exceeding the Tolerance, the Supplier shall supply such Gas to the supply point, to the extent exceeding the Tolerance, at the average spot price prevailing on the Natural Gas Spot Market organised by European Energy Exchange AG, Augustusplatz 9, 04109 Leipzig, Germany (hereinafter referred to as the “**EEX Gas Spot Market**”) achieved in the calendar month, in which the Tolerance was exceeded, increased by the surcharge specified in the Customer’s Bid

or, if no surcharge is specified in the Customer's Bid, by a surcharge of 100 CZK/MWh (e.g. in case the expected Gas consumption for a supply point amounts to 200 MWh in May 2022, but the actual consumption during the month amounts to 250 MWh, the Customer shall pay to the Supplier the agreed price for 220 MWh and the remaining 30 MWh shall be paid at the average spot price achieved in May 2022 increased by the appropriate surcharge).

- b) In the event the Customer consumes less Gas at the given supply point compared to the expected consumption while also exceeding the Tolerance, the Customer shall pay compensation to the Supplier in CZK for such unconsumed Gas, to be determined as the product of:
- (i) The amount of Electricity not consumed in excess of the Tolerance in MWh; and
  - (ii) Positive difference between
    - a. the agreed unit price of Gas in CZK/MWh valid for the calendar month, in which the Tolerance was exceeded, and
    - b. the average spot price of Gas on the EEX Gas Spot Market expressed in CZK/MWh, achieved in the same month, reduced by the deduction specified in the Customer's Bid or, if no deduction is specified in the Customer's Bid, by a deduction of 100 CZK/MWh;

(e.g. if the expected Gas consumption for the given supply point amounts to 200 MWh in May 2022, the actual consumption is 130 MWh, the agreed Gas price amounts to CZK 2,500 per MWh, the average spot price amounts to CZK 2,200 per MWh for the month in question, and unless a different amount of deduction has been agreed, the Customer shall pay to the Supplier the agreed price for 130 MWh of Gas, together with compensation for unconsumed Gas in the amount of 50 MWh, to be determined as follows:  $50 \text{ MWh} \times (2,500 - (2,200 - 100)) \text{ CZK/MWh} = \text{CZK } 20,000$ ). For the avoidance of doubt, the Supplier shall only be entitled to the compensation for unconsumed Gas if the average spot price for Gas on the EEX Gas Spot Market, reduced by the appropriate deduction, is lower than the agreed unit price of Gas during the calendar month in question.

- 2.3. The average spot price of Gas means the weighted mean of all values of EEX EGSI CZ VTP Index achieved on the EEX Gas Spot Market in all gas industry days (in Czech: *plynárenský den*) of the calendar month, for which the Tolerance is being assessed, where the weight is the amount of Gas consumed on each gas industry day. The weighted mean of the Index values shall be set in EUR/MWh and converted to CZK/MWh using the foreign exchange rate of the Czech National Bank for the CZK/EUR currency pair valid for the day, to which the EEX EGSI CZ VTP Index value relates; provided that, if it is not possible to determine the foreign exchange rate valid for such date, the last published foreign exchange rate shall be used.
- 2.4. Unless otherwise stated in these Conditions, the Supplier may not charge to the Customer any costs incurred by the Supplier in connection with the Tolerance being exceeded.
- 2.5. For the avoidance of doubt, the Tolerance shall not be assessed for small consumption supply points and the deviation of actual consumption from the expected consumption is not subject to any charge or sanction payment by the Supplier.
- 2.6. The Customer may reduce or increase the number of supply points to which Gas is to be supplied solely with the Supplier's consent, unless hereinafter specified otherwise. The Supplier shall commence the supply of Gas to a new supply point from the moment agreed by and between the Contracting Parties. Unless the Contracting Parties agree otherwise, the terms and conditions agreed in the Contract shall apply to the supply of Gas to a new supply point. In cases of cancellation / withdrawal of supply points at the Customer due to the transfer of ownership rights to a supply point, removal of a supply point, demolition or destruction by natural disaster, the Customer may terminate the contractual relationship with the Supplier in relation to the supply point in question as of the date required by the Customer in the notification to the Supplier of the supply point cancellation / withdrawal, whereas the Supplier shall not be entitled to any financial compensation. The notification of the supply

- point cancellation / withdrawal must be delivered to the Supplier so that the supply point deregistration / transfer can be performed in compliance with the legal regulations and the Business Terms of OTE, a.s. for the Gas Sector.
- 2.7. The expected consumption of Gas for each supply point is specified in the Bid. In the event the number of supply points increases during a calendar year, the expected consumption for new supply point(s) shall be agreed by and between the Customer and the Supplier; if the Contracting Parties fail to reach such agreement by the time the Supplier gives its consent to the addition of such supply point, the expected consumption shall be determined on the basis of the actual consumption during the previous calendar year, taking into account the period of supply to the new supply point during the given calendar year. In the event the number of supply points is reduced during a calendar month/year, the expected annual/monthly consumption for the withdrawn/cancelled supply point shall be reduced in proportion to the number of days of supply to such supply point during the calendar year/month in question and the total number of days during such calendar year/month.
  - 2.8. For the avoidance of doubt, the Tolerance assessment shall also comprise the actual and expected consumption for newly added or cancelled/withdrawn LC supply points, whereas the Tolerance assessment for such supply points shall only cover the actual and expected consumption during the period of supply from the Supplier.
  - 2.9. Responsibility for a deviation at all supply points shall be borne by the Supplier, unless stated otherwise in the Bid by the Customer.
  - 2.10. The Supplier shall, inter alia:
    - a) if the Supplier agrees with the Customer, inform the Customer of any planned interruptions of Gas supply due to reasons on the part of the distribution system operator, in accordance with applicable legal regulations;
    - b) if the Supplier agrees with the Customer, check consumption at individual supply points and ensure comprehensive communication and processing of documentation (materials) in communication with the distribution system operator, in accordance with the Customer's requirements based on an authorization;
    - c) ensure full performance under the Contract in its own name with the necessary professional care and in the required quality while respecting the Customer's legitimate interests.
  - 2.11. The obligation to supply Gas shall be met by transfer of Gas from the distribution system to the Customer's supply point.
  - 2.12. In the event of an unexpected event that has an impact on the Customer's Gas consumption (e.g. breakdown of gas consumption equipment), the Customer shall notify the Supplier of such an event without undue delay. In the case of a planned event that has an impact on the Customer's Gas consumption (planned repair of gas consumption equipment, company holiday), the Customer shall notify the Supplier of such an event no later than 10 calendar days prior to its beginning.
  - 2.13. The Contracting Parties undertake to exert maximum efforts to prevent damage and to minimize harm.
  - 2.14. The Supplier is obliged to provide the Customer free of charge upon its request with up-to-date data concerning the Customer's supply points, either by feeding the data into the PARC application operated by PXE or in the .xls electronic format, as selected by the Customer.
  - 2.15. In the case that the Contract is or is treated as the wholesale energy product according to the Regulation of the European Parliament and of the Council (EU) No 1227/2011, on wholesale energy market integrity and transparency (REMIT), the Supplier shall be obliged, on behalf of the Customer, to fulfil the duty to provide the Agency for the Cooperation of Energy Regulators (ACER) with the information on the transaction that is subject of the Contract. The Customer shall render the Supplier the assistance needed to do so.

### III. Price and Payment Terms

- 3.1. The Customer shall pay the Supplier the unit price for Gas supply in accordance with the Supplier's Offer or, if the price for the supply of Gas is linked to the price of spot or futures contracts traded on an organised market, the unit price of Gas calculated according to the Contract. The unit price of Gas is stipulated as final and fixed for the whole supply period, unless stipulated otherwise in the Bid. The provisions of this paragraph are without prejudice to the provisions of paragraph 2.1. and 2.2 hereof.
- 3.2. If the Customer has set the price for the supply of Gas in the Customer's Bid as linked to the price of futures contracts traded on an organised market with fixation for each partial supply period separately, then the unit price of Gas shall be determined for each of the partial supply period separately.
- 3.3. If the Customer has set the price for the supply of Gas in the Customer's Bid linked to the price of spot contracts traded on an organised market, the price for the supply of Gas shall be determined as follows:
  - (a) The price shall be determined separately for each billing period.
  - (b) The total price for the supply of Gas in each individual billing period shall be calculated as the sum of the unit price for the supply of Gas and the agreed trade mark-up multiplied (*the sum*) by the total consumption of Gas (in MWh) in that billing period. The trade mark-up shall be determined (has been determined) in the auction on the PXE market. The rules for the trade mark-up shall be the same as for the so-called "Additive Coefficient" as set out in Article 22(6) of the PXE Exchange Rules for End Customers (hereinafter referred to as the "Exchange Rules").
  - (c) The unit price for the supply of Gas in the billing period shall be calculated as a weighted mean of the EEX EGSI CZ VTP Index values over all gas industry days of the billing period, where the weight is the amount of Gas consumed on each gas industry day.
  - (d) The EEX EGSI CZ VTP Index shall be the "European Gas Spot Index" of the EEX Gas Spot Market. The EEX EGSI CZ VTP Index for individual gas industry days is available at <https://www.eex.com/en/market-data/natural-gas/indices>, shall be determined in EUR/MWh units and shall be converted into CZK/MWh units at the exchange rate announced by the Czech National Bank for individual delivery days, whereby if a delivery day falls on a non-business day, the exchange rate announced for the last preceding business day shall be used for that day.
  - (e) The amount of Gas consumed by the Customer on each gas industry day of the billing period shall, for a point of consumption which
    - (i) does not have continuous metering, be determined on the basis of the distribution of daily consumption according to the assigned, temperature-recalculated Type Delivery Diagram (TDD),
    - (ii) has continuous metering, be determined by the actual measured consumption at the point of consumption.
  - (f) The recalculated TDD shall be determined by OTE, a.s. on the basis of the standardised TDD adjusted by temperature coefficients. The recalculated TDD shall be multiplied on each gas industry day by the relevant coefficient of the residual TDD of the respective distribution system operator to determine the daily consumption of Gas. The standardised TDD, the recalculated TDD, the temperature coefficients and the coefficients of the residual diagrams are published by OTE. a.s. on its website <https://www.ote-cr.cz/cs/statistika/typove-diagramy-dodavek-plynu>. In the event that the price of Gas on the EEX Gas Spot Market is negative for a specific gas industry day, a value equal to zero shall be used for purposes of calculating the unit price of Gas for that specific gas industry day. The Supplier undertakes to communicate to the Customer, at the Customer's request, the TDD assigned to it.
  - (g) For the avoidance of doubt, Article 21 of the Exchange Rules ([Rules of Fixation and Sequential Purchases](#)) shall not apply.



- (h) The Customer acknowledges that the EEX EGSI CZ VTP Index is set separately for each gas industry day and is variable.
- 3.4. In Gas supply billing, the Supplier may only add the following to the unit price of Gas:
- a) VAT;
  - b) other applicable taxes under applicable legal regulations.
- 3.5. In addition to the price of Gas, the Supplier may require the Customer to pay (i) the price for regulated services under the binding price conditions stipulated by the Energy Regulatory Office, in force at the time of supply, and (ii) the fees that the Supplier has been charged by the distribution system operator for paid services required by the Customer (e.g. a fee paid to the distribution system operator for extraordinary billing or extraordinary reading). The Supplier may not charge the Customer any other payments unless otherwise stipulated herein.
- 3.6. The Supplier shall charge the Customer the actual price for Gas supply to supply points in a bill drawn up in accordance with the applicable legal regulations, based on the quantity of Gas consumed in MWh at the contractual unit prices, taking into account the advances paid and the possible exceeding of the Tolerance.
- 3.7. The billing period for which the Supplier charges the Customer for the actual Gas supply shall be determined by regular meter readings by the distribution system operator. The Customer may agree, in the Bid, a billing period shorter than that determined in such a manner, but not shorter than a calendar month.
- 3.8. The period of advance payments for supply and their individual amounts (in % of the expected annual, quarterly or monthly consumption) shall be stipulated in the Bid. The Supplier shall confirm such defined advances for the Customer by sending an advance payment schedule.
- 3.9. The Customer that has agreed a shorter billing period within the meaning of the second sentence of paragraph 3.5. shall perform, as of the last day of the billing period, a true self-reading and shall hand it over to the Supplier no later than the second working day of the immediately following month.
- 3.10. If the Bid does not determine the frequency and amount of advances, the Customer shall pay advances to the Supplier in accordance with the advance payment schedule sent by the Supplier. Monthly advances may be determined by the Supplier in the amount of 100% of 1/12 of the anticipated annual payments, and quarterly advances in the amount of 100% of 1/4 of the anticipated annual payments determined according to the agreed prices and based on the anticipated annual consumption for the annual period specified in the Bid.
- 3.11. The Supplier shall perform billing of Gas consumption by the Customer for the billing period as taxable supply under the Value Added Tax Act, within periods of time stipulated by the applicable legal regulations, otherwise after the end of such a billing period. In the event of any legislative changes in administration of taxes and charges, the Supplier shall perform billing of Gas consumption by the Customer in accordance with applicable legal regulations to ensure that the Customer can apply the relevant input value added tax for such billed Gas consumption.
- 3.12. Upon the Customer's request, the Supplier shall perform free extraordinary billing as of 31 December, based on the self-reading data handed over to the Supplier in due time by the Customer.
- 3.13. Immediately after the conclusion of the Contract, the Supplier shall draw up and hand over to the Supplier an advance payment schedule for Gas consumption for supply points in the small consumption Customers category. The advance payment schedule must be drawn up in accordance with the Customer's Bid.
- 3.14. All payments shall be made by the Customer's payment order in favour of the Supplier, to the account number specified in the invoice or, as the case may be, in the advance payment schedule of the Supplier, unless the Customer and the Supplier agreed on another payment method (e.g. collection). Variable symbols specified in the Supplier's invoice shall

be used in banking transactions. Payments shall be made in CZK, unless the Contracting Parties agreed on payments in another currency.

- 3.15. If the Customer defined billing groups in the Bid, the Supplier shall charge the Customer the price and advances for each billing group separately.
- 3.16. Maturity of invoices for supply shall be stipulated in the Bid. If no maturity has been stipulated, any invoices shall be payable within 20 days from the date of issue of the invoice for the Customer.
- 3.17. In the event of delay in payment of a fee or an advance, the Customer shall only pay the Supplier a late payment interest in the amount determined by civil law regulations. No other sanctions for late payment shall be permissible (e.g. contractual late payment interest, contractual penalty).
- 3.18. Any and all tax documents (invoices) must meet the requirements of the tax document (invoice) under special legal regulations, particularly under Act No. 235/2004 Coll., on Value Added Tax, as amended. In the event that the Customer receives a tax document (invoice) that does not meet all statutory requirements, the Customer shall send such a document back to the Supplier to be corrected or completed, with the new maturity period commencing upon delivery of the error-free (corrected or completed) tax document (invoice) to the Customer.
- 3.19. The tax document (invoice) must be marked by the Supplier with the unique number of the Contract.

#### **IV. Sanction Arrangements**

- 4.1. If the Supplier fails to commence Gas supply in due time or in the event of interruption of Gas supply during the term of the Contract in conflict with the law, the Supplier shall pay the Customer a contractual penalty in the amount of:
  - a) CZK 50,000 for each supply point of the medium consumption Customers and large consumption Customers category for which Gas supply has not been commenced or for which it has been interrupted without prior notice within periods of time under applicable legal regulations, and
  - b) CZK 2,000 for each supply point of the small consumption Customers category for which Gas supply has not been commenced or for which it has been interrupted without prior notice within periods of time under applicable legal regulations.
- 4.2. If the Customer, at any time during the term of the Contract, despite previous notices by the Supplier, fails to enable Gas supply to any of the supply points listed in the Bid for a reason on the part of the Customer, the Customer shall pay the Supplier a contractual penalty in the amount of:
  - a) CZK 50,000 for each supply point of the medium consumption Customers and large consumption Customers category for which Gas supply has not been enabled, and
  - b) CZK 2,000 for each supply point of the small consumption Customers category for which Gas supply has not been enabled.
- 4.3. In addition to the contractual penalty, each Contracting Party has the right to compensation for damage caused by a breach of the obligation to which the contractual penalty relates. However, the amount of damages claimed may not exceed the difference between the amount of damages actually incurred and the amount of the required contractual penalty.

#### **V. Customer Support**

- 5.1. The Supplier undertakes to provide the Customer with customer support. The customer support shall be used for dealing with problems related to Gas supply, including price charging issues.
- 5.2. The Supplier shall present to the Customer the contact information for the provision of customer support services.



- 5.3. The Customer shall present to the Supplier the information of the contact person for communication with the Supplier on contractual matters and on matters of customer support.
- 5.4. The Contracting Parties may unilaterally change their own contact information by written notification presented to the other Contracting Party.

## **VI. Termination of the Contract**

- 6.1. The Contracting Parties may terminate the Contract by written agreement.
- 6.2. The Customer may terminate the Contract without notice period in the event:
  - a) that Gas supply is not commenced in due time to any supply point or Gas supply is interrupted, except where this would be an extraordinary unpredictable and insurmountable obstacle arising independently of the Supplier's will (Section 2913 (2) of the Civil Code) or a situation where the Supplier may interrupt or limit Gas supply by law;
  - b) that performance under the Contract is not provided by the Supplier in accordance with the provisions of the Contract or, as the case may be, in accordance with special legal regulations and, simultaneously, no remedial action is taken even after a written notice by the Customer which sets a period of time within which the Supplier is obliged to take a remedial action;
  - c) of a court's decision regarding the Supplier's bankruptcy and its resolution through a bankruptcy or debt discharge, or a court's decision regarding refusal of an insolvency petition due to the Supplier's insufficient assets or cancellation of bankruptcy due to the Supplier's entirely insufficient assets under Act No. 182/2006 Coll., on Bankruptcy and Methods of its Resolution; or
  - d) of loss of the Supplier's eligibility or ability to supply Gas.
- 6.3. The Supplier may terminate the Contract without notice period in the event:
  - a) that the Customer is in arrears with payment to the Supplier for more than 30 calendar days;
  - b) that the Customer repeatedly fails to provide assistance necessary for the proper fulfilment of obligations by the Supplier, even though the Customer has been notified in writing by the Supplier, and the Customer fails to take remedial action even in an additionally provided reasonable time; or
  - c) of a court's decision regarding the Customer's bankruptcy and its resolution through a bankruptcy or debt discharge, or a court's decision regarding refusal of an insolvency petition due to the Customer's insufficient assets or cancellation of bankruptcy due to the Customer's entirely insufficient assets under Act No. 182/2006 Coll., on Bankruptcy and Methods of its Resolution.
- 6.4. Termination of the Contract shall take effect upon delivery of a written notice of termination.

## **VII. Other Arrangements**

- 7.1. Unless the Contract indicates otherwise, the Contract may only be changed by written agreement. The agreement on changing the Contract must be in accordance with the relevant provisions of the Public Procurement Act.
- 7.2. Any and all correspondence, i.e. particularly invitations, terminations, as well as other unilateral acts taken by either of the Contracting Parties under the Contract or under law in relation to the other Contracting Party, shall be deemed delivered within five working days after the Contracting Party taking such an act filed it in the form of a recorded letter post directed to the other Contracting Party's address of residence or registered office declared by that Contracting Party in the Bid/Offer (or later communicated in writing) for postal delivery by an entity having a postal licence, if the other Contracting Party fails to accept the post within the deposit period of at least five working days and the post is returned to the sender.

**Annex No. 3 to the Exchange Rules for the Commodity Market for End Customers (CZ)****TERMS AND CONDITIONS FOR PROCESSING OF PERSONAL DATA***Basic Provisions*

1. In the context of the Participation Agreement, the Exchange (further as the "**Processor**") can have access to certain further specified personal data and process personal data of further specified data subjects. These personal data processed by the Processor for the Trading Participant (further as the "**Controller**") shall be referred to in this Annex as the "**Data**".
2. The data subjects shall mean employees or external contractors of the Controller, individuals authorized by the Controller (representatives), and/or contacts specified by the Controller.
3. The Data shall mean the name, surname, title, and other contact or identification data (e.g. phone number, e-mail address) of the data subjects. The Data shall also mean the data for access of the data subjects to the trading system for preparation and conclusion of the exchange trades.
4. The duration (term) of the Data processing corresponds to the duration of the Participation Agreement.
5. Purpose of the processing is the provision of services to the Controller by the Processor based on the Participation Agreement, in particular provision and administration of access to the Processor's trading system for the Controller's representatives, enabling the input of data, formation and administration of bids in the trading system, input of offers into the trading system during auction, conclusion of exchange trades, communication with representatives of the Controller.
6. The processing may take place in particular in the form of collection and recording of the Data, their structuring, storage, alteration, retrieval, consultation, making available to the relevant trading participants, erasure or destruction of Data.

*Technical and Organizational Measures*

7. Any transfer of Data to a third country, where the adequate level of Data protection is not ensured, requires provision of additional safeguards in accordance with Article 44 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (further as "**GDPR**").
8. Before starting the processing of Data, the Processor shall implement appropriate technical and organizational measures to ensure and to be able to demonstrate that processing is performed in accordance with legal regulation,
9. The documented technical and organizational measures will form the basis of the processing of Data. Where the review or audit by the Controller, in the Controller's view, raises the need for amendments, these must be agreed upon in good faith.
10. The technical and organizational measures are subject to technical progress and development, and the Processor may implement adequate alternative measures to the extent the implementation of such measures does not reduce the level of security which is adequate with respect to the processing of Data.

*Rectification, Restriction and Erasure of Data*

11. The Processor may rectify and erase Data or restrict the processing of it only in accordance with a documented instruction from the Controller.

*Responsibilities of the Processor*

12. The Processor has in particular the following additional responsibilities:

- (a) With respect to Article 28 Paragraph 3 Subparagraph 1 Sentence 2 Lit. b GDPR, the Processor shall assign only such employees with the processing of Data who have been committed to confidentiality and have previously been familiarised with the data protection provisions relevant to their work.
- (b) The Processor shall support the Controller in case of requests of the supervisory authority regarding the performance of the tasks of the supervisory authority.
- (c) The Processor shall inform the Controller immediately of any inspections and measures conducted by a supervisory authority, insofar as they relate to the processing of Data. This also applies insofar as the Processor is under investigation by a competent authority in connection with infringements to any civil or criminal law, or administrative rule or regulation regarding the processing of Data.
- (d) Insofar as the Controller is subject to an inspection by a supervisory authority, an administrative or criminal procedure, a liability claim by a data subject or by a third party or any other claim in connection with the processing of Data, the Processor shall provide necessary support to the Controller.
- (e) Taking into account the nature of the processing of Data, the Processor shall support the Controller by appropriate technical and organizational measures in order to respond to requests from individuals exercising their rights under applicable data protection legislation.
- (f) The Processor must not use the Data for any other purpose other than set out in this Annex. No copies or duplicates of Data may be produced without the knowledge of the Controller. This does not apply to backup copies to the extent required to assure proper data processing, or to the processing of any Data required to comply with statutory rules.

#### *Sub-Processors*

13. The Controller acknowledges that the Processor shall involve the trading officers (in Czech: burzovní dohodce) in the processing of Data, in the manner and to the extent corresponding to the role of trading officers under the exchange rules and the Act on Commodity Exchanges.
14. In addition, the Controller provides a general authorization to the Processor to use further sub-processors to process Data besides the trading officers.
15. The Processor must set out the contractual agreements with the sub-processor(s) in such a way that they reflect the provisions of this Annex and in particular the guarantee to implement appropriate technical and organizational measures to comply with applicable data protection legislation.
16. The Processor shall only transfer Data to a sub-processor of the Processor, and such a sub-processor shall only commence processing Data, once the Processor can establish that this contract with the sub-processor reflects the provisions of this Annex and that the sub-processor has in place appropriate technical and organizational measures to meet the requirements of applicable data protection legislation.
17. If the sub-processor processes the Data outside the EU, the Processor shall ensure that the transfer of Data to the sub-processor and its processing of such Data complies with applicable EU data protection requirements.

#### *Information and Audit rights of the Controller*

18. The Processor shall ensure that the Controller is able to verify compliance with the obligations of the Processor in accordance with Article 28 GDPR. The Processor undertakes to give the Controller any necessary information on the processing of Data on request and, in particular, to demonstrate the execution of the technical and organizational measures.
19. The Controller has the right, after consultation with the Processor, to carry out inspections or to appoint auditors to do so. If any inspection reveals that the Processor is, or that a service is, not in compliance with the agreed conditions and/or applicable data protection legislation, the Processor shall take all corrective actions including any temporary work-arounds.

#### *Assistance Obligations of the Processor*

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20. The Processor shall assist the Controller in complying with the obligations concerning the security of Data, reporting requirements for data breaches, data protection impact assessments and prior consultations, referred to in Articles 32 to 36 of the GDPR.

*Controller's Instructions*

21. The Data may only be processed under the terms of this Annex and the documented instructions issued by the Controller.
22. The Controller must confirm any oral instructions immediately in writing or by e-mail (in text form). The Processor must not use the Data for any other purpose other than set out in this Annex.
23. The Processor must inform the Controller immediately, if he believes that an instruction would infringe applicable data protection legislation.

*Deletion of Data and Return of Data Media*

24. Upon termination of the Participation Agreement or the services provided on its basis, the Processor shall return Data to the Controller or delete them in compliance with applicable data protection legislation unless EU or EU member states' law requires storage of the Data.
25. Documentation intended by the Processor as proof of proper data processing must be kept by the Processor after the expiry of the Participation Agreement in accordance with relevant retention periods. Alternatively, the Processor may hand such documentation over to the Controller after expiry of the Participation Agreement.