



General Terms

Trading Rules

Issued by CROATIAN POWER EXCHANGE Ltd.

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1. INTRODUCTION

- 1.1. CROATIAN POWER EXCHANGE Ltd. ("CROPEX") is responsible for organizing and operating the Croatian Day Ahead Market in the Republic of Croatia.
- 1.2. The Croatian Day Ahead Market provides the possibility of day ahead Trading in Products by the Members on the territory of Republic of Croatia by means of an Auction in respect of each Delivery Day based on all volume and price Bids and Offers received prior to closing of the relevant Auction. Further provisions governing Trading on the Croatian Day Ahead Market are set out in Croatian Day Ahead Market Regulations.
- 1.3. Croatian Day Ahead Market offers such Products for Trading as set out in the Product Specification.
- 1.4. CROPEX provides Clearing and Settlement of Transactions in the Croatian Day Ahead Market.
- 1.5. These Trading Rules apply to all Trading and Transactions on the Croatian Day Ahead Market, and constitute an agreement between CROPEX and each Member in the Croatian Day Ahead Market. The Trading Rules comprise: (i) these General Terms, (ii) the Trading Appendices and (iii) the Trading Agreements as applicable from time to time (i.e. as entered into with individual Members). These General Terms and all Trading Appendices and all Trading Agreements (as may be entered into by individual Members) are binding and have the same legal force.
- 1.6. All Transactions entered into on the Croatian Day Ahead Market will be automatically and mandatorily subject to Clearing and Settlement, whereby Members will become Counterparties to CROPEX acting as central counterparty in all Transactions as further set out in the Clearing and Settlement Rules.

2. INTERPRETATION, DEFINITIONS AND ABBREVIATIONS

- 2.1. Capitalised terms shall have the meaning assigned to them in Definitions or as specifically defined in the text body of these Trading Rules.
- 2.2. References to any law or statute shall be deemed to include any related amendments, consolidations, re-enactments or replacements of it.
- 2.3. References to an entity include any corporate body, an unincorporated association or any other legal entity or physical person.
- 2.4. References to a Member shall be deemed to include references to the successors or assignees (immediate or otherwise) of that Member.
- 2.5. References to points in time refer to Central European Time (24-hour format), unless otherwise specified.
- 2.6. Any words importing the singular shall admit the plural where the context admits and vice versa. Any words importing the neuter gender shall include the feminine gender and the masculine gender (in respect of a physical person).
- 2.7. The term "including" shall mean "including but not limited to".
- 2.8. Any reference to CROPEX having a right to make a decision or termination or to form any opinion or judgement shall unless as otherwise stated mean that CROPEX has the right to exercise its sole and unfettered discretion in doing so.
- 2.9. The headings in these Trading Rules are for convenience only and shall not affect its interpretation.
- 2.10. References to communications in writing shall unless otherwise specified include e-mail

and communications through the Day Ahead Web.

- 2.11. In case of conflict between these General Terms and the Croatian Day Ahead Market Regulations contained in Trading Appendix 2, the provisions of the applicable specific market regulations in Trading Appendix 2 shall prevail. In case of conflict between these Trading Rules or any of its Trading Appendices on one side and a concluded trading agreement on the other side, provisions of such agreement shall prevail.

3. CONDITIONS FOR TRADING

3.1 Prerequisites for Trading

- 3.1.1. Entities wishing to perform Trading on the Croatian Day Ahead Market must enter into a Membership Agreement with CROPEX, be eligible as Counterparty under the Clearing and Settlement Rules and must have the right to participate on the Croatian electricity market under the Croatian Applicable Law regulating the electricity market, prior to the commencement of Trading on the Croatian Day Ahead Market.
- 3.1.2. In addition to the requirements under Sections 3.1.1. above, each Member must at all times:
- a. be eligible as Counterparty to each Transaction and its corresponding Clearing Transaction under the Clearing and Settlement Rules;
 - b. obtain, maintain and comply with all licences, authorisations and agreements required by Applicable Law to enable it to conduct Trading on the Croatian Day Ahead Market and to perform its obligations under the Trading Rules;
 - c. have appointed a Trading Responsible in accordance with Section 3.3. below.
- 3.1.3. Further rights and obligations on Members in respect of Trading are set out in the trading agreements and the Market Conduct Rules (Trading Appendix 5) as applicable.

3.2 Approval of Members

- 3.2.1. Entities wishing to enter into a Membership Agreement must send CROPEX a written application for membership in such form as CROPEX shall prescribe and publish on its webpages.
- 3.2.2. As part of the approval procedure, CROPEX may require additional information from the applicant on the applicant's legal status, financial soundness, organisation, technical systems, level of experience and competence and other relevant matters for evaluating whether or not the applicant is fit and proper to become a Member.
- 3.2.3. CROPEX may require an applicant to provide a satisfactory legal opinion on such issues as CROPEX reasonably considers appropriate including that the applicant is legally entitled and appropriately authorised to conduct Trading in the Croatian Day Ahead Market, and that the Membership Agreement has been signed by a duly appointed representative.
- 3.2.4. CROPEX shall only admit applicants that CROPEX in its sole discretion considers fit and proper to become Members. However, applicants will not be unreasonably rejected. In case of rejecting an applicant, CROPEX will provide a written statement of reasons.
- 3.2.5. CROPEX shall generally admit and treat applicants and Members on a fair and non-discriminatory basis. Subject to the aforesaid principle, CROPEX may however impose special terms and conditions on individual entities if this, in the reasonable opinion of CROPEX, is necessary to reflect special circumstances applying to that entity or to admit an entity which would otherwise be excluded from membership, including terms and conditions required by Applicable Law in the jurisdiction where the entity is domiciled.
- 3.2.6. CROPEX shall promptly inform the applicant in writing of the outcome of the application process. If the application is approved, one original to each party of the Membership Agreement shall be executed by duly authorised signatories of CROPEX and the applicant.

3.3 Trading Responsible and Traders

- 3.3.1. Each Member must appoint one Trading Responsible for the Member's Trading, in the Membership Agreement, subject to the approval of CROPEX not to be unreasonably withheld.
- 3.3.2. Each Member may appoint additional Traders as authorized to perform Trading in the Croatian Day Ahead Market, subject to the approval of CROPEX not to be unreasonably withheld.
- 3.3.3. Unless otherwise agreed with CROPEX, the Trading Responsible and the Traders will have full access to the Day Ahead Web in respect of all Trading Portfolios of the Member. Each Member shall ensure that its Trading Responsible and Traders shall be fully authorised to represent the Member towards CROPEX in all matters related to the Member's Trading, and shall be capable of taking such action in a manner consistent with the daily time schedules and other requirements established by or pursuant to the Trading Rules in their entirety.
- 3.3.4. Each Member is granted with 2 (two) Digipass tokens for the access to the Day Ahead Web. Trading Responsibles or a Trader can have only one Digipass token. Additional users are subject to fees as set out in the Fee Schedule.
- 3.3.5. Following receipt by CROPEX of a written notification from the Member that the appointment of any individual Trading Responsible and/or Trader is to be revoked, CROPEX shall terminate the Trading Responsible's and/or Trader's access to the Day Ahead Web immediately as soon as possible, and send written confirmation. Notwithstanding receipt of a written notification of the Member notification, the Member shall remain bound by and liable for all actions or omissions of the Member in respect of Trading during the period that the Trading Responsible and/or Trader has Day Ahead Web access, until such time as CROPEX has confirmed in writing that the Trading Responsible's and/or Trader's Day Ahead Web access has been terminated.
- 3.3.6. In Case that Trading Responsible / Trader is revoked, the Member must appoint new person under conditions from point 3.3.1. and 3.3.2. within 5 (five) days of when previous person was revoked.

3.4 Trading Portfolios

- 3.4.1. Members will be, subject to CROPEX approval (not to be unreasonably withheld) granted the number of Trading Portfolios requested by them for the Croatian Day Ahead Market, as the case may be. Each member has right to request from CROPEX formation of two Trading Portfolios.
- 3.4.2. Additional Trading Portfolios are subject to fees as set out in the Fee Schedule.

4. REPRESENTATION AND WARRANTIES

4.1 Representations by the Member

- 4.1.1. Each Member represents and warrants to CROPEX on each date on which an Order is submitted or a Transaction is entered into that:
 - a. **Power.** It has the power to perform its obligations under these Trading Rules, Membership Agreement and each Transaction;
 - b. **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and, if relevant under those laws, is of good standing);
 - c. **Organisation.** It is properly staffed and organised to enable it to carry out Trading, and its personnel have the necessary competence and knowledge for Trading;
 - d. **Risk assumption.** It is aware of and understands the characteristics of each of the Products and the risks related thereto, and it has submitted Orders after a full opportunity to review their terms and conditions, and has an adequate

understanding of those terms and conditions and of their risks, and is capable of assuming those risks;

- e. **No Violation or Conflict.** The execution, delivery and performance of the relevant Trading Agreements or the Trading Rules do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to the Member or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
 - f. **Required Authorisations.** All Required Authorisations under Applicable Law have been obtained and are in full force and effect, and all conditions of any Required Authorisations have been complied with, and there are no further licences or filings with or other acts by or in respect of any Regulatory Body or court that are required to be obtained, made or done by the Member in connection with Trading or Clearing;
 - g. **Accurate Information.** All applicable information that is furnished in writing by or on behalf of the Member which is identified as being subject to or connected to the Membership Agreement and Trading Rules is, as of the date it is furnished to CROPEX, true, accurate and complete in every material respect; and
 - h. **Compliance.** No Non-Compliance Event, or event that with notice or lapse of time or both would constitute a Non-Compliance Event has occurred with respect to it and no such event would occur as a result of it entering into or performing its obligations under the Trading Rules and Membership Agreement.
- 4.1.2. The Member is, when carrying out Trading, deemed to repeat the Representations specified above as well as any further representations specified as such in the Trading Rules.
- 4.1.3. The Member acknowledges that it is under a duty to notify CROPEX in writing in case of any breach or suspected breach of its Representations, either those stated above or any others, immediately upon the Member becoming aware of the same.

4.2 Representations by CROPEX

- 4.2.1. CROPEX represents and warrants to each Member in relation to each Transaction which is entered into on its Day Ahead Web that:
- a. **Power.** It has the power to perform its obligations under the Trading Rules and each Transaction;
 - b. **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation;
 - c. **Organisation.** It is properly staffed and organised to enable it to carry out, and its personnel have the necessary competence and knowledge to enable it to carry out its obligations under the Trading Rules;
 - d. **No Violation or Conflict.** The execution, delivery and performance of the relevant Trading Agreements or the Trading Rules do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to CROPEX or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
 - e. **Required Authorisations.** All Required Authorisations under Applicable Law have been obtained and are in full force and effect, and all conditions of any Required Authorisations have been complied with, and there are no further licences or filings with or other acts by or in respect of any Regulatory Body or court that are required to be obtained, made or done by CROPEX in connection with its performance under the Trading Rules;
 - f. **Accurate Information.** All applicable information that is furnished in writing by or on behalf of CROPEX which is identified as being subject to or connected to the Trading Rules is, as of the date it is first furnished to Members and unless as otherwise specified in the applicable information, believed to be true and accurate in every material respect; and

- g. **Compliance.** No default, or event that with notice or lapse of time or both would constitute a default has occurred with respect to it and no such event would occur as a result of it entering into or performing its obligations under the Membership Agreements or Trading Rules.

5. LISTING OF PRODUCTS

- 5.1. CROPEX decides which Products shall be listed or delisted (removed) from the Croatian Day Ahead Market by enlisting them in Product Specification document.

6. GENERAL PROVISIONS ON TRADING

6.1 Trading Facilities

- 6.1.1. CROPEX maintains Day Ahead Web and a telephone trading system ("TTS").
- 6.1.2. CROPEX facilitates Trading in Products between Members by receiving Orders in the Day Ahead Web and determines traded Energy Volumes and its relevant prices according to prevailing rules for price calculations. A Member may on any Trading Day within Trading Hours for the relevant Product submit Orders through the Day Ahead Web. Processing and matching of Orders and Transactions is subject to the Croatian Day Ahead Market Regulation.
- 6.1.3. Members are responsible for setting up electronic communication with CROPEX according to CROPEX's specification. Trading on the Croatian Day Ahead Market is anonymous except between CROPEX and the individual Member entering an Order and entering into a resulting Transaction. Except as necessary to display Orders and Transactions to Members in accordance with this Section 6.1. or as otherwise set out in Section 12 of these Trading Rules, CROPEX shall treat all Orders and other information from Members communicated to CROPEX in relation to Transactions as confidential. This does not derogate CROPEX's obligation under Applicable Law to provide information to Regulatory Authorities or other bodies, by its own discretion or upon their request.
- 6.1.4. All Orders and Transactions in the Day Ahead Web will be stored electronically and kept by CROPEX in accordance with the Applicable Law. Transaction Information resulting from such records may be utilised as set out in Section 12 of these Trading Rules. All telephone calls with the Trading Desk and TTS may be recorded and stored in accordance with Applicable Law. Both CROPEX and Members consent to such recordings, and undertake to procure any consent necessary from their employees in order to comply with Applicable Law.

6.2 Day Ahead Web

- 6.2.1. The Day Ahead Web is the principal trading facility for all Members wishing to perform Trading on the Croatian Day Ahead Market. Members may register their Orders in Day Ahead Web, where Orders are ranked and matched in accordance with the Croatian Day Ahead Market Regulations and these Trading Rules in their entirety.
- 6.2.2. Access to the Day Ahead Web is organised with Digipass tokens, which are dedicated to the Trading Responsibles and Traders nominated by the Member in the Membership Agreement.
- 6.2.3. Access to the Day Ahead Web for Members is non-exclusive and non-transferable. Members shall have a right of access to and use of the Day Ahead Web subject to:
 - a. the Member fulfilling the conditions for Trading as set out in Section 3.1 above;
 - b. the Member not having its trading rights suspended or terminated in accordance with these Trading Rules; and
 - c. the Member's compliance with the Day Ahead Web user terms as set out in these Trading Rules.

- 6.2.4. Registration of Orders and Transactions in the Day Ahead Web is conditional upon the Member having a corresponding right to Clearing in accordance with the Clearing and Settlement Rules.

6.3 The Telephone Trading System (TTS)

- 6.3.1. TTS is intended as a backup facility service to Members for the Croatian Day Ahead Market. In situations where Members are not able to access Day Ahead Web, or CROPEX for other reasons deems TTS to be a more viable option than Day Ahead Web, CROPEX may in its sole discretion approve that the Member may call in its Orders, or changes to or cancellations of Orders, by telephone to TTS.
- 6.3.2. Only Traders approved by CROPEX in accordance with Section 3.3 are authorised to contact the TTS. When contacting the TTS, the Trader shall unsolicited, and in any event upon request by the TTS operator, identify itself by full name and which Member it represents, state that the call concerns the submittal of an Order, and why the Member is unable to submit its Order by means of Day Ahead Web.
- 6.3.4. Provided that CROPEX approves the use of TTS, the Member shall provide such information as would be required if using the Day Ahead Web, and in addition all such information which CROPEX may reasonably request to enable CROPEX to accurately register the Order.
- 6.3.5. CROPEX shall register the Order from TTS in Day Ahead Web as soon as possible after receiving the Order, and shall in case of several Orders endeavour to register the Orders received in the same sequence as the Orders were notified to CROPEX.
- 6.3.6. An Order submitted through the TTS is only considered registered when CROPEX has confirmed the entry of the Order in Day Ahead Web through the TTS or otherwise in writing. The Order becomes binding on the Member from the time of registration regardless of the time of confirmation.
- 6.3.7. The Member shall be responsible for the correctness of all Orders registered by means of TTS, provided that CROPEX has acted in good faith when registering the Order.
- 6.3.8. CROPEX will make commercially reasonable endeavours to run an effective TTS service and maintain the continuity of access to TTS, but the TTS is provided on an "as available" basis and CROPEX makes no representation or warranty as to the availability of TTS to any Member at any given time.
- 6.3.9. TTS will be closed 10 minutes before the Gate Closure.

6.4 Availability of Traders

- 6.4.1. Once a Trader has submitted an Order, the Trader of the applicable Member must be available to be contacted by telephone at all times for as long as the Order is valid. Orders in the Croatian Day Ahead Market are deemed valid until the relevant Auction is finished or the Order is revoked in accordance with these Trading Rules.

6.5 Right to Refuse Orders

- 6.5.1. Notwithstanding any other provision in the Trading Rules, CROPEX reserves the right, in its sole discretion, and without prior notice to a Member to reject, cancel or refuse to display or match any Order which in CROPEX's determination would contravene the Trading Rules, Membership Agreement or Applicable Law. Any such decision should be reasonably founded and non-discriminatory, and CROPEX shall notify the Member of such decision immediately.

6.6 Suspension of Trading

- 6.6.1. CROPEX may at any time suspend Trading in the Day Ahead Web with regard to all or some Products if CROPEX reasonably determines that:

- a. a system problem which is likely to affect Trading in such Product(s) has occurred or suspension is necessary to prevent such problem from occurring; or
 - b. the intended Trading would contravene the requirements of Applicable Law, the Trading Rules in their entirety or Membership Agreement.
- 6.6.2. The Day Ahead Web shall be reopened with full functions as soon as the event that led to suspension has been rectified and CROPEX has determined that Trading can be conducted in accordance with the Applicable Law and the Trading Rules.
- 6.6.3. CROPEX shall give the Members information about a suspension of Trading and Reopening of Trading immediately through the e-mail notification to the Trading Responsibles or Traders or such other means of communication as CROPEX deems efficient and appropriate given the circumstances. CROPEX must provide Members with at least five minutes' notice of a Reopening of Trading.
- 6.6.4. Notwithstanding this Section 6.6, CROPEX may suspend Trading for individual Member due to Non-Compliance in accordance with the Section 9 below.

7. TRADING FEES AND SETTLEMENT

- 7.1. Trading Fees as prevailing from time to time shall be charged to Members and invoiced in accordance with the Fee Schedule. Unless as explicitly stated, all Trading Fees are stipulated exclusive of VAT.
- 7.2. Unless as otherwise set out in the Clearing and Settlement Rules, each Member is responsible for and shall cause to pay any and all VAT and relevant tax arising in connection with its Trading activities and which is payable by that Member under Applicable Law, with no further charge, reimbursement or indemnification to or from the other Member to a Transaction or CROPEX, irrespective of whether the Member is required by Applicable Law to pay any VAT or relevant tax which is properly for the account of the other Member or CROPEX.
- 7.3. Settlement of Trading Fees shall be carried out through CROPEX in accordance with the Clearing and Settlement Rules and shall be included in the Settlement of the corresponding Settlement Transaction(s). Upon payment to CROPEX, CROPEX will discharge its corresponding claim against the Member.
- 7.4. In case a Member does not pay to CROPEX the required Trading Fees or does not make other payments envisaged under the Trading Rules upon their due dates, CROPEX shall be entitled to charge Statutory Default Interest on the principal of any such unpaid amounts (increased for all applicable VAT and other taxes).

8. MARKET CONDUCT AND MARKET SURVEILLANCE

- 8.1. Members shall at all times comply with the provisions of the Market Conduct Rules when Trading. Non-compliance with Market Conduct Rules may be sanctioned by CROPEX in accordance with the provisions of the Market Conduct Rules.
- 8.2. CROPEX will monitor the Croatian Day Ahead Market with a view to ensuring that all Trading and other activities on the Croatian Day Ahead Market are in accordance with the Market Conduct Rules and Applicable Law. CROPEX may carry out investigations into the activities of Market Member as set out in the Market Conduct Rules.
- 8.3. CROPEX may make request to and collect information from Members concerning their business.
- 8.4. In connection with investigations of Member's business, CROPEX may, directly from the relevant Member, Transmission System Operator or Market Operator gather any data relating to management, market and settlement of accounts.

9. NON-COMPLIANCE

- 9.1. A Non-Compliance Event exists if a Member in the reasonable opinion of CROPEX:
- a. does not discharge its obligation(s) under any of the documents and/or agreement that are part of the Trading Rules or otherwise is in breach of the Trading Rules (including Membership Agreement entered into by such Member); or
 - b. is in breach of Applicable Law and such breach affects, or will affect, the Member's ability to comply with the Trading Rules (including the Membership Agreement entered into by such Member).
- 9.2. A Material Non-Compliance Event shall occur if in the reasonable opinion of CROPEX:
- a. the Member is not in compliance with the requirements of Section 3.1 of these General Terms; or
 - b. the Member is in breach of the Representations contained in Section 0 letter (a) through (g) (inclusive) of these General Terms, provided that the Representation in the opinion of CROPEX is incorrect or misleading in a material respect and has not been remedied within fifteen (15) calendar days after CROPEX sent a written notice of such Non-Compliance Event to the Member; or
 - c. the misrepresentation clearly indicates that the Member is unfit for further Trading; or
 - d. a Non-Compliance Event occurs which may adversely affect Trading in accordance with these Trading Rules and Applicable Law and Membership Agreement and such Non-Compliance Event is not remedied within fifteen (15) calendar days after CROPEX sent a written notice of such Non-Compliance Event to the Member; or
 - e. the Non-Compliance Event is caused by the negligence, wilful default or fraud of the Member, and such Non-Compliance Event is not remedied within fifteen (15) calendar days after CROPEX sent a written notice of such Non-Compliance Event to the Member; or
 - f. if a Member does not pay to CROPEX any of its due payment obligations arising under the Trading Rules immediately upon or prior to such payment obligation becoming due; or
 - g. a Non-Compliance Event (other than as set-out in points a. to e. of this Section 9.1.2) is not remedied within fifteen (15) calendar days after CROPEX sent a written notice of such Non-Compliance Event to the Member.
- 9.3. Before imposing any of the sanction envisaged under this Section 9 for Non-Compliance Event or Material Non-Compliance Event, the Member shall, if possible and appropriate, be given an opportunity to present a rejoinder in order to give an opinion on the facts presented by CROPEX, with the aim of proving that a purported Non-Compliance Event or Material Non-Compliance Event did not occur. Such limitation as described in the first sentence of this Section 9.3. shall not apply for Material Non-Compliance Event envisaged under Section 9.1.2 point e. of these General Terms.
- 9.4. For as long as a Non-Compliance Event or Material Non-Compliance Event persists, CROPEX may:
- a. issue a written warning to the Member in question and/or suspend a Member from Trading with immediate effect. During suspension, the Member may only carry out Trading following approval by CROPEX; and
 - b. exercise any of the rights and remedies available to it under other Trading Rules documents.
- 9.5. CROPEX may terminate the Membership Agreement due to a Material Non-Compliance Event. CROPEX's right to terminate a Membership Agreement due to a Material Non-Compliance Event is set out in the Membership Agreements.

10. LIABILITIES AND FORCE MAJEURE

- 10.1. CROPEX shall not be liable for any loss or damage to a Member caused by Member's business decisions regarding Trading on the Croatian Day Ahead Market. It is expected that Member's conduct Trading on the Croatian Day Ahead Market with due attention required from good businessmen.
- 10.2. CROPEX shall under no circumstances be liable for any loss or damage to a Member caused by any act or omission of other Member.
- 10.3. CROPEX shall not be liable for any loss or damage to a Member that may arise out of Trading or the Trading Rules as a result of any act or omission by CROPEX, provided that CROPEX has not acted negligently, fraudulently or in wilful default.
- 10.4. Except where CROPEX has acted fraudulently or is in wilful default, CROPEX shall under no circumstances be liable to the Member for indirect loss and consequential damage including loss of profits or contracts.
- 10.5. Notwithstanding any stipulations in this Section, a Member will be liable to CROPEX for all loss or damage suffered, including expenses accrued, which result directly from the Member's default under a Non-Compliance Event.
- 10.6. Neither CROPEX nor Member shall under any circumstances be liable for any loss or damage in respect of any failure on its part to perform any of its obligations under the Trading Rules or Membership Agreement if a Force Majeure Event prevents performance of its relevant obligations.

11. INDEMNITIES

- 11.1. The Member shall fully and effectively indemnify CROPEX from and against any and all costs, claims, damages and expenses arising directly out of any breach of its obligations under the Trading Rules and Membership Agreement, provided that CROPEX shall use reasonable endeavours to mitigate such costs, claims, damages and expenses without prejudice to its obligations to other Members and its right to protect the integrity of Croatian Day Ahead Market. If CROPEX does not use reasonable endeavours to mitigate such costs, the Member shall not be obliged to indemnify cost which could have been avoided by reasonable endeavours without prejudice to CROPEX's other duties and obligations.
- 11.2. Each Member is obliged to fully indemnify all costs which could arise for CROPEX regarding VAT, customs duties, cross border capacities or other similar giving's for the electricity which was traded on the Croatian Day Ahead Market, as these costs are sole responsibility of the Member in question.

12. MARKET INFORMATION SERVICES

12.1 Proprietary Rights to Transaction information

- 12.1.1. Whenever a Member provides data in the form of Orders or otherwise to CROPEX via the Day Ahead Web or TTS, such data shall belong to CROPEX. The copyright and all other intellectual property rights or proprietary rights of whatever nature contained in the Transaction Information (including, for the avoidance of doubt, all database rights and similar rights whether or not protected by law) arising from Trading are and shall at all times remain, as between CROPEX and the Member, the property of CROPEX or its licensors.

12.2 Publicity

- 12.2.1. CROPEX shall be entitled to use, copy, adapt, sub-license, supply, distribute, sell, assign, transfer, rent, lease, charge or otherwise deal with Transaction Information and other information regarding technical and financial matters, free from any duty of confidentiality to any Member, so long as such information does not identify any individual Member.

Members shall have no right of remuneration in relation to such activities.

- 12.2.2. CROPEX may pass on information to public authorities, Transmission System Operators or Market Operator if so required by Applicable Law or regulation. CROPEX will inform the Member of such provision of information, to the extent it is permitted to do so under Applicable Law or regulation. Such conduct by CROPEX will not in any event be considered a breach of confidentiality or breach of Member's intellectual property rights.
- 12.2.3. In addition to the provisions of this Section 12.2, CROPEX shall be entitled to disclose and publish information as set out in the Market Conduct Rules.

13. COMMUNICATIONS

- 13.1. Written communications between Members and CROPEX shall be in Croatian or in English.
- 13.2. Any notice to be given under the Trading Rules and Membership Agreement shall be in writing and shall be delivered or sent by letter or email to CROPEX at the addresses and numbers specified on its website at any time (if addressed to CROPEX) or to the relevant address or telephone number or e-mail address specified in its Trading Agreement or as otherwise changed by confirmed notice to and from CROPEX (if addressed to a Member). CROPEX and Members may communicate via Day Ahead Web in respect of issues that are covered by the functionality of the Day Ahead Web. CROPEX may also communicate generally to Member s via the website www.cropep.hr.
- 13.3. Notices shall be deemed to have been given (in the case of email communication) on the date on which they are validly received by the recipient's service provider or (in the case of other communications) on the date of delivery to the appropriate address.
- 13.4. CROPEX shall be entitled to act and otherwise rely upon any communication (whether or not in writing) which purports and which CROPEX believes in good faith:
 - a. to be issued by or on behalf of the Member; or
 - b. to have been approved by an individual who is authorised by that Member, and which (in the case of an electronic communication) satisfies the requirements of any applicable requirements of CROPEX in relation to the security and integrity of information which is transmitted electronically.

14. AMENDMENTS

- 14.1. CROPEX has the right to amend these Trading Rules.
- 14.2. CROPEX shall notify the Member about amendments to Trading Rules at least 30 (thirty) days before the amendments come into force, by publication on CROPEX's web site and by an e-mail notification with the confirmation of the delivery to the recipient; for avoidance of doubt publication on CROPEX's web site will serve as conclusive proof of the publication of the amendments.
- 14.3. It shall be deemed that the Member has received notification about amendments to Trading Rules two days after the amendments were published on CROPEX's website.
- 14.4. If the Member does not agree with the amendments, the Member has the right to terminate the Membership Agreement by written notification on termination which has to be delivered to CROPEX within 20 days after the amendments to the Trading Rules have been published on CROPEX's website.
- 14.5. The Member does not have the right to terminate Membership Agreement according to this clause if the amendments to Trading Rules offer the same conditions of membership (i.e. when the amendments to Trading Rules do not create disadvantages to Member in comparison to previous version of the Trading Rules) or when the amendments give the Member more favourable conditions of membership.

- 14.6. If CROPEX does not receive the Member's written notification on termination of the Membership Agreement within 20 days as of the publication of the amendments on CROPEX's web page, it shall be considered that the Member agrees with the proposed amendments to the Trading Rules.
- 14.7. If the Member validly terminates the Membership Agreement in accordance with this clause, Membership Agreement shall be terminated immediately upon receipt of the termination notification.
- 14.8. Amendments to the Trading Rules shall come into force 30 days after their publication on CROPEX's web site.

15. MISCELLANEOUS

15.1 Transfer of Rights

- 15.1.1. The rights of a Member under the Trading Rules are not assignable or otherwise transferable without the prior written consent of CROPEX.

15.2 Severability

- 15.2.1. If at any time any provision of the Trading Rules becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Trading Rules nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

15.3 Non-Waiver of Rights

- 15.3.1. No failure of a party to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under the Trading Rules shall operate as a waiver of the party's rights or remedies upon that or any subsequent occasion.

16. GOVERNING LAW AND DISPUTE RESOLUTION

- 16.1. These Trading Rules, all Transactions, Settlement and Clearing effected under them, and all non-contractual obligations arising out of or in connection with them, shall be governed by and construed in accordance with Croatian law.
- 16.2. The competent Croatian court in Zagreb shall have exclusive jurisdiction to settle any claim, dispute or difference which may arise out of or in connection with these Trading Rules, Member s Agreements and other Trading Agreements, including any question as to their existence, validity or termination.
- 16.3. Each Member and CROPEX irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the competent Croatian court in Zagreb and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any proceedings brought in the competent Croatian court in Zagreb (or in any appellate court having jurisdiction under the applicable procedural rules) shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction in accordance with the enforcement laws of that jurisdiction.

Zagreb, 11.12.2015.



Trading Appendix 1

Definitions

Issued by CROATIAN POWER EXCHANGE Ltd.

DEFINITIONS

This document sets out the definitions of capitalized terms in the Trading Rules:

Applicable Law	means the laws and regulations applicable under any applicable jurisdiction, including any order or judgment or other decisions of any competent court or Regulatory Body in accordance with such laws or regulations at the relevant place and time.
Auction	means the mechanism used in the auction market for the submission of Orders and calculating the volume and price for electricity delivery and off take within a specified Delivery Period.
Bank Guarantee	means an on-demand guarantee provided to and accepted by CROPEX as a Collateral for Member's obligations towards CROPEX.
Banking Day	means a day in which banks in Croatia perform banking activities.
Bid	means an Order to buy.
Cash Collateral	means Collateral in the form of cash deposits to Deposit Account.
Cash Settlement	means Cash Settlement to be carried out between CROPEX and Members.
Clearing	means a process where CROPEX enters into a Transaction as central counterparty and thus becomes Counterparty to the Members.
Clearing Day	means the Banking Days on which a Cash Settlement is carried out.
Clearing and Settlement Rules	means rules for Clearing and Settlement of Transactions contained in Trading Appendix 4 to the Trading Rules and forming a part of every Membership Agreement.
Clearing Responsible	means a person appointed by the Member to be responsible for the Clearing and Settlement and to act as a contact person for CROPEX with regard to Clearing and Settlement in Croatian Day Ahead Market.
Clearing System	The entirety of all hardware and software devices and all components necessary for the connection of the network nodes which form the technical basis for the implementation of Clearing in the electronic system.
Clearing Transaction	A Transaction established within the process of registration of Final Transactions registered for Clearing that forms the basis for Cash Settlement.
Collateral	means arrangements expressly accepted by CROPEX and recognized through the Clearing and Settlement Rules as security for a Member's obligations towards CROPEX arising from the Member's activities on

	Croatian Day Ahead Market, including cash deposits to a Deposit Account (Cash Collaterals) and Bank Guarantees, deposited or issued in accordance with the Membership Agreement.
Collateral Call	means CROPEX call for Collateral from a Member in accordance with the Clearing and Settlement Rules.
Counterparty	means the Member entering into a Transaction, and CROPEX acting as central counterparty in all Transactions.
Croatian Day Ahead Market	has the meaning described in Section 1.1.2 of the General Terms of the Trading Rules.
Croatian Day Ahead Market Area	means the bidding area operated by Croatian Transmission System Operator but term is used when referred to the Croatian Day Ahead Market.
Croatian Day Ahead Market Price	means the price determined in respect of each Delivery Period as the result of the Croatian Day Ahead Market Price Calculation.
Croatian Day Ahead Market Regulations	means regulation on Orders and Croatian Day Ahead Market Price Calculation contained in Trading Appendix 2 to the Trading Rules and forming a part of every Membership Agreement.
Croatian Day Ahead Market Price Calculation	means the methodology for determining the Croatian Day Ahead Market Price and appropriate Energy Volume as specified in Section 4 of the Croatian Day Ahead Market Regulations.
CROATIAN POWER EXCHANGE or CROPEX	means CROATIAN POWER EXCHANGE Ltd., a Croatian company seated in Zagreb, Ulica grada Vukovara 284, with ID 14645347149, registered in the court registry of the Croatian Commercial court in Zagreb with reg. no 080914267.
Day Ahead Web	means the internet/web based trading system which is offered and supported for Trading by CROPEX on the Croatian Day Ahead Market.
Decoupling	means a situation in which the process of price coupling is suspended and/or cancelled.
Definitions	means this document contained in Trade Appendix 1 to the Trading Rules and forming a part of every Membership Agreement.
Delivery Amount	means the electricity amount to be delivered upon settlement of Transactions as further provided for in Clearing and Settlement Rules.
Delivery Day	means a continuous series of Delivery Hours which starts at 00:00 CET hours on a calendar day and ends at 24:00 CET hours on the same calendar day, so that the beginning of a Delivery Day coincides with the time at the end of the previous Delivery Day.

Delivery Hour	means one clock hour within a Delivery Day.
Delivery Period	means a period consisting of one or more Delivery Hours.
Deposit Account	means a cash account opened by CROPEX at the Settlement Bank in the name of Member, on which cash deposits are kept as Cash Collateral.
Energy Volume	means the number of energy units to be delivered during the relevant Delivery Period(s), and shall unless otherwise specified be deemed expressed in MW.
Fee Schedule	means schedule of applicable fees contained in Trading Appendix 6 to the Trading Rules and forming a part of every Membership Agreement.
Final Transaction	means a Transaction which cannot be broken.
Force Majeure Event	means the occurrence of an event which (i) is outside the reasonable control of the affected party and (ii) which prevents such party from performing one or more of its obligations under the Trading Rules or the Clearing and Settlement Rules and (iii) such event or the impact of such event on the party's performance of relevant obligation(s) could not reasonably have been overcome or have been prevented by such party (iv) could not have been foreseen at the time when the Membership Agreement has been concluded and (v) have occurred after the Membership Agreement was concluded but before the obligations which it prevents have become due. For the purposes of this definition, acts of God or the public enemy, acts of a civil or military authority, terrorist or other criminal action, civil unrest, embargoes, fire, flood, labour dispute, unavailability or restriction of computer or data processing facilities, or unavailability or restriction of settlement systems or of bank transfer systems, shall normally be deemed to be outside the reasonable control of a party, provided that the party has otherwise acted with such prudence and care as could reasonably be expected of that party.
Gate Closure	means the time before which Orders in the Croatian Day Ahead Market must be received by CROPEX inside the Day Ahead Web in order to be valid, as specified in the Product Specification.
General Terms or Trading Rules – General Terms	means CROPEX's document contained in Trading Rules – General Terms, and forming a part of every Membership Agreement.
Hourly Order	means an Order in the Croatian Day Ahead Market where a Member states volumes to buy or sell at different price levels in a set of Price Steps defined for a specific Delivery Hour. Each pair of price and volume is handled as a point on an Order Curve with linear interpolation between each pair.

Market Conduct Rules	means rules on the Member's conduct on the Croatian Day Ahead Market, contained in Trading Appendix 5 to the Trading Rules and forming a part of every Membership Agreement.
Market Operator	means an entity responsible for organisation of electricity and gas market.
Market Surveillance	means the part of Trading Desk responsible for monitoring the compliance with the Market Conduct Rules.
Material Non-Compliance Event	has the meaning described in Section 9.1.2 of the Trading Rules - General Terms.
Maximum Price Limit	means the technical upper price limit in the Price Range.
Member	means an entity that has entered into a valid and effective Membership Agreement with CROPEX for trading in the Croatian Day Ahead Market.
Membership Agreement	means an agreement concluded between a Member and CROPEX, substantially in the form set out in 1. Trading Agreement to the Trading Rules, granting the Member access to Trading on Croatian Day Ahead Market.
Minimum Price Limit	means the technical lower price limit in the Price Range.
MRC	means Multi-Regional Coupling of EU day ahead markets.
TTS	means CROPEX's telephone and voice based system for registration of Orders.
MW	means one million (1,000,000) Watts.
MWh	means the energy generated or consumed at a constant rate of one (1) MW for the duration of one (1) hour.
Net Creditor	means a Member that has, in respect to individual Settlement Day, net financial liabilities towards CROPEX arising from the Member's Trading on the Croatian Day Ahead Market.
Net Debtor	means a Member that has, in respect to individual Settlement Day, net financial receivables towards CROPEX arising from the Member's Trading on the Croatian Day Ahead Market.
Non-Compliance Event	has the meaning described in Section 9 of the Trading Rules - General Terms.
Offer	means an Order to sell.
Order	means a Bid or Offer for a Product or several Products that a Member validly registers in Day Ahead Web.

Order Price	means the price which the Buyer is willing to pay or at which the Seller is willing to sell in relation to an individual Order, as applicable.
Order Price Limit	means the maximum or minimum limit for the Order Price.
Parties	means CROPEX or a Member.
Price Range	means a price range for an Auction set by CROPEX in accordance with Section 2.3 of the Croatian Day Ahead Market Regulations.
Price Report	means a statement from CROPEX to Members in accordance with Section 6.1 of the Croatian Day Ahead Market Regulations.
Price Step	means a pair of Order Price and Energy Volume values on an Order curve in the Croatian Day Ahead Market between (and including) the upper and lower Order Price Limits of the Order.
Product	means any Product listed on the Croatian Day Ahead Market, and references to a single Product shall mean all product series which are classified as being of the same type pursuant to the Product Specifications.
Product Specification	means specification of Products eligible for Trading on the Croatian Day Ahead Market, contained in Trading Appendix 3 to the Trading Rules and forming a part of every Membership Agreement.
Regulatory Body	means any competent department, agency, state or other political subdivision having jurisdiction over the relevant entity in respect of the relevant matter.
REMIT	means the Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency, together with any future changes or amendments.
Reopening	means an event when, due to specific circumstances, Croatian Day Ahead Market is reopened for submission of Orders after 12:00.
Representations	set of information on conditions and circumstances given by Members and/or CROPEX in accordance with Trading Rules and Membership Agreement.
Required Authorisations	means all governmental and other licences, authorisations, permits, consents, contracts and other approvals (if any) that are required to enable a party to fulfil any of its obligations under the Trading Rules in their entirety and especially under the Clearing and Settlement Rules in accordance with Applicable Law.
Settlement	means the process by which CROPEX handles Transactions in the Croatian Day Ahead Market through cash transactions.

Settlement Account	means a cash account opened by CROPEX at Settlement Bank through which Cash Settlement is performed.
Settlement Bank	means a bank in which CROPEX opened a Settlement Account and Deposit Accounts.
Settlement Day(s)	means the Day(s) specified in the Product Specification when the relevant Cash Settlement shall take place for a Product Series.
Statutory Default Interest	means the interest that a Member has to pay if it fails to fulfil its financial liabilities in time.
Table of Contents	means the part of the Trading Rules which is specified as such and lists the general contents of the applicable Trading Rules.
Tick Size	means the tick size specified in the Product Specification. The price of an Order placed in the Trading System must be divisible by the Tick Size.
Trade Limit	means a limit which is established by means of an amount in terms of money within which the Member can put Bids in Trading System on a Trading Day, set by CROPEX according to the Trading Rules.
Trade Lot	means the minimum volume of each Product, as specified for the relevant Product Series. The volume of each Order placed in the Trading Systems must be divisible into whole Trade Lots.
Trader	means a natural person authorised to conduct Trading on behalf of a Member in accordance with the applicable Trading Rules.
Trading	means the process in which Members entering into Transactions on a Croatian Day Ahead Market by submitting Orders.
Trading Currency	means EUR in which Members carry out Orders.
Trading Day(s)	means the calendar day(s) when a Croatian Day Ahead Market is open for Trading.
Trading Desk	means CROPEX's personnel providing support to Members for Trading in the Croatian Day Ahead Market and monitoring the Croatian Day Ahead Market.
Trading Fee	means the entrance fee, annual fee and the volume dependent fees charged to Members by CROPEX for Trading in the Croatian Day Ahead Market, as set by Fee Schedule.
Trading Hours	means the period of time during a Trading Day when the relevant product series is open for Trading, as further determined by the CROPEX as specified in the relevant trading schedule.
Trading Portfolio	means a document which contains a reference to the set of Transactions entered into by a Member, and

	which is assigned to the Member's associated Settlement Account. Trading Portfolios are operated and maintained by the CROPEX.
Trading Responsible	means a person appointed by the Member to be responsible for the Members Trading and to act as a contact person for CROPEX with regard to Trading in Croatian Day Ahead Market.
Trading Rules	means the general conditions to the Membership Agreement issued by CROPEX at any time to govern Trading on the Croatian Day Ahead Market, including the Trading Appendixes and the Trading Agreements.
Transaction	means an agreement between two parties to conclude one or several Contracts in one or several Products, irrespective of the form or format used to facilitate such agreement.
Transaction Information	means the aggregated information on Orders and Transactions registered with or called in or reported in the Day Ahead Web and/or TTS, in whatever format, including all copyrights, trade secrets, database rights and other proprietary rights pertaining to such information. Notwithstanding the generality of the foregoing, the term Transaction Information shall be deemed to include daily closing prices and other index, volumes, the net balances of open positions and historical values deriving from Orders and Transactions.
Transmission System Operator or TSO	means an entity responsible for operating, ensuring the maintenance of and developing the transmission system.
Value Added Tax or VAT	means any value added tax or tax analogous thereto imposed in any relevant jurisdiction, or any replacement or other tax levied by reference to value added to a Transaction, but excluding any statutory late payment interest or penalties.



Trading Appendix 2

Croatian Day Ahead Market Regulations

Issued by CROATIAN POWER EXCHANGE Ltd.

CROATIAN DAY AHEAD MARKET REGULATIONS

1. INTRODUCTION

- 1.1.1 These Croatian Day Ahead Market Regulations contain detailed provisions on Orders and Croatian Day Ahead Market Price Calculation in the Croatian Day Ahead Market and are part of the Trading Rules.
- 1.1.2 The Croatian Day Ahead Market provides the possibility of Trading by means of day ahead Trading based on all Orders received by Members prior to Gate Closure.
- 1.1.3 Following Gate Closure, all volume and Orders received are stacked and market equilibrium is calculated. Based on the price and volume market equilibrium, each Member's rights and obligations regarding the sale and purchase of electricity for the relevant Delivery Hours are determined as further set out herein.
- 1.1.4 Transactions resulting from Orders being matched in the Day Ahead Web are automatically and mandatorily registered for Clearing.

2. REGISTRATION OF ORDERS

2.1 Order Form

- 2.1.1 Orders in the Croatian Day Ahead Market shall be submitted using CROPEX' standard Order form and shall be transmitted to CROPEX per electronic communications as specified by CROPEX or manually entered in the Day Ahead Web.
- 2.1.2 CROPEX may, in situations where specified communication according to Section 2.1.1 is not working, decide that an alternative order form as specified by CROPEX, e.g. as a file in e-mail or copy of Order from a previous day, may be used. CROPEX may in such situations restrict the number of Price Steps in the Hourly Orders.
- 2.1.3 The Order form must provide complete information in order to be valid. In case of rejection, the Price Report received by the Member from CROPEX will declare that no Transaction is concluded.
- 2.1.4 The Members are responsible to check that the Orders submitted are correct and valid, without delay. This includes also situations where manual handling of the Orders by CROPEX has been found necessary. A Member cannot invoke mistake in registration of Orders if they did not warn CROPEX of such mistake as soon as possible. It shall be considered that it was possible to check the correctness and validity of the registration of an Order as soon as details of registration of an Order became available to the Member concerned.

2.2 Quoting

- 2.2.1 Subject only to Clause 2.5 below all Orders are binding and are available for acceptance in accordance with these Croatian Day Ahead Market Regulations.
- 2.2.2 Orders shall be quoted using the Order types as further specified in Section 3 below. Each Order must specify whether it is a Bid or an Offer, where Bids are denoted by positive Energy Volume numbers and Offers as negative Energy Volume numbers.
- 2.2.3 Order Price Limits must be within the Price Range specified by CROPEX at all times.
- 2.2.4 Members are obligated to quote Orders up to the amount (value) of the Collaterals posted to CROPEX in accordance with the Clearing and Settlement Rules. Any quoting of Orders above the posted Collaterals shall be considered as a Non-Compliance Event envisaged by the General Terms and will not be accepted by CROPEX and will be deleted from the Day Ahead Web and/or TTS.

- 2.2.5 Each Order to each Auction represents an individual and independent Order for the Delivery Period(s) to which it relates. Except as specifically mandated by the Order Type used, each Order shall represent an individual offer to buy or sell independent of any other Orders submitted by, or on behalf of, each Member to the same Auction during that Delivery Period(s).
- 2.2.6 Each Auction always relates to the following day starting from 00:00 CET. Orders can be registered from the time they are made available for Trading and until Gate Closure.
- 2.2.7 CROPEX may in its sole discretion, but shall have no obligation to, contact Members by telephone or e-mail and offer that the Member may submit and/or correct an Order should CROPEX have reason to believe that an Order submitted by the Member is erroneous, or that the Member erroneously has failed to submit an Order. CROPEX shall under no circumstances be liable for errors made by Members in submission of Orders, regardless of whether CROPEX decided to or had a chance to react as provided in this stipulation.

2.3 Price Range

- 2.3.1 CROPEX shall for Auction set a Price Range within which all Order Prices in the Croatian Day Ahead Market must be for that Auction.
- 2.3.2 CROPEX may change the Price Range set by giving at least 4 (four) days' notice. In case of a change of the Price Range for any Auction following the opening of Orders for that Auction, all Orders submitted prior to such change will automatically be deleted. CROPEX is not liable for any costs or expenses directly or indirectly incurred by Members because of the change in Price Range.
- 2.3.3 Prices for Orders are to be quoted in a currency approved by CROPEX. The maximum number of decimals that can be quoted in each currency is determined by CROPEX.

2.4 Gate Closure

- 2.4.1 By no later than Gate Closure each day the Member shall submit its Orders relating to the next day starting from 00:00 CET.
- 2.4.2 Orders received following Gate Closure will be considered null and void regardless of cause. For the avoidance of doubt, this also applies to Orders received after Gate Closure by reason of Force Majeure or communication failure and irrespective of whether or not the Member is in any default.
- 2.4.3 Members experiencing technical difficulties when submitting Orders to CROPEX must inform CROPEX about this immediately.

2.5 Order Amendments

- 2.5.1 Hourly Orders which have been submitted are cancelled if the Member submits a new Hourly Order covering the same Delivery Hour. In case of several Hourly Orders submitted by the same Member for the same Delivery Hour, the Hourly Order last received by CROPEX will consequently always be the only Hourly Order which is deemed valid.
- 2.5.2 The Members are responsible to check that the Orders (and any amendments thereto) submitted and received by CROPEX are correct and valid.

3. ORDER TYPES

3.1 Hourly Orders

- 3.1.1 Hourly Orders are the Member's statement of its willingness to purchase or sell a specified Energy Volume in a Croatian Day Ahead Market Area at a specified price in a given Delivery Hour of the applicable Delivery Day.

- 3.1.2 In each Hourly Order, the Member shall submit a set of Order Price and Energy Volume specifications for the applicable Delivery Hour, starting with the Energy Volume at the lower Order Price Limit and ending with the Energy Volume at the upper Order Price Limit. Additional Price Steps may be specified as set out in the Product Specifications.
- 3.1.3 The Energy Volume given in an Hourly Order for sale (Offer) must be constant or increasing with increasing Order Prices. The Energy Volume given in an Hourly Order for purchase (Bid) must be constant or decreasing with increasing Order Prices.
- 3.1.4 To create an Order curve, CROPEX will upon reception of an Hourly Order interpolate the values between each Price Step in the Hourly Order by means of linear interpolation, and the Hourly Order will be deemed to apply to each interpolated value on the resulting Order curve.

4. MATCHING

4.1 Information on Matching Process

- 4.1.1 The calculation process in which Orders are matched is described in the Public description of the PCR Market Coupling algorithm Euphemia available on CROPEX website.

4.2 Matching of Hourly Orders and Calculation of Croatian Day Ahead Market Price and Auction Volume

- 4.2.1 All Orders submitted for each Delivery Hour will be regarded as a point on an Order curve for Offers and Bids respectively, where each Order curve is created by interpolating straight lines between the Orders on the curve. The point of intersection between the aggregated Offer and Bid curves establishes the Croatian Day Ahead Market Price and Energy Volume for Croatian Day Ahead Market Area for that Delivery Hour.
- 4.2.2 Any imbalance between total Offers and total Bids caused by the rounding off of volumes for each Member when calculating the Croatian Day Ahead Market Area Price will be shared between Members whose Orders are accepted in respect of the relevant Delivery Hour.
- 4.2.3 All Transactions in the Croatian Day Ahead Market relating to one Delivery Hour will be carried out at the Croatian Day Ahead Market Area Price applicable for that Delivery Hour.
- 4.2.4 All Prices are calculated in EUR.

4.3 Procedure in Case of Non-Matching

- 4.3.1 In case of non-matching between the supply and demand curves in the Croatian Day Ahead Market the trading system will curtail either the supply curve or the demand curve, depending on if there is an oversupply or under supply in the area. The total curtailment is divided among all Members whose Orders were taken into consideration in creating supply and demand curves pro rata based on their wish for sale or purchase at minimum or maximum price.

5. REOPENING IN CASE OF UNFORESEEN DECOUPLING

- 5.1.1 In the event of unforeseen Decoupling inside MRC related to the formation of Croatian Day Ahead Market Price, and due to the usage of Euphemia matching algorithm, CROPEX will announce Reopening of the order book. During the Reopening any Member may enter or re-enter Orders for Croatian Day Ahead Market.
- 5.1.2 The Reopening period and new Gate Closure will be announced by CROPEX, but it is expected to reopen order book for additional 10 minutes.

6. REPORTS

6.1 Price Report

- 6.1.1 When the Auction has been completed a publication will be made of Croatian Day Ahead Market Area Prices and corresponding Energy Volumes within Croatian Day Ahead Market Area.
- 6.1.2 CROPEX shall inform each Member of its confirmed purchase/sale position in a Price Report.
- 6.1.3 The Price Report specifies the Croatian Day Ahead Market Area Price and Energy Volume for each Delivery Hour in which Order(s) have been matched.
- 6.1.4 The Price Reports will normally be made available to Members on Day Ahead Web immediately following the final confirmation of the Auction results. If the Price Report is delayed, CROPEX shall give the Members notice of such delay as soon as possible. Price reports will in addition be sent to each Member by communication specified by CROPEX.

6.2 Nominations

- 6.2.1 Members are obliged to include all purchase and sale volumes on Croatian Day Ahead Market inside their daily physical nominations according to the applicable Croatian energy legislation.

7. HANDLING OF ERRORS

- 7.1.1 If the Member becomes aware of errors in Order(s), the Member shall notify CROPEX immediately of such errors.
- 7.1.2 Following receipt of a notice pursuant to Section 7.1.1, CROPEX shall consider in its sole discretion whether any measures can be taken to avoid or mitigate any potential losses of the Member without conflicting with the Auction Price and the interests of the market, other Members, or any obligations of CROPEX.

8. AUCTION DELAY OR FAILURE

- 8.1.1 If CROPEX is delayed in performing an Auction, CROPEX shall inform Members by publishing an message on CROPEX website with regular intervals starting no later than 13:00 CET, until such time as the Auction is successfully completed.
- 8.1.2 If market results are not available by 13:50 CET, CROPEX will cancel the Auction for the Delivery Day.
- 8.1.3 In case of cancelation of the Auction all Orders entered in the Day Ahead Web will be deleted.



Trading Appendix 3

Product Specification

Issued by CROATIAN POWER EXCHANGE Ltd.

1 INTRODUCTION

1.1 General

This Product Specification applies together with Trading Rules in their entirety, with further rules and regulations regarding Products being set out in the Croatian Day Ahead Market Regulations, as applicable.

1.2 Time References

References to points in time refer to CET time, and unless otherwise specified time is denoted in the 24-hour format. Date references are to calendar days unless otherwise specified.

Short-clock change:

On the short-clock change day in March (beginning of summer savings time), there will only be 23 hours in the Croatian Day Ahead Market so that the clock hour between 02:00 and 03:00 will be skipped on that day.

Long-clock change:

On the long-clock change in October (end of summer savings time) there will be 25 hours in the Croatian Day Ahead Market. The common day-ahead price calculation and programs cover 25 hours. 25 hours must be reported and the two hours between 02:00 and 03:00 may be treated as two different hours.

1.3 Cash Settlement

Cash Settlement for deliveries taking place on each Delivery Day will take place as follows, regardless of product series:

- a) For each invoice with net Cash Settlement amounts owing to CROPEX:
 - Delivery Day + 1 day
- b) For each invoice with net Cash Settlement amounts owing from CROPEX:
 - Delivery Day + 2 days

Further rules and procedures relating to Cash Settlement and Delivery are set out in the Trading Rules.

2 CROATIAN DAY AHEAD MARKET

2.1 General

- **Quotation Method:** Continuous submission of Orders until Gate Closure, following qualifying Orders will be matched using the Auction method set out in the Croatian Day Ahead Market Regulations.
- **Trading Hours:** The coming 24 hours starting from 00:00 CET.
- **Gate Closure:** 12:00 CET
- **Trade Lot:** 0,1 MW
- **Tick Size:** Euro 0.1/MWh
- **Currency:** Orders are submitted in EUR. Price calculation in EUR.
- **Order Types:** Hourly Orders
- **Price Steps:** The number of Price Steps is 64 (including the upper and lower Order Price Limits)
- **Minimum Price Limit:** Euro – 500.
- **Maximum Order Price Limit:** Euro + 3000.
- **Delivery:** As specified in the Order.
- **Cash Settlement:** See item 1.3 above. Settlement calculations will be based on actual Deliveries per Delivery Hour on each applicable Delivery Day.

2.2 Croatian Day Ahead Market contract codes

Suffix (variable)	Explanation	Range
dd	Day of month (two digits)	01 - 31
mm	Month of year (two digits)	01 - 12
yyyy	Year (four digits)	Current year (next year)
nn	Clock hour	00:00 – 24:00

2.3 Croatian Day Ahead Market Trading Hours

Contracts for each week (Monday through Sunday) will normally be opened for Orders in the Croatian Day Ahead Market on Monday two weeks in advance. If Monday is a holiday the contracts will be opened on the next working day. In relation to holiday periods the trading week may be opened earlier, while in relation to technical implementations the trading week may be opened later by CROPEX sole discretion.



Trading Appendix 4

Clearing and Settlement Rules

Issued by CROATIAN POWER EXCHANGE Ltd.

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1. INTRODUCTION

- 1.1.1 These Clearing and Settlement Rules apply to the Clearing and Settlement of Transactions in the Croatian Day Ahead Market.
- 1.1.2 Clearing is conducted by CROPEX entering into a Transaction between Members as a central Counterparty and by registering the Transaction on the Settlement Account ascribed to respective Members. Clearing is subject to the Trading Fees set out in the Fee Schedule.

2. PREREQUISITES FOR CLEARING**2.1 Membership Categories and Requirements**

- 2.1.1 Only entities with legal personality under Applicable Law may apply for membership. CROPEX may under special circumstances and in its sole discretion deviate from this requirement.
- 2.1.2 A prospective member must upon request from CROPEX be able to document that it possesses all Required Authorisations for its applicable membership.

2.2 Counterparty Eligibility

- 2.2.1 Only Members are eligible as Counterparties to CROPEX in Clearing Transactions. To be eligible as a Counterparty to Clearing Transactions, the Member must at the time that each Clearing Transaction is registered:
 - a. have appointed a Clearing Responsible;
 - b. have been granted one or more Trading Portfolio(s) by CROPEX;
 - c. have paid Cash Collateral on a Deposit Account or have provided a Bank Guarantee, and have met its Collateral Call; and
 - d. not have its access to Clearing suspended or terminated in accordance with the Trading Rules.
- 2.2.2 Members must at all times, and immediately upon request from CROPEX, be able to document that they fulfil the criteria of this Section 2.2.

2.3 Continuous Information Obligations of Members

- 2.3.1 CROPEX may at any time request for and obtain credit information and otherwise monitor a Member's financial standing and soundness, level of competence and other matters relevant (in the opinion of CROPEX) to the financial and legal status of the Member, including Required Authorisations. Each Member agrees promptly to provide such information and documents as CROPEX may request, and to request any other party holding such information or documents on behalf of the Member to release such information or documents.
- 2.3.2 CROPEX may, without being prevented by any duty of confidentiality by any holder of information, request for and obtain such information and documents (where available) from the Member's bank(s) or other sources of relevant information as CROPEX considers appropriate. The Member shall promptly provide any additional waiver required for information to be provided to CROPEX.
- 2.3.3 A Member shall immediately notify CROPEX in writing as soon as the Member becomes aware of or finds it likely that any of the following events will occur in relation to it:
 - a. any Non-Compliance Event under the Trading Rules or disciplinary, criminal, or regulatory proceedings related to Trading and Clearing activities involving the Member or its board of directors or employees involved in its Clearing with CROPEX;
 - b. any other matter relating to it of which a Member acting in good faith would reasonably expect to be of interest to CROPEX in relation to Clearing and its position as a Member.

3. ACCOUNT STRUCTURE

3.1 Trading Portfolio

- 3.1.1 Each Member is granted Trading Portfolio(s) for the Croatian Day Ahead Market in accordance with their Membership Agreement and Trading Rules.

3.2 Cash Accounts

- 3.2.1 CROPEX shall open and manage the following cash accounts:
- a. Settlement Account
 - b. Deposit Accounts.
- 3.2.2 Accounts shall be opened by CROPEX in compliance with the Trading Rules in their entirety. A Member is responsible for all liabilities and debts by any third party towards CROPEX for every account opened for the purpose of the Clearing and Settlement for that respective Member.
- 3.2.3 The CROPEX may lay down more detailed procedures to determine types of accounts and the method of managing the accounts for the implementation of the Clearing tasks and Cash Settlement.
- 3.2.4 Member shall be obliged to settle its liabilities arising from Clearing Transactions by paying the applicable Trading Fees to the Settlement Account.
- 3.2.5 The sums of credit in a Deposit Accounts to the benefit of the Member may be used by CROPEX for payment of any liability of a Member towards CROPEX, even if the liability does not derive from the provisions of the Trading Rules.
- 3.2.6 If a Member fails to fulfil financial liabilities in time, CROPEX shall charge Statutory Default Interest on any unpaid due amounts. Interest is charged starting at the date of payment maturity and finishing at the date of the actual settlement of the debt.

3.3 Settlement Account

- 3.3.1 Cash Settlement shall be made by CROPEX via the Settlement Account opened at the Settlement Bank in the name of each Member.
- 3.3.2 The Settlement Bank shall keep and CROPEX shall manage the Settlement Account. Clearing Transactions are finally settled by CROPEX through the transfer of net cash payments on or from Settlement Account.

3.4 Deposit Account

- 3.4.1 Cash Collaterals shall be kept in the Deposit Account at the Settlement Bank.
- 3.4.2 CROPEX shall manage these funds for each Member on a separate Deposit Account.
- 3.4.3 Member has to inform CROPEX in writing for any Transactions from/to Deposit Account that effect on the value of Trade Limit.

4. CLEARING PROCEDURES

4.1 Transactions Concluded on the Croatian Day Ahead Market

- 4.1.1 Transactions concluded on the Croatian Day Ahead Market are automatically and mandatory subject to Clearing in accordance with the applicable Trading Rules.
- 4.1.2 Each Transaction in the Croatian Day Ahead Market which is determined so by CROPEX, which is deemed concluded on behalf and to the benefit of the Member who has concluded the Transaction, shall be provided to registration, invoicing, offsetting and settlement in the Clearing System.

4.1.3 The Members are under an obligation to deliver or off-take the Delivery Amounts. Non-delivery or non-off-take is to be settled in accordance with applicable Croatian legislation, with no liability for CROPEX.

4.1.4 Cash Settlement will be based on the Transactions recorded in Clearing System with CROPEX only, and will not reflect non-delivery or non-off-take.

4.2 Cash Settlement

4.2.1 CROPEX will provide information to respective Members on each Member's Deposit Account, including information about Cash Settlement and Collateral.

4.2.2 For each Clearing Day, CROPEX will make available statements to Members relating to Transactions and indicating the net amount per Trading Portfolio since the previous Clearing Day. These statements form the basis for the Cash Settlements falling due on that Clearing Day.

4.2.3 CROPEX issues invoices and self-billing invoices separately to Members based on the statements referred to in Section 4.2.2. above. In addition, the Members will be charged for the volume trading fee and volume clearing fee as set out in the Fee Schedule. The CROPEX shall forward the invoices to a Member in written form by e-mail to the address stated in the Membership Agreement.

4.2.4 The invoice falls due the first Clearing Day following the day on which invoice was sent to the Member. The Member is obliged to provide the due amount to the Settlement Account by 11:00 AM on the date of payment with value date equal to the due date, and in the relevant settlement currency.

4.2.5 CROPEX is obliged to deposit the Amounts provided in the self-billing invoice on the Members bank account with value date, at the latest, on the second Clearing Day following invoice day and in the relevant settlement currency.

4.2.6 Trading is in EUR. Settlement is in EUR for non-resident Members and in HRK for resident Members. CROPEX applies the middle exchange rate of the Croatian National Bank published every Clearing Day for translating EUR into HRK and vice versa.

4.3 Collateral Requirements

4.3.1 Each Member must at its own cost establish and maintain Collateral in accordance with the Trading Rules and these Clearing and Settlement Rules, and ensure that the value of its Collateral posted at all times meets the applicable Collateral Calls.

4.3.2 CROPEX shall accept Collateral of one or a combination of the following forms:

- a. Cash deposited in the Deposit Account,
- b. Bank Guarantee accepted by CROPEX.

4.3.3 The Collaterals which have been deposited by Members are used as collateral for all the obligations of the Member towards CROPEX arising from Member's activities on the Croatian Day Ahead Market and from its membership. Collaterals refer to all contractual or non-contractual obligations which may arise for Members, including but not limited to payment of due price for Products, Trading Fees, Statutory Interest Rate applicable to monetary obligations, as well as all indemnities owed to CROPEX, including those arising from damages or expenses incurred by CROPEX because of third parties claims, VAT, customs or cross border capacity.

4.3.4 If a Member in opinion and at discretion of CROPEX does not have sufficient cash deposits or has insufficient other Collaterals, the Member must deposit additional Collaterals in the form, in the manner and at the time set forth by the CROPEX.

4.3.5 CROPEX shall request that a Member deposits a minimum Collaterals. Such Collaterals shall be deposited in the form of cash deposit or an unconditional Bank Guarantee without objection, on the first call, according to these Settlement and Clearing Rules.

4.3.6 All costs arising in the procedure of encashment of the Collaterals shall be borne by the Member posting the respective Collateral that has been encashed.

- 4.3.7 According to its own judgement and with citing reasons, CROPEX shall be entitled to change the level of required Collateral or require additional Collaterals from a Member, or vice versa stipulate a lower amount of Collateral or return a part of Collaterals already deposited. Collaterals required on the basis of this point of the Rules shall be deposited upon request and in the form prescribed by CROPEX.
- 4.3.8 Member can make a claim to CROPEX for return of Collaterals in the writing form that is duly signed by the Members authorized representative.
- 4.3.9 Claim for return of Collaterals may not exceed the required Collaterals of Member reduced by the current financial liabilities of the respective Member towards CROPEX.
- 4.3.10 In case the claim for return of Collaterals in 4.3.9 exceeds the required Collaterals of the Member, CROPEX shall refuse the submitted claim.
- 4.3.11 CROPEX requires minimum collateral from all Members. The minimum collateral call can be adjusted at CROPEX discretion. The minimum Collateral must be established prior to the commencement of Trading. The Collateral Call can be set individually for all Members.
- 4.3.12 CROPEX shall stipulate the Collateral Calls for new Members, based on, inter alia, anticipated future net purchases.
- 4.3.13 Collateral Calls are stipulated by CROPEX each Clearing Day as the total purchase price for each Members net electricity purchase in Trading during a period of days decided by CROPEX, including VAT. The period can be changed with two days' notice.
- 4.3.14 If a Member changes from net sale to net purchase, for the first such day, the Collateral Call is stipulated as net electricity purchase on the first day multiplied with a number of days, as set out by CROPEX. If the Member continues as a net purchaser, the Collateral Call shall be adjusted daily during the number of days set out by CROPEX and thereafter stipulated on ordinary terms. If the Member returns to a net sale position, the Collateral Call shall be reduced daily until the minimum amount is re-obtained.
- 4.3.15 The Collateral Call shall be set in HRK or in EUR depending on Members seat.
- 4.3.16 CROPEX may on its own discretion adjust the Collateral Call if the Members Trading change, or if special circumstances so require.
- 4.3.17 A Member shall be notified of any Collateral Calls by 16:00 CET each Trading Day. Collateral Call must be met by 11:00 CET on the following Clearing Day.
- 4.3.18 CROPEX reserves the right to demand an extraordinary Collateral in cash from a Member at any time on account of the risk assessment which it carries out in the course of the Trading Day.
- 4.3.19 Extraordinary Collaterals have to be settled immediately in the corresponding currency to the Deposit Account of that Member.
- 4.3.20 CROPEX may also, in its sole discretion, apply any other risk calculation procedure that the CROPEX considers appropriate under the relevant circumstances. The Collateral Call can be set individually for all Members.
- 4.3.21 CROPEX is not liable towards Member for losses or lost profits, because of the change in price of one currency against another, if a Member submits cash deposit in currency different from currency in which the Transactions are concluded. Members affirm that they have properly hedged their positions, when submitting Cash Collateral to CROPEX in order to avoid eventual currency risk.
- 4.3.22 The Member can authorize CROPEX to transfer funds from Deposit Account, if Member is Net Debtor in respect to individual Settlement Day to its Settlement Account and to settle from the funds it has made available in cash on Deposit Account, if it is Net Creditor in respect to individual Settlement Day. The contents, procedure and method of direct debit to/from Deposit Account for Croatian Day Ahead Market shall be defined in separate agreement.
- 4.3.23 In case the amount of the Collaterals is not credited to the account of CROPEX within the period of time specified, CROPEX shall be entitled to use the Collaterals posted in Cash Collateral at its own discretion within the framework of its business activities in order to safeguard its own working order as a CROPEX.

- 4.3.24 The Member can cover its obligation to pay required Collaterals by submitting a Bank Guarantee from a bank recognised by the CROPEX.
- 4.3.25 Prior to submitting a Bank Guarantee for the purpose of meeting Collaterals from the previous point the Member has to:
- notify CROPEX regarding the purpose of the submission of the Bank Guarantee on the prescribed form;
 - verify whether CROPEX accepts Bank Guarantees from the bank in question and for the amount stipulated before finally reaching agreement with the bank on the Bank Guarantee.
- 4.3.27 The Bank Guarantee has to be issued in the form prescribed by CROPEX on CROPEX's web site.
- 4.3.28 The acceptance or refusal of a Bank Guarantee as a method of Collateral shall be the discretionary right of CROPEX. CROPEX shall not first-hand provide any argumentation for its decision to accept or refuse a Bank Guarantee. The same shall apply to the choice of bank and the limit (size) of the Bank Guarantee. However if the Member requests argumentation on acceptance or refusal of a Bank Guarantee CROPEX shall provide it.
- 4.3.29 The recipient of the Bank Guarantee (the beneficiary) shall be CROPEX. The Bank Guarantee has to contain unconditionally, a no objection or a first call clause or words with the same meaning. The Bank Guarantee has to contain an unconditional and irrevocable Guarantee by the guarantor to ensure the payment of the amount stipulated in the Bank Guarantee to CROPEX at the first request. The Bank Guarantee must also contain a clause under which the partial encashment of the Bank Guarantee is possible.
- 4.3.30 In case a Bank Guarantee has not been replaced by another Bank Guarantee or in cash by the Member concerned until ten (10) days before expiry of its effectiveness, CROPEX shall automatically reduce the Trade Limit of the Member concerned.
- 4.3.31 CROPEX shall cash in the Bank Guarantee if the Member fails to settle its liabilities by the deadlines described in Section 4. above. CROPEX shall notify the Member that the Bank Guarantee will be cashed in.

5. **VAT**

- 5.1.1 VAT shall be applied to all Members registered in Croatia (residents), and namely:
- To all amounts due as a result of concluded Transactions,
 - In calculating required Collaterals.
- 5.1.2 For Members registered outside of the Croatia (non-residents), payment of all taxes, VAT included, shall be an obligation of the respective Member in accordance with Applicable Law in the country of registration.
- 5.1.3 CROPEX is not liable for any sort of VAT indemnification towards Members.

6. **NON-COMPLIANCE**

- 6.1.1 Any breach of these Clearing and Settlement Rules (including any non-payment of due amounts owed by the Member to CROPEX) shall be considered as Non-Compliance Event or Material Non-Compliance Event (as the case may be) as defined by Section 9 of the Trading Rules – General Terms.
- 6.1.2 Upon occurrence of a Non-Compliance Event CROPEX shall be entitled to issue to the defaulting Member a written notice requesting that the Non-Compliance Event be remedied within fifteen (15) calendar days following the issuing of the respective written notice.
- 6.1.3 Immediately upon occurrence of a Material Non-Compliance Event as defined by Section 9 of the Trading Rules – General Terms (including a case of non-payment by Member to CROPEX of any of its payment obligations under the Trading Rules), CROPEX shall be entitled to either one, or a combination of, or all of the following remedies:
- to declare any or all claims of or against the defaulting Member arising from Trading on the Croatian Day Ahead Market due on that date; and/or

- b. to withhold any cash settlement amount owed to the Member and to set-off such withheld amounts with the amount owed by the Member to CROPEX; and/or
- c. to enforce, realise and apply its rights in the Collateral posted by the Member by:
 - (i) drawing upon Bank Guarantees provided to CROPEX by the Member, and/or
 - (ii) drawing upon the balance of the Deposit Accounts provided to CROPEX by the Memberand/or
- d. without prejudice and in addition to the foregoing, in any case upon occurrence of a Material Non-Compliance Event (as defined by Section 9 of the Trading Rules – General Terms), the remedy under Section 9.1.5 of the Trading Rules – General Terms.



Trading Appendix 5

Market Conduct Rules

Issued by CROATIAN POWER EXCHANGE Ltd.

MARKET CONDUCT RULES

1. INTRODUCTION

- 1.1** These Market Conduct Rules are part of the Trading Rules for Croatian Day Ahead Market. The provisions herein apply to all Members of Croatian Day Ahead Market as they form a constituent part of the Membership Agreements.
- 1.2** It is the responsibility of each Member to ensure compliance with the Market Conduct Rules by all relevant parts of its organisation and each Member shall ensure that any person involved in Trading and/or Clearing on its behalf, including members of management and other persons who make decisions in relation to Products through the exercise of their employment, profession or other duties towards the Member, are subject to restrictions and obligations that enables the Member to fully and efficiently comply with these Market Conduct Rules.
- 1.3** Except as instructed by CROPEX or otherwise set out herein, Market Surveillance shall have the authority to represent and act on behalf of CROPEX in all matters regulated by the Market Conduct Rules and references to "CROPEX" herein shall be construed accordingly. This authority of Market Surveillance includes authority to make requests for information pursuant to Section 6.1 below and to issue non-public warnings pursuant to Section 8.28.2 below, but does not include the issue of any public warnings.

2. COMPLIANCE WITH APPLICABLE LAW

- 2.1** All Members shall at all times comply with Applicable Law and these Market Conduct Rules.

3. INTERPRETATION

- 3.1** Capitalized terms in the Market Conduct Rules shall, unless as otherwise defined herein, have the meanings assigned to them in the Definitions (Trading Appendix 1). Further principles of interpretation are set out below and in the General Terms.
- 3.2** For the purpose of these Market Conduct Rules, the term "**Inside Information**" means information of a precise nature which has not been made public, which relates, directly or indirectly, to one or more Products and which, if it were made public, would be likely to significantly affect the prices of those Products.

For the purposes of these Market Conduct Rules (and as otherwise used herein in connection with "Inside Information"):

(a) The term "**information**" means:

- i. Information which is required to be made public in accordance with these Market Conduct Rules, contracts or customs for the Croatian Day Ahead Market, in so far as this information is likely to have a significant effect on the prices of Products;
- ii. Information which is required to be made public in accordance with Applicable Law, including rules and/or guidelines issued by any relevant Regulatory Bodies, in so far as this information is likely to have a significant effect on the prices of Products; and
- iii. Other information that a reasonable Member would be likely to use as part of the basis of its decision to enter into a Transaction relating to, or to issue an Order in, a Product.

(b) The term "**precise nature**" means information that indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of Products.

Information regarding the Member's own plans and strategies for Trading shall not be considered as Inside Information.

3.3 In case of conflict between the Market Conduct Rules and other provisions of the Trading Rules, which cannot be resolved through ordinary principles of interpretation, the Market Conduct Rules shall prevail as special regulation insofar as it relates to the subject matter of the Market Conduct Rules.

3.4 The Market Conduct Rules are without prejudice to the obligations of Members under Applicable Law.

4. GOOD BUSINESS CONDUCT

4.1 Members shall at all time act in accordance with these Market Conduct Rules when engaged in trading and related activities in Products, and shall seek to promote integrity and efficiency in the Croatian Day Ahead Market. Members shall take due account to any relevant regulatory or legal obligations, any proper and relevant professional standards of conduct, and the need for the Croatian Day Ahead Market to operate fairly and efficiently for all Members.

4.2 Each Member shall ensure that any Orders placed by it reflect a genuine purchase or sales interest, and that all Transactions to which it is a party are genuine.

4.3 A Member may not in any way improperly influence the price or price structure in the Croatian Day Ahead Market, or otherwise disturb other Members' access to or participation in the market.

4.4 Members must not apply unreasonable business methods when carrying out Trading, and shall always seek to act in accordance with good business practice.

5. DISCLOSURE REQUIREMENTS

5.1 Each Member shall publicly disclose any information as set out in this Section 5 relating to the Croatian electricity market regarding the business or facilities which the Member concerned owns or controls or for whose operational matters that Member is responsible, either in whole or in part.

5.2 These disclosure requirements do not apply to information regarding the Member's own plans and strategies for Trading.

5.3 Information shall be deemed to relate to the Croatian electricity market if the information relates to business or facilities inside the Croatian area, if the Member possesses this information and the information is not publicly disclosed in accordance with REMIT or other transparency regulation elsewhere.

6. DUTY TO PROVIDE INFORMATION TO CROPEX

6.1 Subject to Section 6.6 below, Members are obliged to provide all information which CROPEX considers relevant either in the context of the performance of CROPEX supervision of the Croatian Day Ahead Market or in the context of any investigation of any suspected breach of the Market Conduct Rules or to comply with Applicable Law as soon as possible following a written request from CROPEX. Members shall make all necessary arrangements with third parties in order to ensure that they are able to comply with their obligations under this Section **Error! Reference source not found.**

6.2 Members shall ensure that their officers, employees, agents and other personnel are subject to obligations substantively similar to those set out in Section 6.1.

6.3 Each Member acknowledges that:

- (a) CROPEX may from time to time, whether or not such information is acquired in the context of an investigation or not, provide information on Trading activity and other relevant information to the relevant Regulatory Body. Such information may also be provided to the market surveillance teams of other relevant market places or TSO, always provided that there is a written agreement put in place between CROPEX and such relevant market place or TSO limiting the use of the shared information to market surveillance purposes and ensuring the confidential treatment of such information;

- (b) All communication with CROPEX may be recorded, stored and used in connection with the monitoring of compliance with Applicable Law and these Market Conduct Rules,

and each Member shall procure all necessary consents from all its relevant officers, employees and agents prior to such individuals communicating with CROPEX on behalf of such Member.

- 6.4** Communication between Members and CROPEX may include personal data relating to individuals to the extent such information is comprised within any relevant communication or is otherwise necessary.
- 6.5** Nothing in this Section 6 shall be interpreted as being in conflict with a Member's duty to comply with Applicable Law.
- 6.6** Information received in accordance with this Section 6 shall only be used for the purpose of surveillance of the Market Conduct Rules and Applicable Law, including the investigation of suspected breaches.

7. PUBLICATION OF INFORMATION RELATING TO INVESTIGATIONS

- 7.1** CROPEX may make public the fact that investigations of any specific matter have been initiated, provided that the identity of the Member under investigation is not disclosed. CROPEX may only make public the identity of a Member under investigation if, at the sole discretion of CROPEX, such publication is necessary to sustain the integrity of the relevant market, or to prevent unjustified damage and/or loss of reputation to another Member, and the envisaged consequences of the Member's identity being disclosed are proportionally deemed less onerous than those resulting from non-disclosure. A Member whose identity has been made public in accordance with this Section 7.1 may require CROPEX to disclose and make public the results of the investigation.
- 7.2** CROPEX may disclose the results of any investigations which lead to a public warning or Violation Charge under Section 8 below, including the identity of the Member. CROPEX may furthermore reproduce and/or publish any relevant information gathered in the investigations to the extent such reference is reasonably necessary for CROPEX's reasoning in respect of its decision or the grounds for its decision. CROPEX shall endeavour to present and publish information under this Section 7 in a neutral manner, and only following a prior notification to the Member that is subject to the applicable investigation and/or disciplinary actions.
- 7.3** Nothing in this Section 7 will be considered a breach of CROPEX's obligation of confidentiality.

8. CONSEQUENCES OF BREACH OF MARKET CONDUCT RULES

- 8.1** Any breach of these Market Conduct Rules shall be considered as Non-Compliance Event or Material Non-Compliance Event (as the case may be) under the Trading Rules – General Terms.
- 8.2** In the event of a Non-Compliance event as set out in Section 8.1 above, CROPEX shall have the right to issue a non-public notice regarding the breach to the Member, requesting that such breach be remedied within fifteen (15) calendar days after CROPEX sent the notice regarding the breach to the Member.
- 8.3** In case the breach of Market Conduct Rules envisaged in 8.2 is not remedied in accordance with the notice given under Section 8.2, such breach shall be considered as Material Non-Compliance Event and Section 9.1.5 of the Trading Rules – General Terms shall apply.
- 8.4** Nothing in this Section 8 shall limit a Member's rights, obligations or liabilities under Applicable Law, and any disciplinary actions imposed hereunder shall be in addition to any disciplinary actions or penalties imposed by other entities than the CROPEX under Applicable Law.

9. PROCEDURES FOR INVESTIGATION OF BREACHES AND DISCIPLINARY ACTIONS

- 9.1** General

- (a) This Section 9 sets out the procedures applicable to the investigation by or on behalf of CROPEX of possible breaches of the Market Conduct Rules or Applicable Law.

9.2 Investigations and Market Surveillance's Recommendations

- (a) If Market Surveillance suspects a breach of the Market Conduct Rules or Applicable Law, it will initiate an investigation. Such investigations may be initiated in the sole discretion of Market Surveillance regardless of the knowledge of the Member(s) involved.
- (b) If the investigations of Market Surveillance support the suspicion of a breach of Applicable Law, Market Surveillance may in its sole discretion report to the relevant Regulatory Body.
- (c) If the investigations of Market Surveillance support the suspicion of a breach of Market Conduct Rules, Section 8 of these Market Conduct Rules shall apply.



Trading Appendix 6

Fee Schedule

Issued by CROATIAN POWER EXCHANGE Ltd.

FEE SCHEDULE

CROATIAN DAY AHEAD MARKET	
Entrance Fee	15.000,00 €
Annual Fee	12.000,00 €
Volume Trading Fee	0,06 €/MWh
Volume Clearing Fee	0,02 €/MWh

PORTFOLIO MANAGEMENT FEE SCHEDULE

CROATIAN DAY AHEAD MARKET	
Portfolio management	4.000,00 €
Additional portfolio	1.000,00 €
Additional user	1.000,00 €