

Annex 1 – General Terms and Conditions of BULGARTRANGAZ

GENERAL TERMS AND CONDITIONS OF PARTICIPATION IN AND ACCESS TO CAPACITY IN THE BINDING PHASE OF ALLOCATION OF INCREMENTAL CAPACITY ON THE BORDER BETWEEN BULGARIA AND ROMANIA (Auction GTC)

1. General provisions

1.1. These General Terms and Conditions (hereinafter: "Auction GTC") regulate the general terms and conditions that the Participant must accept in order to participate in the Auction and to gain access to the incremental capacity made available in the Auction.

1.2. Transmission services for the capacity allocated under the Auction will be provided in accordance with the transmission contract, this Auction GTC, as well as in accordance with the General Terms and Conditions of the Transmission Contract to Contract for access and natural gas transport through the gas transmission network of Bulgartransgaz EAD applicable at any given time (hereinafter: "GTC"), and the Tariff. This Auction GTC, after allocating capacity resulting from the Auction, will regulate the specific rules for the provision of transmission services by BULGARTRANGAZ to the Participant in terms of capacity allocated to that Participant as part of the Auction. This Auction GTC does not exclude the GTC provisions, in particular regarding financial securities, confirming the financial ability of the Participant to meet its financial obligations towards BULGARTRANGAZ for the performance of the transmission contract, including ways and terms of using them by BULGARTRANGAZ.

1.3. By submitting an offer in the Auction, the Participant accepts without reservation the conditions set out in GTC, the Tariff and in this Auction GTC.

1.4. This Auction GTC was prepared in Bulgarian and English language versions. In the event of a discrepancy between the Bulgarian and English language versions of this Auction GTC, the Bulgarian version shall prevail.

2. Definitions

2.1. Auction - annual yearly capacity auction conducted on the terms set forth in the CAM Network Code, under which the incremental capacity of the Negru Voda 1/Kardam interconnection point shall be made available together with existing available capacity if any.

2.2. Bulgartransgaz – Bulgartransgaz EAD with its seat in Sofia, acting as the transmission-system operator within Bulgaria.

2.3. General Terms and Conditions of the Transmission Contract - General Terms and Conditions to Contract for access and natural gas transport through the gas transmission network of Bulgartransgaz EAD - currently binding General Terms and Conditions published on BULGARTRANGAZ [website](#).

These Auction GTC refer to the General Terms and Conditions of the Transmission Contract approved by the decision of the Bulgartransgaz Management Board no. 733 as of 31 August 2023 or any subsequent GTC version replacing or amending the aforesaid.

2.4. Transgaz - company under the name of Transgaz SA, with its seat in Mediaş, no 1 C.I. Motas Square, Sibiu county, postal code 551130, acting as the transmission system operator within the Romania;

2.5. RBP - platform used to offer capacity in the relevant transmission systems at IP Negru Voda 1/Kardam by BULGARTRANGAZ and TRANSGAZ;

- 2.6. Project - project to create a new technical capacity at the existing Negru Voda 1/Kardam interconnection point based on capacity allocation in a current incremental capacity procedure;
- 2.7. Tariff - currently applicable list of prices for access and transmission, and their application rules, compiled by BULGARTRANGAZ and introduced as binding in settlements with the Participant, published on the BULGARTRANGAZ [website](#).
- 2.8. User - entity using the transmission system under a transmission contract.
- 2.9. Participant - Applicant that is considered compliant by BULGARTRANGAZ with the requirements for participating in Auction.
- 2.10. Economic Test (or ET) - test applied by Bulgartransgaz to assess the economic viability of the Incremental Capacity Project
- 2.11. GTA or Gas Transportation Agreement - gas transportation agreement signed by the TSO and a Participant to whom incremental capacity has been allocated after the allocation of such capacity, pursuant to the Incremental Capacity Process.

3. Binding phase of incremental capacity allocation

- 3.1. In the binding phase of incremental capacity allocation under the Project, BULGARTRANGAZ shall make available incremental capacity for the Negru Voda 1/Kardam interconnection point, in the flow direction from Bulgaria to Romania and in the form of fifteen (15) yearly incremental capacity products, covering fifteen (15) gas years, from 1 October 2026 07:00 a.m. to 1 October 2041, 07:00 a.m.
- 3.2. During the binding phase of incremental capacity allocation, each yearly product shall be made available through one, separate Auction for incremental capacity at the level of 123.480.000 kWh/d, together with existing available capacity if any.
- 3.5. BULGARTRANGAZ shall take the investment decision to implement the Project once it has obtained positive economic test result and has taken a decision for the implementation of the Project.
- 3.6 By participating in a Bidding Phase, each Participant will be required to accept that:
- the Capacity Allocation referred to in the Incremental Capacity Process is subject to the positive outcome of the ET of the TSOs Concerned;
 - in case of a negative outcome of the Economic test carried out prior to Capacity Allocation, the BULGARTRANGAZ shall, if applicable, return any Financial Securities submitted from Participants and no transport capacity will be contractually allocated;
 - in case of a negative outcome of the ET carried out prior to Capacity Allocation, the BULGARTRANGAZ shall, if applicable, return any Financial Securities submitted from Participants and no transport capacity will be contractually allocated;
 - in case of a positive outcome of the ET carried out prior to Capacity Allocation, the successful Participant shall enter into a GTA;
 - in case a Participant is not allocated incremental capacity after a positive ET, the Financial Securities shall be returned;
 - By submitting a binding request to BULGARTRANGAZ, the Participant accepts that said request will constitute an irrevocable commitment to enter a GTA with BULGARTRANGAZ, subject to positive Economic test.

4. Terms of participation in an Auction

- 4.1. BULGARTRANGAZ shall conduct the binding phase of incremental capacity allocation on the RBP Platform, in accordance with the terms and conditions for using the platform binding on the day of conducting the Auction.
- 4.2. The following is required in order to participate:
- a) submitting a power of attorney for the persons authorized to participate in the Auction to

BULGARTRANGAZ, unless the Participant has already presented such power of attorney;
b) successful from BULGARTRANGAZ's perspective registration on the RBP Platform;

c) submission of financial securities in the value and form set out in this Action GTC no later than one week before the Auction starts.

4.3 The Participants who do not have registration as BULGARTRANGAZ Users should fill out a registration form, duly signed by a person/persons authorized to sign legally binding documents for the company, and submit it to BULGARTRANGAZ.

Along with the registration form, the following documents are to be submitted:

- *a document attesting the current legal status of the Applicant* - an extract from the commercial register. The document shall be issued no earlier than one month prior to the date of registration form submission and it should make clear the persons authorized to sign legally binding documents on behalf of the Applicant;
- *original documents certifying that the Applicant is not in bankruptcy, liquidation proceedings and has not been declared bankrupt.*

In the event that the national legislation of the country in which the Applicant is established does not provide for issuance of such documents by state authorities, the Applicant shall submit a written declaration, signed by a duly authorized person, confirming that such a document cannot be issued under the relevant national legislation and that the Applicant is not in bankruptcy, liquidation proceedings and has not been declared bankrupt;

- *an explicit notarized power of attorney* if the registration form shall be signed by a person not entered in the Commercial Register as having the right to represent the company and to sign legally binding documents on behalf of the company;

All above-mentioned documents shall be submitted in original in the language in which they were issued and, if necessary, accompanied by a translation in Bulgarian or English. The documents shall be certified by an apostille in accordance with the 1961 Hague Convention and the translation must be notarized (made by a sworn translator).

BULGARTRANGAZ must confirm the successful registration and give access to the Auction at RBP Platform.

4.4. The incremental capacity will be allocated through the Auction as bundled capacity together with existing available capacity if any. In order to participate in the Auction, the Participant must also meet the participation conditions defined by TRANSGAZ.

4.5. Transmission services in respect of the capacity allocated in the Auction shall be provided in accordance with the concluded transmission contract along with its appendices, as well as in compliance with the Tariff, both as binding at each such time. Following to the capacity allocation as a result of the Auction, this Auction GTC shall constitute an appendix to the transmission contract concluded between BULGARTRANGAZ and the Participant, regulating the detailed rules for the provision of transmission services by BULGARTRANGAZ to the relevant Participant in respect of the incremental capacity allocated to that Participant in the Auction.

5. Financial Security for participation in the Auction and incremental capacity allocation

5.1. In order to participate in the Auction, the Participant shall submit a financial security confirming the Participant's financial capability to perform the obligations owed to BULGARTRANGAZ under the bid, in the form, date and amount specified in this Auction GTC.

5.2. The Participant has to establish the security in one of the following forms:

- a) bank guarantee;
- b) cash deposit.

5.3. The Participant shall establish the security no later than 1 (one) week before the Auction, delivering a document in writing to BULGARTRANGAZ evidencing the establishment of a financial

security (i.e. original bank guarantee or confirmation of bank transfer to BULGARTRANGAZ's bank account).

5.4. The Participant shall establish a financial security in the minimum amount of 10% of the value of the capacity that participant expect to be allocated (based on the indicative tariff made available by BULGARTRANGAZ) plus expected from participant level of auction premiums that can arise in the auction calculated on the basis of the amount of capacity covered by the offer of a given Participant under the Auction, and published by BULGARTRANGAZ indicative transmission fee rate adopted by BULGARTRANGAZ to carry out an Economic test.

5.5. The financial security shall be established in EURO, calculated at the Bulgarian National Bank fixed exchange rate Euro/BGN.

5.6. If establishing the security in the form of bank guarantee, BULGARTRANGAZ requires the guarantee document to provide that the guarantee is irrevocable, non-transferable, unconditional, with a possibility to be fully or partially used and payable on BULGARTRANGAZ's first demand. Guarantee shall be issued by EU bank with current rating from a rating agency (minimum acceptable level is Baa2 for Moody's, BBB for Standard & Poor's, or BBB for Fitch). The content of Guarantee has been accepted by BULGARTRANGAZ. In case bank company issuing a bank guarantee, as appropriate, during the period referred to in point 5.11, loses the minimum rating referred to in the sentence above, the Participant is obliged to immediately, no later than within 30 (thirty) days from the loss of the rating, to provide financial security that meets the requirements of this Auction GTC.

The bank guarantee must contain an obligation of the guarantor-bank to make an unconditional payment at BULGARTRANGAZ first written demand in case the Participant had failed to perform its obligation to pay the due amounts under a signed GTA.

5.7. Financial security established in the form of cash deposit should be paid to the following bank account indicated by BULGARTRANGAZ:

UniCredit Bulbank

IBAN: BG88UNCR76301476061042

BIC CODE: UNCRBGSF

The transfer should be entitled:

"Financial security INC NEGRU VODA 1/KARDAM". The time of submission of the security shall be deemed to be when BULGARTRANGAZ's account is credited.

5.8 Binding Bids by Participants will be accepted only within the limits of the Financial security which will have been presented to BULGARTRANGAZ according to the provisions above.

5.9. Ten (10) Business Days after completion of the capacity allocation in the Auction, the Participant shall have the right to Request to have the value of the submitted financial security adjusted to the capacity level allocated to the Participant, i.e. the calculation of the amount of financial security based on the amount of capacity allocated to him as a result of the Auction having in mind reserved existing available capacity on top of incremental if any.

5.10. From the moment of providing the Participants with the capacity created as a result of the Project implementation by BULGARTRANGAZ and TRANSGAZ, the amount of financial security that the Participant is required to maintain will be calculated on the basis of the fees for the provision of transmission services for the annual product allocated to the Participant as a result of the Auction, in accordance with the current Tariff.

5.11. The Participant who obtained the incremental capacity under the Auction is obliged to maintain the financial security submitted to BULGARTRANGAZ in full and in the form provided for in this Auction GTC, from the moment specified in point 5.3 until the last day of the second (2) month after the end of the last gas year of transmission services provided to the Participant as part of the capacity allocated in the binding phase of the incremental capacity.

5.12 After finishing every gas year of service provided, part of the Financial Security corresponding to the reserved capacity in this year can be released after the participant's request if the participant

does not have any outstanding payments to BULGARTRANGAZ.

5.12 BULGARTRANGAZ shall not owe to the Participant any interests for the time when the amount of the Financial security established in the form of financial deposit has been kept with him in line herewith, nor any other additional payments of fees, expenses, etc. associated with the Financial security.

5.13. In the event that BULGARTRANGAZ uses Financial security, the Participant will be required to supplement the Financial security to the full required amount determined in accordance with the provisions of this Auction GTC each time within fifteen (15) days from the use of financial security by BULGARTRANGAZ.

6. Delays in the provision of the capacity, and/or disruption in the implementation of the Project

6.1. BULGARTRANGAZ shall notify Participants sufficiently in advance of any delays in making available the incremental capacity allocated in the Auction and/or any disruption in the implementation of the Project.

6.2. BULGARTRANGAZ will share with the relevant Participants the progress of the Incremental Capacity Project. By signing the GTA, the Participant shall be deemed to have accepted that, if the authorizations, permissions, easements, public procurement contracts and any other relevant land rights necessary for the construction phase of the project are not obtained/signed or delayed, then the execution times for the implementation of the Incremental Capacity Project will be considered correspondingly extended, and BULGARTRANGAZ shall have no liability to any Participant in connection with such delays, other than what may be set out in the relevant GTA.

7. Force Majeure

7.1. "Force Majeure" means circumstances not reasonably foreseen by, unable to be avoided by and beyond the control of the Party, including but not limited to the following:

(a) extraordinary forces of nature: floods, earthquakes, landslides, fires, explosions and other unavoidable accidents;

(b) strikes, boycotts, lockouts, sabotage, military actions and wars.

7.2. For avoidance of doubt the lack of funds cannot be considered as Force Majeure.

A Force Majeure event does not include any act of public authorities of the country where the Party is incorporated or the country where the Party has its registered seat, or lack thereof.

7.3. Following the occurrence of any circumstances of Force Majeure, the affected Party shall notify the other Party of the occurrence and the expected extent and duration of such circumstances and take all economically reasonable measures, which may be useful to ensure the resumption of the normal performance of the Contract within the shortest possible time.

7.4. The termination of the Contract due to Force Majeure circumstances shall take place only by mutual consent of the Parties.

8. Other

8.1. After the commissioning of the Project, the Participant shall have the right to resell the capacity acquired in the Auction, on terms set forth in the GTA, on condition that the buyer shall accede to the Participant's rights and obligations set forth in this Auction GTC.