

GASTRANS d.o.o.

NATURAL GAS TRANSMISSION SYSTEM NETWORK CODE

This English version of Gastrans Network Code is a convenience translation of the Serbian version which is the only official version of this Network Code. This document may not be copied, distributed to or used by third parties without prior consent of Gastrans d.o.o. Novi Sad.

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Pursuant to the Article 248 item 2) of the Energy Law („Official Gazette of the RS” no. 145/2014 and 95/2018-other law), Item 16 paragraph 1 of the Decision on the exemption of the new interconnector for natural gas („Official Gazette of the RS” no. 15/2019) and Article 9.6. of the Incorporation act of Gastrans društvo sa ograničenom odgovornošću Novi Sad dated 26 January 2018, the directors of Gastrans društvo sa ograničenom odgovornošću Novi Sad on 03 April 2020 have rendered:

NATURAL GAS TRANSMISSION SYSTEM NETWORK CODE

1. INTRODUCTION

- 1.1** This natural gas transmission system network code (hereinafter referred to as: “**Network Code**”) is rendered by Gastrans društvo sa ograničenom odgovornošću Novi Sad, company registered in the Republic of Serbia under company ID number 20785683, with registered office at Narodnog fronta 12, 21000 Novi Sad, Serbia as transmission system operator (hereinafter referred to as: “**Transporter**”), pursuant to the Energy Law and Final Exemption Act, which applies this Network Code in conducting the activity of natural gas transmission and operation of the transmission system– gas interconnector.
- 1.2** Final Exemption Act grants to the Transporter the exemption from third party access in respect to the part of the Pipeline capacity, from application of regulated prices and ownership unbundling, for a period of twenty (20) years.
- 1.3** Transporter has allocated part of the Pipeline capacity which is exempted from the third party access in line with the Final Exemption Act and the Decision on rules for allocation of capacity and mechanisms for management of transport capacities of the company GASTRANS d.o.o. Novi Sad no. 40/2018-Д-03/42 dated 3 September 2018 (as amended pursuant to the Decision no. 40/2018-Д-03/63 dated 5 March 2019) and contracted it by the Long-Term GTA with the relevant Users for a period no longer than twenty (20) years.
- 1.4** The capacity contracted in this manner is considered as Firm Long-Term Capacity which shall not, during the validity of the Final Exemption Act, be offered by the Transporter for contracting pursuant to this Network Code.
- 1.5** The Transmission Tariffs for the Firm Long-Term Capacity shall be determined by Transporter in line with the Tariff Methodology which was adopted pursuant to the Final Exemption Act upon approval by AERS.

- 1.6** Part of the Pipeline capacity which is not exempted from the third party access and which is not contracted by the Long-Term GTA, shall be offered by Transporter on auctions as its Capacity Products, in line with this Network Code. Capacity Products are offered through Capacity Booking Platform at which they are available to all Persons that enter into Short-Term GTA with the Transporter and that are registered on Capacity Booking Platform, pursuant to this Network Code.
- 1.7** The Transmission Tariffs for Capacity Products are contracted under Short-Term GTA so that they are equal to the prices achieved on auctions conducted in line with this Network Code and the rules of the Capacity Booking Platform. Before the commencement of the Gas Year, the Transporter determines the Reserve Prices for each Capacity Product and each Interconnection Point, in line with the Final Exemption Act.
- 1.8** By this Network Code Transporter in line with the Energy Law and Final Exemption Act, regulates in more detail manner of planning of Pipeline's development; conditions for safe and secure operation of Pipeline; access to the Pipeline; Credit Support and criteria for determining the amounts and period for which Credit Support is requested; usage and maintenance of Pipeline; measurement procedure; allocation of capacities on auctions which are held on the principle of non-discrimination and transparency, over the chosen capacity booking platform; congestion management on the principles of non-discrimination and transparency allowing cross-border Natural Gas trade and primary and secondary trade of capacities; exchange of data on Nominated Quantities and Allocated Quantities, for the purpose of allocation of transported quantities to users, calculation of imbalance and financial settlement; deadline for alignment of all gathered data with the measurement data on realised quantities for the purpose of transmission calculation; virtual point in Pipeline where Users may transfer ownership rights over Natural Gas, which point is considered as entry and exit from the Pipeline for the balancing purpose; manner of exchange and alignment of data, information and operational conditions with other AFO; managing in case of disturbance in operation of Pipeline; acting rules in case security of supply of Natural Gas is jeopardised; trading conditions related to technical and operational provision of transmission system services and system balancing; provision of balancing services, if technically possible, on the most economic, just, objective and non-bias manner allowing appropriate incentives to Users to balance their deliverance and taking over Natural Gas; obligation to publish all data necessary to access the Pipeline; obligation to publish all data on services offered by Transporter, as well as all data related to Technical Capacity, Contracted Capacity and Available Capacity for all Interconnection Points of Pipeline; type and manner of submitting data which market participants are obliged to submit to the Transporter; User's obligations; procedures for Nominations, system balancing, calculation of Imbalance Charge and operational balancing

between TSO; procedures for dispute resolution arising from Short-Term GTA and other issues necessary for operation of Pipeline and functioning of the market.

- 1.9** The obligations of the Users with the Short-Term GTA are sets out in detail in this Network Code , whereby majority of provisions of this Network Code are also applicable to the Users with a Long-Term GTA. Where specifically stated so in this Network Code, certain provisions of this Network Code are not applicable to the Users with a Long-Term GTA.

2. DEFINITIONS

2.1 Definitions

In this Network Code, capitalized terms and expressions have the following meanings:

"Active TSO" means the TSO which receives the Single-Sided Nominations from the Active User in line with the Article 12.2 of this Network Code;

"Active User" means, in case of Single-Sided Nominations, the User or a user of an AFO facility (which may be the User), which sends a nomination in the name and on behalf of a Pair of Users in line with the Article 12.2 of this Network Code;

"Adjacent Facility" means a facility connected to the Pipeline, including storage of Gas, a pipeline system for the transmission or distribution of Gas;

"Adjacent TSO" means a TSO operating an interconnected transmission system;

"AERS" means the Energy Agency of the Republic of Serbia;

"AFO" means the operator of an Adjacent Facility;

"AFO Agreements" means any and all agreements that Transporter executes with the AFO in relation to the Interconnection Point in order to enable the Transporter to perform its obligations under Long-Term GTAs and Short-Term GTAs, which agreements shall regulate, *inter alia*, exchange of data and all relevant technical and operational parameters with AFO;

"Allocated Quantities" means the quantity of energy of Gas allocated to the User in respect of the delivery by or to (as applicable) the User at an Interconnection Point for a Gas Day, expressed in kWh;

"Amendment Draft" has the meaning specified in the Article 21.5.1 of this Network Code;

"Amendment Proposal" has the meaning specified in the Article 21.6.1 of this Network Code;

"Applicable Laws" means all laws, decrees, judgments, administrative and other individual acts in force in the Republic of Serbia without giving effect to its conflict of law provisions;

"Auction Calendar" means the auction calendar determined pursuant to the CAM Network Code and auction calendar of ENTSOG;

"Auction Premium" means difference between the Auction Price for any Capacity Product (including Bundled Capacity) and Reserve Price for such Capacity Product;

"Auction Price" means the price against which Transporter accepts on auction to contract the Capacity Product with the User on the Interconnection Point, in line with the Article 7 of this Network Code;

"Available Capacity" means, in relation to a particular Interconnection Point, the capacity for transport of the Natural Gas that can be made available by the Transporter to Users for contracting as a Capacity Product, calculated as the difference between the Technical Capacity and the Total Contracted Capacity on that Interconnection Point, which may be increased in line with the conditions set out in this Network Code;

"Available Credit" means a maximum EUR amount by which a User, prior the start of auction and during its duration, demonstrates its readiness to pay the Auction Price for contracting the Capacity Product, taking into account the Transmission Fee for such contracting, calculated in line with the Article 5.3.1 of this Network Code;

"Balancing Agreement" means the agreement executed between the Transporter and User with Long-Term GTA which defines the rights and obligations of the parties related to balancing and allocation matters in line with the rules specified in the Article 15 of this Network Code;

"Balancing Nomination" means a nomination by the User which is selling the Natural Gas to the Transporter, on Transporter's request, specifying the Natural Gas quantities that are sold to the Transporter, and a nomination by the User which is purchasing the Natural Gas from the Transporter, on Transporter's request, specifying the quantities that are purchased;

"Bundled Capacity" means a same firm capacity product, available for contracting on the both side of the same Interconnection Point, simultaneously offered in one auction through the Capacity Booking Platform by Transporter and Adjacent TSO to all users, so that Bundled Capacity is contracted simultaneously as corresponding entry and exit capacity at both sides of a particular Interconnection Point;

"Bundled Capacity Reserve Price" has the meaning specified in the Article 7.2.3 of this Network Code;

"Business Day" means a day, other than Saturday or Sunday or a public holiday, on which banks are open for general business in the Republic of Serbia;

"CAM Network Code" means Decision 2018/06/Permanent High Level Group of the Energy Community (PHLG EnC) adapting Regulation (EU) No. 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems;

"Capacity Booking Platform" means the Regional Booking Platform, an electronic auction platform for provision of services in relation to conduction of auctions and secondary trade of capacities in line with the CAM Network Code. This platform is selected by the Transporter, pursuant to the Item 12 of the Final Exemption Act, to book and contract the Capacity Products at each Interconnection Point in its name and on its behalf and to enable secondary trade of capacities, and which is also used by the Adjacent TSOs in the Republic of Bulgaria and Hungary;

"Capacity Product" means a part of Pipeline capacity available for the transportation of Natural Gas, offered by the Transporter on auctions for contracting the Gas Transmission Services with defined characteristics in relation to direction, duration and manner of transportation, as set out in the Article 6 of this Network Code;

"Capacity Restriction" means the occurrence of any unplanned event (occurrence of force majeure, action of third parties, event in the Adjacent Facility and other events that Transporter could not foresee nor impact, except for Scheduled Maintenance), which reduces the ability of the Transporter to provide contracted service for entire or part of the Contracted Capacity, resulting in the restriction or suspension of Gas Transmission Service to the User;

"CET" means Central European Time;

"Change in Law" means the occurrence of any of the following events after the date of adoption of this Network Code:

- (a) a change or repeal of any Applicable Laws;
- (b) an enactment of any new law; and
- (c) a change having the force of law in the application or interpretation of any Applicable Laws;

"Change in Law Notice" has the meaning specified in the Article 21.1.1 of this Network Code;

"Commercial Reverse Capacity" means the type of Capacity Product offered by the Transporter in Commercial Reverse Flow. The Commercial Reverse Capacity can be offered either as Commercial Reverse Short-Term Capacity or as Commercial Reverse Yearly Capacity;

"Commercial Reverse Flow" means the virtual (but not physical) flow of Natural Gas in the Pipeline in the opposite direction to the Physical Flow Direction;

"Commercial Reverse Short-Term Capacity" has the meaning specified in the Article 6.1.2.5 of this Network Code;

"Commercial Reverse Short-Term Daily Capacity" has the meaning specified in the Article 6.5.2.4 of this Network Code;

"Commercial Reverse Short-Term Monthly Capacity" has the meaning specified in the Article 6.5.2.3 of this Network Code;

"Commercial Reverse Short-Term Quarterly Capacity" has the meaning specified in the Article 6.5.2.2 of this Network Code;

"Commercial Reverse Yearly Capacity" has the meaning specified in the Article 6.1.2.4 of this Network Code;

"Confirmed Quantity" means the quantity of Natural Gas confirmed to the User by the Transporter for transport on a Gas Day, expressed in kWh;

"Confirmed Quantity Notice" means a notice sent by the Transporter to the User following calculation of the Confirmed Quantities, setting out the Confirmed Quantities at each Interconnection Point;

"Contracted Capacity" means maximum capacity (expressed in kWh per hour) at the Contracted Entry Point and/or the Contracted Exit Point, that the Transporter makes available to the User for the transportation of Natural Gas, either contracted as appropriate quantity of Capacity Product in line with the Short-Term GTA and/or as Firm Long Term Capacity in line with the Long-Term GTA;

"Contracted Entry Point" means the Interconnection Point contracted by the User under a Short-Term GTA and/or a Long-Term GTA, where the User is entitled to deliver the Natural Gas for transport or where it is deemed that it has delivered the Natural Gas in the Commercial Reverse Capacity;

"Contracted Exit Point" means the Interconnection Point contracted by the User under a Short-Term GTA and/or a Long-Term GTA, where the User is entitled to take over the Natural Gas from transport or where it is deemed that it has taken over the Natural Gas after transportation in the Commercial Reverse Capacity;

"Credit Limit" has the meaning specified in the Article 5.3.2 of this Network Code;

"Credit Support" has the meaning specified in the Article 5.1.1 of this Network Code;

"Double-Sided Nomination" means, the nomination of Natural Gas quantities at a particular Interconnection Point, that each user with contracted capacities on relevant side of that Interconnection Point submit to its relevant TSO, independently of each other;

"Entry Point Kirevo/Zaječar" means the Interconnection Point where Natural Gas can physically flow into the Pipeline from the Bulgarian national transmission system, located at the Bulgarian-Serbian border near Zaječar, Republic of Serbia. For the purpose of the Physical Flow Direction, the Entry Point Kirevo/Zaječar is the Interconnection Point where the User delivers the Natural Gas for transportation by the Transporter. For the purpose of the Commercial Reverse Flow, the Entry Point Kirevo/Zaječar is the Interconnection Point where the User takes over the Natural Gas considered as transported by the Transporter and in that case shall be referred to as the **"Exit Point Kirevo/Zaječar"**;

"Evidence" means the database of all Users and all Short-Term GTAs and Long-Term GTAs in force, that is held and managed by the Transporter in the form of the electronic evidence;

"Exit Point" means the Interconnection Point where Natural Gas can be physically taken over from the Pipeline, whereby this definition encompasses Exit Point Horgoš/Kiškundorožma 1200, Exit Point Serbia-Gospođinci, Exit Point Serbia-Pančevo and Exit Point Serbia-Paraćin;

"Exit Point Horgoš/Kiškundorožma 1200" means the Interconnection Point where Natural Gas is physically delivered from the Pipeline to the Hungarian national transmission system, located at the Serbian-Hungarian border near Kiškundorožma, Hungary. For the purpose of the Physical Flow Direction, the Exit Point Horgoš/Kiškundorožma 1200 is the Interconnection Point where the User takes over the Natural Gas that was transported by the Transporter. For the purpose of the Commercial Reverse Flow, the Exit Point Horgoš/Kiškundorožma 1200 might be the Interconnection Point where it is considered that the User delivers the Natural Gas for deemed transportation by the Transporter and in that case it shall be referred to as the **"Entry Point Horgoš/Kiškundorožma 1200"**;

"Exit Point Serbia" means Exit Point Serbia-Gospođinci, Exit Point Serbia-Pančevo and Exit Point Serbia-Paraćin integrated together for the purpose of providing a single Gas Transmission Service. For the purpose of the Commercial Reverse Flow the Exit Point Serbia might be referred to also as the **"Entry Point Serbia"**;

"Exit Point Serbia-Gospođinci" means the Interconnection Point where Gas is physically delivered from the Pipeline to the transmission system operated by relevant AFO in the Republic of Serbia, located near Gospođinci, Žabalj Municipality, Republic of Serbia. For the purpose of the Physical Flow Direction, the Exit Point Serbia-Gospođinci is the Interconnection Point where the User takes over the Natural Gas that was transported by the Transporter. For the purpose of the Commercial Reverse Flow, the Exit Point Serbia-Gospođinci might be the Interconnection Point where it is considered that the User delivers the Natural Gas for deemed transportation by the Transporter and in that case it shall be referred to as the **"Entry Point Serbia-Gospođinci"**;

"Exit Point Serbia-Pančevo" means the Interconnection Point where Natural Gas is physically delivered from the Pipeline to the transmission system operated by relevant AFO in the Republic of Serbia, located near the City of Pančevo, Republic of Serbia. For the purpose of the Physical Flow Direction, the Exit Point Serbia-Pančevo is the Interconnection Point where the User takes over the Natural Gas that was transported by the Transporter. For

the purpose of the Commercial Reverse Flow, the Exit Point Serbia-Pančevo might be the Interconnection Point where it is considered that the User delivers the Natural Gas for deemed transportation by the Transporter and in that case it shall be referred to as the **"Entry Point Serbia-Pančevo"**;

"Exit Point Serbia-Paraćin" means the Interconnection Point where Gas is physically delivered the Pipeline to the transmission system operated by relevant AFO in the Republic of Serbia, located near Paraćin, Paraćin Municipality, Republic of Serbia. For the purpose of the Physical Flow Direction, the Exit Point Serbia-Paraćin is the Interconnection Point where the User takes over the Natural Gas that was transported by the Transporter. For the purpose of the Commercial Reverse Flow, the Exit Point Serbia-Paraćin might be the Interconnection Point where it is considered that the User delivers the Natural Gas for deemed transportation by the Transporter and in that case it shall be referred to as the **"Entry Point Serbia-Paraćin"**;

"Expert" has the meaning specified in the Article 23.2 of this Network Code;

"Final Exemption Act" means the Decision on exemption of the new interconnector for natural gas no. 40/2018-D-03/62 dated 5 March 2019, adopted by AERS (pursuant to the Article 288, paragraph 19 of the Energy Law of the Republic of Serbia) and published in the "Official Gazette of the RS" no. 15/19;

"Firm Capacity" means capacity that the Transporter undertakes to provide to a User and cannot be interrupted nor reduced, save for the case of Schedule Maintenance or Capacity Restriction. The Firm Capacity can be either Firm Short-Term Capacity, Firm Long-Term Capacity or Firm Yearly Capacity;

"Firm Daily Capacity" has the meaning specified in the Article 6.3.1.3 of this Network Code;

"Firm Long Term Capacity" means capacity contracted by the Transporter with the User as Firm Capacity for the transportation of Natural Gas between the Contracted Entry Point and the Contracted Exit Points on every Gas Day for a period of more than one (1) Gas Year;

"Firm Monthly Capacity" has the meaning specified in the Article 6.3.1.2 of this Network Code;

"Firm Quarterly Capacity" has the meaning specified in the Article 6.3.1.1 of this Network Code;

"Firm Short-Term Capacity" means capacity contracted by the Transporter with the User as Firm Capacity for the transportation of Natural Gas for a period shorter than one (1) Gas Year;

"Firm Within-Day Capacity" has the meaning specified in the Article 6.3.1.4 of this Network Code;

"Firm Yearly Capacity" has the meaning specified in the Article 6.1.2.1 of the Network Code;

"Fitch" means Fitch, Inc or its affiliates;

"Fuel Gas" means Gas that Transporter uses for the operation of the Pipeline, including gas for gas driven compressors and for gas preheating units;

"Full Reverse Flow" means the Commercial Reverse Flow of Natural Gas in the Pipeline from the Entry Point Horgoš/Kiškundorožma 1200 to the Exit Point Kirevo/Zaječar or from the Entry Point Serbia to the Exit Point Kirevo/Zaječar;

"Gas" or **"Natural Gas"** means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which are predominantly in gaseous state;

"Gas Day" means the time period starting at 06:00 hours CET and ending at 06:00 hours CET on the following calendar day;

"Gas Exchange Platform" means informational platform, which is not Gastrans Electronic Data Platform, through which contracting of Natural Gas Trade is possible ;

"Gas Month" means the time period commencing at 06:00 hours CET of the first Gas Day in a calendar month and ending at 06:00 hours CET of the first Gas Day in the following calendar month;

"Gas Quarter" means three months period commencing at 06:00 hours CET of the first October, first January, first April and first July and ending at 06:00 hours CET of the first January, first April, first July and first October;

"Gastrans Electronic Data Platform" means the internet-based communication system of the Transporter supporting communication through Edig@s or other adequate type of data exchange, to which Users access for the Nominations, receiving notification on allocation of quantities, exchange of other data, download and potential upload of files

and data pursuant to the GEDP User Agreement, as well as for Trade in line with this Network Code;

"Gas Transmission Service" means the gas transmission service provided by the Transporter to the User in the Contracted Capacity and **"Gas Transmission Services"** shall be construed accordingly;

"Gas Year" means the time period starting at 06:00 hours CET at the first of October of a year and ending at 06:00 hours CET of the first of October of the following year;

"GEDP Manual" means the manual prepared by the Transporter with instructions for the User how to use Gastrans Electronic Data Platform;

"GEDP User Agreement" means the agreement executed between the Transporter and User, which defines the rights and obligations related to use of the Gastrans Electronic Data Platform by User;

"Gross Calorific Value" or "GCV" means the energy content, corresponding to the superior calorific value measured according to ISO 15971, in kWh of one Normal Cubic Metre of Gas;

"Half Reverse Flow" means the Commercial Reverse Flow of Natural Gas in the Pipeline from the Entry Point Horgoš/Kiškundorožma 1200 to the Exit Point Serbia or from the Entry Point Serbia to the Exit Point Horgoš/Kiškundorožma 1200;

"Imbalance Charge" means a pecuniary amount calculated for each Gas Day d , taking into account Transmission Imbalance for User u for that Gas Day d ;

"Interconnection Point" means the point where the Pipeline is connected to the Adjacent Facility and on which Capacity Products are contracted;

"Interruptible Capacity" has the meaning specified in the Article 6.1.2.3 of this Network Code;

"Interruptible Daily Capacity" means the capacity made available by Transporter provided that all Firm Capacities are contracted and that Users have not nominated use thereof for the next Gas Day, whereby Transporter is entitled to, in case of Renominations, restrict or interrupt transmission of Gas to User which uses Interruptible Daily Capacity;

"Long-Term GTA" means a long-term gas transportation agreement entered into by the Transporter and a User for the transportation of Natural Gas in a Firm Long Term Capacity (which is executed upon completion of the binding phase for allocation of capacity pursuant to Items 9 to 11 of the Final Exemption Act);

"Maintenance" means examination and control of Pipeline, works on modification, replacement, reinstatement, repair or refurbishment of the Pipeline characteristics as well as works on reconstruction and recovery of Pipeline and other works of daily and investment maintenance of Pipeline determined by the Maintenance Programme;

"Maintenance Programme" means the programme of Schedule Maintenance works on adopted by Transporter for the purpose of Pipeline Maintenance for a period of Gas Year, which take place, as a rule, during the Off Peak Season;

"Market Test" means a procedure referred to in the Article 9 of this Network Code which is to be conducted by the Transporter together with the AFO for the purpose of assessing whether there is economically justified interest among market participants for Capacity Products that would require from the Transporter to provide incremental capacity of Pipeline;

"Matching Process" means the procedure of verification of all data from User` Nominations, carried out by the Transporter and AFO at Interconnection Points for determining Confirmed Quantities;

"Measurement Data" means all data generated by Measurement Equipment or derived based on measured values (conversion);

"Measurement Equipment" means all metrological and related information technology equipment required to perform Metering;

"Metered Quantities" means the quantity of Natural Gas in kWh measured over a specified period of time as determined by the Measurement Equipment at an Interconnection Point;

"Metering" means the registering and/or integration of Measurement Data over time;

"Minimum Flow Rate" means the minimum quantity of Natural Gas that is required at a particular Interconnection Point in order for the Transporter to provide Gas Transmission Services at that Interconnection Point in line with the technical limitations of the Pipeline

and especially with Pipeline Metering Equipment limitations , and the relevant AFO Agreements;

"Monthly Invoice" means the invoice to be issued by the Transporter to the Users pursuant to the Article 20.3.1 of this Network Code;

"Monthly Statement" means the monthly statement to be delivered by the Transporter to the User under the Short-Term GTA and/or Long-Term GTA which contains information about quantities of Gas made available, taken over and delivered for the previous Gas Month in a form of energy content, GCV, Nm³, and other data as needed;

"Moody's" means Moody's Corporation or its affiliates;

"Nominated Quantities" means the quantity of Natural Gas for a Gas Day (and/or within a Gas Day) which is equally allocated to hours and expressed in kWh per hour, that has been nominated or is deemed to have been nominated by a User either:

- (a) for delivery by the User to the Transporter at the Contracted Entry Point; or
- (b) for delivery by the Transporter to the User at the Contracted Exit Point,

in each case in line with the procedures set out in this Network Code;

"Nomination" means the notification submitted by the User to the Transporter (which, in the case of a Single-Sided Nomination, is submitted by the Active User to the Active TSO on behalf of the relevant Pair of Users) on its Nominated Quantities for the Gas Day (equally allocated to hours). Transporter also determines Nomination, for the Fuel Gas;

"Non-Conforming Gas" means Gas which quality does not conform to the prescribed quality pursuant to the Article 17.2 of this Network Code;

"Normal Cubic Metre" or **"Nm³"** means that quantity of Gas which occupies the volume of one cubic metre where the temperature of such Gas is at zero (0) degrees Celsius at an absolute pressure of 1.01325 Bar and is free of water vapour;

"Notification on Contracting the Capacity Product" means the notification sent by Capacity Booking Platform to the Transporter and a User, following the auction on which such User has contracted relevant Capacity Product;

"Notification on Joint Nomination" means, in respect of Single-Sided Nominations, an electronic notification sent from the Active User to the Active TSO in the name and on behalf of a Pair of Users entitled to submit Single-Sided Nominations at a Single-Sided Interconnection Point, for a certain period (which may be an indefinite period) from a start date that is specified in that notice;

"Off Peak Season" means April, May, June, July, August or September;

"Operational Balancing Agreement" or "OBA" means an agreement between the Transporter and an AFO defining procedures for treatment of differences between realised and nominated quantities on the Interconnection Points between transmission system of Transporter and AFO;

"Over-Nomination" shall have the meaning as specified in the Article 12.8 of this Network Code;

"Pair of Users" means users that have contracted with Transporter and AFO capacities in the same volume at each side of the Interconnection Point, identified by their respective shipper codes in the Nomination and Matching Process as a Pair of Users (whereby User and a user of AFO facility may be the same User);

"Passive TSO" means, in respect of Single-Sided Nominations, the TSO that is not the Active TSO pursuant to the Article 12.12 of this Network Code;

"Passive User" means, in respect of Single-Sided Nominations, the User or user of AFO facility (which may be the User) that is not the Active User;

"Person" means a company entitled to request to become a user of a transmission system pursuant to the Energy Law: natural gas supplier, public natural gas supplier, producer of natural gas and final purchaser of the natural gas, AFO when procures the Natural Gas for its Adjacent Facility and foreign legal entity which intends to use a Pipeline solely for transit of Natural Gas through the territory of the Republic of Serbia;

"Physical Flow Direction" means, natural gas flowing in the direction from Bulgaria to Exit Points in Serbia and Hungary;

"Physical Reverse Flow" means the flow of Natural Gas in the Pipeline in the direction opposite to Physical Flow Direction, which might occur in case envisaged by the Final Exemption Act;

"Pipeline" means an interconnector for the transmission of natural gas, passing through the territory of the Republic of Serbia and crossing the state border of the Republic of Serbia and which connects with transmission systems in the Republic of Bulgaria and Hungary, including equipment for connection with the AFO, as well as compressor stations, block stations, measure-regulation stations and measurement stations on all Interconnection Points, other energy objects, electronic communication and information system and other infrastructure for Natural Gas transmission, including line-pack, which is owned and operated by the Transporter;

"Rating Exemption" has the meaning specified in the Article 5.1.6 of this Network Code;

"Reasonable and Prudent Operator" means endeavour to perform obligations in good faith and, in doing so (and in the general conduct of its business), exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking under the same or similar circumstances and conditions (in Serbian: *pažnja dobrog stručnjaka*);

"Reasonable Efforts" means any action required to be taken by a Person as Reasonable and Prudent Operator, taking into account the conditions affecting completion of such action if such undertaking does not require expenditure of pecuniary funds more than is appropriate and usually expected;

"Renomination" means a Nomination submitted by a User for a particular Gas Day after the deadline for the confirmation of the initial Nomination for that Gas Day;

"Renomination Limitation" means the restrictions for Renomination specified in the Article 12.7.5 of this Network Code;

"Request for Access to the System" means the request submitted by the Applicant through Portal to the Transporter (by populating Request Form, signing Statements and attaching evidences from the Article 3.3.3 of this Network Code), for the purpose of obtaining the right to access the Pipeline;

"Request Form" means the form of Request for Access to the System which an Applicant delivers to the Transporter over Portal, containing at least the following identification data:

i) business name;

ii) address of the registered seat;

iii) the country of incorporation;

iv) company ID or registration number;

v) tax identification number for Serbian entities or equivalent (optional) for foreign entities;

vi) e-mail address of the company;

vii) number of valid license issued by AERS to the Applicant for conducting of energy activity (in case Applicant is subject to obtaining AERS` license);

viii) data on authorised individual that acts as representative of Applicant (title, first name, last name, position, e-mail, phone);

viii) list of persons in charge of managing the communications in the name of Applicant with data of each person (name/business name, position/company ID or registration number, e-mail, phone) and respective level of responsibility/role such person will have in line with GEDP User Agreement;

"Reserve Price" means the starting price for auctions which is determined for each Capacity Product and for each Interconnection Point;

"Portal" means webpage of the Transporter through which an Applicant submits the Request for Access to the System and through which executes Short-Term GTA and GEDP User Agreement;

"Proposal for Amendment" means a proposal for the amendment of the Network Code that is submitted to the Transporter for consideration in line with the Article 21.3 of this Network Code;

"Purchasing User" means the User that has acquired the Title to the Gas as a result of the Trade;

"Scheduled Maintenance" means the works on Maintenance planned by the Transporter in line with the Article 16 of this Network Code;

"Selling User" means the User that has transferred its Title to Gas as a result of the Trade;

"Short-Term GTA" means an agreement on access to the system and transportation of natural gas entered into by the Transporter and a User by which the right of User to access the system and right on provision of Gas Transmission Service when User is ready to pay Transmission Fee against Auction Price contracted for Capacity Product on auctions or on secondary trade of capacity is contracted;

"Single-Sided Interconnection Point" has the meaning specified in the Article 12.2.2 of this Network Code;

"Single-Sided Nomination" means a nomination of Gas quantities at a Single-Sided Interconnection Point, following the delivery of a Notification on Joint Nomination sent by an Active User to an Active TSO, and represent the nominations of each User in a Pair of Users to its TSO at that Single-Sided Interconnection Point;

"Standard & Poor's" means Standard & Poor's Financial Services LLC or its affiliates;

"Statements" means each of the following statements signed by the Applicant as part of the Request for Access to the System through the Portal and which represent the evidence of freely expressed will (in Serbian: *slobodno izjavljena volja*) pursuant to the Article 28 of the Law on Torts and Contracts:

- (a) if the Applicant is foreign legal entity, that it submits the Request for Access to the System only for the purpose of transit of the Natural Gas (Transit Statement);
- (b) that it agrees that, by submission of one or more bids in each auction in which it will participate on the Capacity Booking Platform, subsequently specifies the Request for Access to the System, (whereby such bids shall contain the determination of the requested Interconnection Points, the volume of the requested Capacity Product, as well as the price(s) that it offers to pay to Transporter for contracting of Capacity Product on auction), i.e. that accepts to realise its right on access to the system by acquiring capacity from other User in the secondary trade of capacity;
- (c) that it is acquainted with the content of this Network Code and model Short-Term GTA and that it accepts to, after the execution of Short-Term GTA, execute amendments thereof in case of amendments of this Network Code;

- (d) that it accepts that the right to access the Pipeline shall be realized through the Capacity Booking Platform and it accepts to contract Gas Transmission Services on the "ship or pay" basis so that the obligation to pay Transmission Fee exists from the moment of contracting the capacity in auctions conducted in line with this Network Code and rules of the Capacity Booking Platform; and
- (e) that it declares that against the Applicant the proposal for initiation of bankruptcy procedure is not submitted and the decision on initiation of liquidation procedure is not rendered, as well as that Applicant is not in threatening inability to pay (in Serbian: *preteća nesposobnost plaćanja*), in the meaning of regulations governing bankruptcy (Insolvency statement);

"Sublet" means right of User to transport Gas up to the volume of its Contracted Capacity for the third party (which may be other User), whereby User's Short-Term GTA and/or Long-Term GTA is not amended and User is still the only holder of all rights and obligations for all Contracted Capacity;

"Sublessee" has the meaning as in the Article 10.2.1 of this Network Code;

"Surrender" means right of User to request to cancel the contracted Gas Transmission Service by submitting Surrender Request for its Firm Capacity (other than Firm Daily Capacity and Firm Within-Day Capacity) or Commercial Reverse Capacity (other than Commercial Reverse Yearly Capacity and Commercial Reverse Daily Capacity) at an Interconnection Point according to Article 8 of this Network Code, which right of the User is effectuated provided that the Transporter offers such Surrendered Capacity as Available Capacity at auctions and contracts it as the Capacity Product with other User;

"Surrendered Capacity" means Contracted Capacity that is subject of a Surrender Request;

"Surrender Request" means a request by a User to the Transporter for the Surrender of all or part Contracted Capacity as specified in the Article 8.2 of this Network Code;

"Tarff Methodology" means methodology adopted by Transporter and approved by AERS dated 08 March 2019, including amendments thereof during the validity of the Final Exemption Act;

"Technical Capacity" means for each Interconnection Point, the maximum Firm Capacity of that Interconnection Point which Transporter may offer to Users, taking into account integrity,

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safety and efficient Pipeline operation, including pressures in Pipeline, quantity of Fuel Gas and Gas for covering losses in the Pipeline;

"Title to the Gas" means any ownership or other contract right authorizing the User to deliver Gas to the Transporter and to take over Gas from the Pipeline and to ensure the transportation of the Gas;

"Total Contracted Capacity" means, in respect to particular Interconnection Point, the aggregate of the Contracted Capacity of all Users for the same relevant period of time;

"Trade" means a transfer of the Title to Gas contracted between Users and effectuated on VTP in line with the conditions set out in the Article 11 of this Network Code;

"Traded Quantities" means the aggregate quantity of Natural Gas expressed in kWh, which was subject of Trade;

"Trade Notification" means (a) in case of a Trade via Gastrans Electronic Data Platform the joint notification provided to the Transporter by the Users on the Traded Quantities between the same Users, whereby one User is the seller and another one is the buyer, or (b) in case of a Trade on Gas Exchange Platform the notification provided to the Transporter by the Gas Exchange Platform on the Traded Quantities between the same two Users, whereby one User is the seller and another one is the buyer;

"Transfer" means contracting of transfer, with the Transporter's approval, of all or a part of Contracted Capacity of a User from Short-Term GTA, i.e. Long-Term GTA to another User, which has effect of transfer (in Serbian: *ustupanje*) of contracted Gas Transmission Service to other User, i.e. amendment of contracted Gas Transmission Services of two Users in respect to the Contracted Capacity;

"Transferee" shall have the meaning as in the Article 10.3.1 of this Network Code;

"Transmission Fee" means a fee payable by the User to the Transporter for the Gas Transmission Services, being the sum of the amounts of Transmission Tariff multiplied by the correspondent Contracted Capacity;

"Transmission Imbalance" means as specified in the Article 15.3.3 of this Network Code;

"Transmission Tariff" means the tariff which in case of the Long-Term GTA is determined in line with the Tariff Methodology, and in case of the Short-Term GTA represents the Auction Price for Capacity Product and Interconnection Point;

"Transportation End Date" means Gas Day in which Gas Transmission Service ends as defined in the Long-Term GTA and/or in any Notification on Contracting of Capacity Product and/or notification on Transfer from the Article 10.3.6 of this Network Code and/or notification on Surrender from the Article 8 of this Network Code;

"Transportation Period" means period between Transportation Start Date and Transportation End Date;

"Transportation Start Date" means Gas Day on which Gas Transmission Service commences as set out in a Long-Term GTA and/or in any Notification on Contracting of Capacity Product and/or notification on Transfer from the Article 10.3.6 of this Network Code and/or notification on Surrender from the Article 8 of this Network Code;

"TSO" means operator of a gas transmission system, including the Transporter;

"Unforeseen Works" means any Maintenance other than Scheduled Maintenance;

"User" means any Person which entered into a Short-Term GTA and/or Long-Term GTA with the Transporter, for so long as such agreement(s) continues to be in effect;

"User Code" means a code provided by the Transporter to the User;

"Users' Committee" means a collective body composed of representatives of Users with the Short-Term GTA and Long-Term GTA;

"Virtual Trading Point" or "VTP" means a virtual location at which Users may effectuate contracted Trade of Natural Gas;

"Within-Day" means, duration of Capacity Product, which is made available for the transportation of Natural Gas on an hourly basis for one (1) or more hours within a Gas Day;

"Within-Day Interruptible Capacity" means the capacity made available provided that all capacities at that Interconnection point are contracted but are not nominated for a Gas Day, in which case is considered that the Interruptible Capacity is available for transport,

and in case reduction occurs due to Renominations, Transporter is entitled to reduce or entirely interrupt transport of the interruptible within-day capacity to the User.

2.2 Application

2.2.1 For the purpose of securing rights and obligations granted by the Final Exemption Act, in the event of any inconsistencies between this Network Code and the Long-Term GTA, the Long-Term GTA shall prevail.

2.2.2 In case of inconsistencies between this Network Code and the Short-Term GTA, this Network Code shall prevail.

3. ACCESS TO THE SYSTEM

3.1 General

3.1.1 A Person, which intends to use Gas Transmission Services, shall submit to the Transporter Request for Access to the System in line with the Article 3.3 of this Network Code.

3.1.2 Upon determining that conditions for the granting access to the system, as set out in the Energy Law and this Network Code, are met, Transporter executes Short-Term GTA with the Applicant who accepts to:

3.1.2.1 register with the Capacity Booking Platform in line with the rules of Capacity Booking Platform (if not already registered), and

3.1.2.2 execute GEDP User Agreement with the Transporter in line with this Network Code.

3.2 Capacity Booking Platform Services

3.2.1 Pursuant to the Item 12 of the Final Exemption Act, Transporter has selected Capacity Booking Platform operator to provide services of information company, in the meaning of the law governing electronic trade, to the Transporter and Users, for the purpose of effectuating actions from the Article 3.2.6 of this Network Code in electronic form, in line with this Network Code.

3.2.2 A Person shall send populated registration form to the Capacity Booking Platform operator for the purpose of registering with the Capacity Booking Platform.

- 3.2.3 Registration form is available at website www.rbp.eu.
- 3.2.4 Registration form contains business data of the applicant, electronic signature which applicant uses for identification in electronic communication and signed model of user agreement which applicant executes with the Capacity Booking Platform operator.
- 3.2.5 Upon receipt of the registration form, Capacity Booking Platform operator registers applicant with the Capacity Booking Platform and delivers to the applicant manual(s) and instructions for use of Capacity Booking Platform.
- 3.2.6 Users are entitled to, through Capacity Booking Platform:
 - 3.2.6.1 be informed on auctions for contracting of Capacity Products, participate in such auctions and contract Capacity Products with the Transporter in line with the Article 7 of this Network Code for the purpose of provision of Gas Transmission Services;
 - 3.2.6.2 trade Contracted Capacity with other Users, in line with the Article 10 of this Network Code.
- 3.2.7 Contracting of Capacity Products on auctions and secondary trade of capacities are conducted through the Capacity Booking Platform, by exchanging commercial messages between Transporter and Users in the electronic form which have legal effect as defined in the Article 7.6 of this Network Code and which represent evidence on the executed agreement, pursuant to the rules governing electronic trade.

3.3 Request for Access to the System

- 3.3.1 A Person requesting access to the system for the purpose of the Natural Gas transmission ("**Applicant**") must access the Transporter's Portal and, after accepting the terms of use of the Portal (such confirmation shall be treated as "*expression of will*" (in Serbian: *izjava volje*) under the Article 28 of the Law on Contracts and Torts by which Applicant undertakes the obligations set out in the terms of use), submit to the Transporter the Request for Access to the System in electronic form.
- 3.3.2 The Request Form, which is available on Portal and which Applicant populates and signs with the electronic signature of the individual authorised to sign and submit

the Request for Access to the System, is used for submission of the Request for Access to the System .

3.3.3 Together with the Request Form, Statements from the Article 2 of this Network Code signed by electronic signature of individual authorised for signing of Statements and the following evidences in the electronic form must be submitted:

3.3.3.1 copy (scan) of the original excerpt on registration of the Applicant containing actual business data registered in the registry of competent body on the date of the submission of Request for Access to the System, which excerpt must not be older than three (3) months as of the date of submission of Request for Access to the System, whereby foreign legal entity accompanies the copy (scan) of the original excerpt from the relevant register which is duly legalised, with the scan of the translation thereof into Serbian language verified by the authorised court translator; and

3.3.3.2 evidence on authorization for the individual which signed the Request for Access to the System (Request Form and/or Statements) using his electronic signature, either in the form of management body decision or in the form of power of attorney, if the authorization is not evident from the copy of the excerpt on registered data.

3.3.4 Submission of Request for Access to the System through Portal is possible only if the Request Form is fully populated and signed, all Statements are signed and all evidences from the Article 3.3.3 of this Network Code are attached.

3.3.5 Transporter and Applicant, before and after the execution of Short-Term GTA and/or Long-Term GTA, have the obligation to, *inter alia*, act pursuant to the Applicable Laws:

3.3.5.1 in respect of protection of personal data of individuals participating in the procedure of execution and realisation of agreements from the Articles 3.3.9 and 3.8.1 of this Network Code, if their personal data were exchanged;

3.3.5.2 in respect to protection of business, commercially sensitive and other data which any party marks as confidential.

- 3.3.6 Upon the receipt of the Request for Access to the System, Transporter assesses and verifies whether the Applicant is entitled to request access to the system, whether the Request for Access to the System is complete, whether individual which signed the Request for Access to the System and/or the Statements, has the authorisation for signing and submitting Request for Access to the System and/or for signing of the Statements, and whether, according to the publicly available data, bankruptcy procedure is opened or liquidation procedure is initiated against Applicant.
- 3.3.7 When Transporter determines that conditions for granting access to the system set out in the Energy Law and this Network Code are not met, Transporter shall, within the period of five (5) days as of submission of Request for Access to the System, render an act pursuant to the Energy Law, stating the reasons for rejecting (in Serbian: *odbijanje*) the Request for Access to the System.
- 3.3.8 In case that the Request for Access to the System is not complete or does not contain accurate data, Transporter invites Applicant to remedy such defect within the deadline not shorter than eight (8) days as of the receipt of invitation, stating the consequences of the failure to remedy defect. In case that Applicant does not remedy defects within such deadline, Transporter shall, within five (5) days as of expiry of such deadline, render an act by which it dismisses (in Serbian: *odbacuje*) the Request for Access to the System in line with the Energy Law.
- 3.3.9 If Request for Access to the System is complete and the Applicant is entitled to request access to the system pursuant to the Energy Law and this Network Code, Transporter shall, within thirty (30) days as of the submission of the Request for Access to the System, send to the Applicant, via e-mail which is indicated in the Request for Access to the System, the invitation to access the Portal and execute Short-Term GTA and GEDP User Agreement and to register on Capacity Booking Platform (if not already registered), within the deadline of thirty (30) days as of the receipt of invitation, with the warning that in case of failure to execute all provided agreements or to register with Capacity Booking Platform, Transporter shall render an act on rejection (in Serbian: *odbijanje*) of Request for Access to the System.
- 3.3.10 In cases from the Articles 3.3.7, 3.3.8 and 3.3.9 of this Network Code, the Transporter, in the act rendered pursuant to the Energy Law and this Network Code, will instruct the Applicant that it is entitled to file an appeal to AERS, through Transporter, within the deadline of eight (8) days as of the date of receipt of act.

Applicant which fails to file an appeal within the deadline, may submit the new Request for Access to the System in line with this Network Code.

- 3.3.11 Upon submission of the Request for Access to the System, Transporter and Applicant shall communicate via e-mail during the whole procedure of assessing the submitted Request for Access to the System, which includes that all letters (invitations, acts, appeals and other notifications) are made in electronic form, signed by electronic signature of authorised person and sent to the e-mail of Transporter i.e. to the e-mail which is indicated by the Applicant in the Request for Access to the System as e-mail for receipt of letters.
- 3.3.12 Delivery of letters in electronic form shall be considered as dully performed on day on which sender receives automatically generated confirmation on receipt of an e-mail.
- 3.3.13 Obligation to deliver all letters in electronic form via e-mail during the assessment of the Request for Access to the System, including appeal procedure, shall cease in the moment of execution of Short-Term GTA and thereafter the User performs all further communication with the Transporter in line with the Article 4 of this Network Code, unless otherwise provided for in this Network Code.
- 3.3.14 Only the individual having the authority to represent the Applicant is entitled to sign the Short-Term GTA and GEDP User Agreement using his electronic signature (such execution is considered as “expression of will” (in Serbian: *izjava volje*) of such Applicant under the Article 28 of the Law on Contracts and Torts to undertake the obligations set out in the Short-Term GTA, GEDP User Agreement and their annexes). Transporter countersigns Short-Term GTA and GEDP User Agreement through Portal within the three (3) Business Days after determining that Applicant is registered with the Capacity Booking Platform (if not already registered) and has signed Short-Term GTA and GEDP User Agreement in line with this Network Code. Transporter shall inform the Capacity Booking Platform on execution of said agreements, at latest on the next Business Day from the date of countersigning these agreements and shall simultaneously inform User on its User Code.
- 3.3.15 Transporter registers the User in the Evidence on the date of execution of agreement from the Article 3.3.9 of this Network Code.

3.4 Rights and Obligations of User from the Short-Term GTA

- 3.4.1 User and Transporter enter into Short-Term GTA for indefinite period of time by which they contract right to access the system and provision of Gas Transmission Services which are of standardised manner, duration and direction of transport as Capacity Products, so that the User is entitled to use such services when the User demonstrates its readiness and accepts to pay on a “ship or pay” basis offered Capacity Product against the price achieved on the auction (“**Auction Price**”).
- 3.4.2 The User demonstrates its readiness to pay by delivering to the Transporter, before the start of auction, the Credit Support in line with the Article 5 of this Network Code, in the amount securing the payment of Auction Price.
- 3.4.3 Auction Prices for each Capacity Product and each Interconnection Point are contracted to be either equal to the Reserve Price on auction for that Capacity Product and that Interconnection Point or higher than the Reserve Price, if the higher price is achieved on the auctions in line with the Article 7 of this Network Code.
- 3.4.4 Transporter determines Reserve Prices for each Gas Year in line with the Tariff Methodology and Final Exemption Act and publishes them prior the commencement of each auction for each Capacity Product and Interconnection Point.
- 3.4.5 User is entitled to use Gas Transmission Service under conditions from Short-Term GTA when it contracts Capacity Product on the auction in line with the Article 7 of this Network Code or obtains Contracted Capacity from other User through secondary trade of capacities in line with the Article 10 of this Network Code.
- 3.4.6 In both cases Transporter transports Gas in the Contracted Capacity and charges Transmission Fee to the User on the “ship or pay” basis, pursuant to this Network Code and Short-Term GTA.
- 3.4.7 Model of the Short-Term GTA is appended to this Network Code and constitutes its integral part.

3.5 Updates of information

- 3.5.1 User with the valid Short-Term GTA and/or Long-Term GTA is obliged to notify the Transporter through the Gastrans Electronic Data Platform on every change of business and other data indicated in the Request for Access to the System, Short-

Term GTA and/or Long-Term GTA, immediately upon occurrence or becoming aware of occurred change, and to submit evidence confirming substance of the occurred change. Transporter may, at any moment, or upon receipt of notification, require provision of additional information or delivery of evidences in connection with the occurred change.

- 3.5.2 Change of individuals which has been indicated by the User as contact persons having certain authorisations pursuant to the GEDP User Agreement, as well as change of level of their authorisation shall be performed in line with the GEDP User Agreement.

3.6 Notification on Statutory Changes

- 3.6.1 User which intends to undertake a statutory change, is obliged to inform the Transporter on its intention for the purpose of timely undertaking of all necessary actions for transfer, amendment and/or termination of the Long-Term GTA and/or Short-Term GTA, GEDP User Agreement and Balancing Agreement, and providing of Credit Support determined in line with this Network Code.
- 3.6.2 In case from the Article 3.6.1 of this Network Code, the Transporter and the User with the Short-Term GTA and/or Long-Term GTA shall agree on which Gas Day provision of Gas Transmission Services shall end, i.e. the Gas Day on which the provision of Gas Transmission Services for legal successor of the User shall commence, provided that until such Gas Day all conditions from the Article 3.6.3 of this Network Code are met.
- 3.6.3 In case of statutory change, User who has initially executed Short-Term GTA and/or Long-Term GTA shall not be relieved from any of its obligations until all debts related to the Transmission Fee and all other obligations from Short-Term GTA and/or Long-Term GTA, Balancing Agreement and GEDP User Agreement payable to the Transporter are fully settled, and in case of transfer of its rights and obligations, until the new User provides Credit Support in line with this Network Code.
- 3.6.4 If the User fails to inform the Transporter on occurrence of the statutory change in line with the Article 3.6.1 of this Network Code, and the Transporter becomes aware of the statutory change which has effect on realisation of Short-Term GTA and/or Long-Term GTA, Transporter shall have no obligation to consider auction bids nor secondary trade of capacities until the conditions from the Article 3.6 of this Network Code are met.

3.7 Removal from the Evidence

- 3.7.1 User which has neither Contracted Capacity nor outstanding debt towards the Transporter, may deliver to the Transporter termination notice for Short-Term GTA, and Transporter shall within three (3) Business Days from the date of agreement termination, remove that User from the Evidence unless it has executed Long-Term GTA.
- 3.7.2 The Transporter shall remove User from the Evidence also in the following cases:
- 3.7.2.1 cessation of Short-Term GTA if the User is not party to the Long-Term GTA; and
 - 3.7.2.2 cessation of a Long-Term GTA if the User is not party to the Short-Term GTA.
- 3.7.3 The Transporter shall notify in writing the Person from the Article 3.7.2 of this Network Code on removal from the Evidence within three (3) Business Days from the cessation of Short-Term GTA or Long-Term GTA, on which day GEDP User Agreement and Balancing Agreement are automatically terminated.
- 3.7.4 Cessation of Short-Term GTA and cessation of Long-Term GTA and other agreements is without prejudice to fulfilment of any of contracted obligations that accrued prior to cessation of these agreements.
- 3.7.5 After the removal from the Evidence, a Person may again request access to the system in line with Energy Law and this Network Code.

3.8 Access to the System of Users with the Long-Term GTA

- 3.8.1 User with the Long-Term GTA accesses the system on the basis of the Long-Term GTA in respect to the Gas Transmission Services contracted by the Long-Term GTA. User shall execute through Portal GEDP User Agreement and Balancing Agreement with the Transporter, upon which the Transporter shall provide User with its User Code.
- 3.8.2 User with the Long-Term GTA may contract secondary trade of capacities through Capacity Booking Platform when intends to dispose its Contracted Capacity in line with the Article 10 of this Network Code and after the registration on the Capacity Booking Platform (if not already registered).

- 3.8.3 User with the Long-Term GTA which intends to contract Capacity Products envisaged by this Network Code on the auctions shall inform the Transporter on its intent in the manner provided for in Long-Term GTA and upon registration with the Capacity Booking Platform (if not already registered), shall submit to the Transporter Request for Access to the System through Portal (by signing Request Form and Statements from the Article 2 of this Network Code) and shall execute Short-Term GTA.
- 3.8.4 Only the individual having the authority to represent the User with the Long-Term GTA is entitled to sign the Short-Term GTA, GEDP User Agreement, Balancing Agreement and Statements from the Article 2 of this Network Code in the name and on behalf of the User, by using his electronic signature. Such signing is considered as “expression of will” (in Serbian: *izjava volje*) under the Article 28 of the Law on Contracts and Torts of that User to undertake the obligations set out in the Short-Term GTA, GEDP User Agreement, Balancing Agreement, and all annexes thereto and in the Statements. In case that authorisation for representation of individual which shall sign agreements from this Article in the name and on behalf of the User cannot be detected from the data available to the Transporter, Transporter shall request the evidence on signing authorisation for such individual in the form of management body decision and/or power of attorney. The Transporter shall countersign the agreements from this Article as soon as such User signs them, i.e. after the verification of the authorisation of individual who has signed agreements and shall notify the Capacity Booking Platform on executed Short-Term GTA with such User at latest on the next Business Day from the date of countersigning the agreements from this Article.

4. COMMUNICATIONS AND GASTRANS ELECTRONIC DATA PLATFORM

4.1 General Communications Rules

- 4.1.1 Communication between the Transporter and Users related to contracting of Capacity Products and secondary trading of capacities, as well as communication between Users in respect to the secondary trade of capacities shall be conducted through Capacity Booking Platform, using set of standardized messages as set out by the manual of the Capacity Booking Platform.
- 4.1.2 Communication between the Transporter and Users in respect to Nominations, Renomination, Matching Process and confirmations, Balancing, other notifications related to fulfilment of GEDP User Agreement i.e. Balancing Agreement, as well as

communication between Users in respect to the Gas Trade shall be performed through Gastrans Electronic Data Platform using Edig@s. Until the Gastrans Electronic Data Platform becomes fully operational using Edig@s, communication and notification between Transporter and Users for the purposes from this Article shall be performed through Gastrans Electronic Data Platform using set of standardized messages published on the Transporter's website.

4.1.3 In case that communication means referred to in the Articles 4.1.1 (Capacity Booking Platform) and 4.1.2 (Gastrans Electronic Data Platform) of this Network Code do not enable User to perform necessary communication through Capacity Booking Platform or Gastrans Electronic Data Platform, and in case that said communication means temporary are not operative, if Transporter informs Users that it is possible to continue communication in the reserve regime of work, Transporter and User shall communicate in the following manner and in the following order of priority:

4.1.3.1 by email using the email addresses published on the Transporter's website (or, for a User, the e-mail address specified in its Request for Access to the System); and

4.1.3.2 by a fax of the Transporter at the fax number published on the Transporter's website.

4.1.4 All communication between Transporter and User for the purposes from the Article 4.1.3 of this Network Code must be made in Serbian language or in English language, by using, to the extent possible, the set of standardized messages as determined by Transporter.

4.1.5 Each User who accepts terms of Gastrans Electronic Data Platform, must ensure that the individual it has nominated in the Request for Access to the System to perform communication in its name and on its behalf (which encompasses individual who substitutes that individual, on which User must notify Transporter in line with the Article 3.5.2 of this Network Code) is available for communication on a continuous basis. User may authorise a third party to perform communication with the Transporter in the name and on behalf of the User, pursuant to this Network Code.

4.2 Communication Test

- 4.2.1 The Transporter after execution of GEDP User Agreement shall send to the new User an e-mail with the link for access to the communication test part of the Gastrans Electronic Data Platform and the GEDP Manual for use of Gastrans Electronic Data Platform functions. The Transporter enables to the User that the individuals nominated by it in the Request for Access to the System to manage its communications using Gastrans Electronic Data Platform, pass a communication test which includes at least successful sending of demo Nomination and receipt of demo Confirmed Quantities.
- 4.2.2 The Transporter shall provide technical and testing support to the User during the communication test and accessing the Gastrans Electronic Data Platform.

4.3 Gastrans Electronic Data Platform

- 4.3.1 The Transporter shall endeavour that Gastrans Electronic Data Platform is available on 24/7 basis to all Users. The Transporter shall not be responsible if Gastrans Electronic Data Platform is temporary unavailable for the reasons that cannot be attributed to the Transporter.
- 4.3.2 The Transporter shall provide all Users with unique user names, passwords and electronic certificates in order to facilitate the full access of such Users to the Gastrans Electronic Data Platform, whereby each User is obliged to accept the conditions for access to the Gastrans Electronic Data Platform set out in the GEDP User Agreement. If Transporter does not issue electronic certificates, it shall instruct User to obtain electronic certificate from the company which issues them.
- 4.3.3 All Users having access to the Gastrans Electronic Data Platform (either during the communication test or after obtaining the full access to the Gastrans Electronic Data Platform) are obliged to ensure that individuals for contact which are in charge of communication on its behalf acquire adequate skills and experience necessary to communicate using the Gastrans Electronic Data Platform. Transporter shall allow communication through using the Gastrans Electronic Data Platform only to individuals authorised by User and the Transporter shall consider the message received by such individuals as the message from the User.
- 4.3.4 the GEDP User Agreement regulates in detail the rights and obligations in respect to use of the Gastrans Electronic Data Platform.

4.4 Updates to Gastrans Electronic Data Platform

4.4.1 The Transporter shall notify all Users through the Gastrans Electronic Data Platform on updates and availability of updated version of Gastrans Electronic Data Platform when it becomes available. Each User is obliged to download updated version and to be able to use it, at latest by the date specified by the Transporter in the notification, whereby the date on which the use of updated version will start cannot be earlier than thirty (30) days after the delivery date of that notification.

4.4.2 The Transporter shall amend GEDP Manual complying with the updated version of the Gastrans Electronic Data Platform and shall provide amended document to the Users as the attachment to the notification referred to in the Article 4.4.1 of this Network Code.

4.5 Capacity Booking Platform

Each User is responsible to comply with the requirements for access and communication rules of the Capacity Booking Platform. If Capacity Booking Platform is temporary unavailable or is not fully operative due to the reasons not attributable to the Transporter, Transporter shall inform all Users on this fact, stating the date when one or more services (conduction of auction and/or secondary trade of capacities) is interrupted, reasons which caused the interruption of provision of IT services and moment when is expected that reasons that caused the interruption of provision of information company services to User and/or Transporter will be remedied.

5. CREDIT SUPPORT

5.1 General

5.1.1 Each User, save for the User meeting the Rating Exemption criteria, is obliged to provide to the Transporter one or more adequate Credit Support in the form of:

5.1.1.1 an irrevocable, unconditional bank guarantee in EUR or RSD payable on first demand and without protest, in Serbian or English language, issued pursuant to the Uniform Rules for Demand Guarantees 758 (URDG 758) by a bank that is licensed by the National Bank of Serbia or foreign bank or international financial institution which has the rating of „BBB-“ issued by Fitch or Standard & Poor's, i.e. „Baa3“ issued by Moody's; and/or

- 5.1.1.2 funds in EUR or RSD deposited into a separate escrow account with a bank that is licensed by the National Bank of Serbia which acts as an escrow agent.
- 5.1.2 In case when the Credit Support is provided in RSD, amount of the Credit Support for the purpose of the Articles 5.1.5 and 5.3.2 of this Network Code shall be recalculated in EUR at the middle rate of the National Bank of Serbia on the date of the issuance of bank guarantee or on the date of depositing the funds on the separate escrow account.
- 5.1.3 If User will provide several Credit Support instruments, it is entitled to combine different forms of Credit Support set out in the Article 5.1.1 of this Network Code.
- 5.1.4 By providing the Credit Support, the User secures fulfilment of its obligation to pay Transmission Fee for the contracted Capacity Product and all other payment obligations undertaken by execution of the Short-Term GTA. Credit Support serves also as a precondition for the participation in the auctions from the Article 7 of this Network Code in the manner prescribed by the Article 5.3 of this Network Code.
- 5.1.5 User provides Credit Support so that:
 - 5.1.5.1 for monthly, daily and Within-Day Capacity Products, amount of Credit Support corresponds to the Transmission Fee, which fee is equal to the product of Auction Price and quantity of Capacity Product for which User intends to submit offer;
 - 5.1.5.2 for quarterly Capacity Products amount of Credit Support corresponds to the value of 2/3 of the Transmission Fee, which fee is equal to the product of Auction Price and quantity of Capacity Product for which User intends to submit offer;
 - 5.1.5.3 for yearly Capacity Products amount of Credit Support corresponds to the value of 2/12 of the Transmission Fee, which fee is equal to the product of Auction Price and quantity of Capacity Product for which User intends to submit offer.
- 5.1.6 User has no obligation to deliver Credit Support to the Transporter if it meets either of following criteria ("**Rating Exemption**"):
 - 5.1.6.1 a credit rating of:

- (a) Standard & Poor's long-term rating of BBB- or better;
- (b) Fitch rating of BBB- or better;
- (c) Moody's long-term rating of Baa3 or better; or
- (d) 235 points or less according to Creditreform (credit index score 2.0), or

5.1.6.2 is 100% owned by a company which satisfies any of the above listed conditions.

5.2 Provision of Credit Support

- 5.2.1 A User meeting Rating Exemption criteria shall provide to the Transporter through Portal, at the moment of submitting the Request for Access to the System, the information/references containing evidence on its current credit rating, i.e. current credit rating of its parent company with 100% ownership in such User.
- 5.2.2 If Rating Exemption cease to exist during the validity of Short-Term GTA, on which circumstance the User is obliged to notify Transporter immediately upon occurrence of such event, User shall provide Transporter with the Credit Support in the amount calculated in line with the Article 5.1.5 of this Network Code for the already contracted Capacity Product within ten (10) Business Days as of the cessation of Rating Exemption. In case that Transporter becomes acquainted with such information in different manner, deadline of ten (10) Business Days is calculated as of the day of delivery of invitation to the User by Transporter to provide the Credit Support.
- 5.2.3 User who does not meet Rating Exemption criteria is obliged to provide Transporter with the valid Credit Support, which meets conditions from the Article 5.1.1 of this Network Code at latest three (3) Business Days before the start of an auction on which it intends to participate. Provided Credit Support must be valid at least sixty (60) days after last day of calculation period for Capacity Product which is secured with the provided Credit Support.
- 5.2.4 In case the User provides bank guarantee from the Article 5.1.1.1 of this Network Code as Credit Support, such guarantee shall be delivered to the Transporter via SWIFT message sent by e-mail to the address which Transporter publishes on its website, with the obligation of User to deliver to the Transporter original bank guarantee within the ten (10) days, as of the day of delivering SWIFT message.

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- 5.2.5 In case the User deposits funds as Credit Support, User, bank and Transporter shall execute agreement on opening escrow account.
- 5.2.6 Within the two (2) Business Days as of the receipt of Credit Support, Transporter informs User through Gastrans Electronic Data Platform whether provided Credit Support is considered as valid one pursuant to this Network Code, and if yes, Transporter publishes Available Credit of such User (calculated in line with the Article 5.3.1 of this Network Code) through Capacity Booking Platform.
- 5.2.7 If the User has not provided Credit Support in line with this Network Code, Transporter shall, within two (2) Business Days as of the receipt of Credit Support, inform User on reasons why it considers that such User has not provided valid Credit Support as prescribed in the Article 5.1.1 of this Network Code and invite User to provide valid Credit Support.
- 5.2.8 A User with a Long-Term GTA is also obliged to provide the Credit Support pursuant to this Network Code (or evidence on fulfilment of the Rating Exemption criteria from the Article 5.1.6 of this Network Code) in order to participate on the auctions for the Capacity Products from the Article 7 of this Network Code, whereby the provisions of the Long-Term GTA shall be applicable to the credit support provided pursuant to the Long-Term GTA and the provisions from this Article 5 shall be applicable to the Credit Support provided for the Short-Term GTA pursuant to this Network Code.

5.3 Available Credit

- 5.3.1 The Available Credit is calculated in the following manner:

- 5.3.1.1 for the auctions for monthly, daily and Within-Day Capacity Products:

Available Credit = Credit Limit;

- 5.3.1.2 for the auctions for quarterly Capacity Products:

Available Credit = Credit Limit multiplied by 3/2;

- 5.3.1.3 for the auctions for yearly Capacity Products:

Available Credit = Credit Limit multiplied by 12/2.

- 5.3.2 Credit Limit represents the difference between total amount of the Credit Support which User has provided to the Transporter and amount of the Credit Support that is used as security for payments of obligations from the Article 5.1.4 of this Network Code, which Transporter calculates in line with the Article 5.1.5 of this Network Code.
- 5.3.3 User entitled to participate on a particular auction pursuant of the Article 7.5 of this Network Code is obliged to maintain its Available Credit in the amount which allows it to contract the intended quantity of Capacity Product against Auction Price.
- 5.3.4 Transporter publishes amount of the Available Credit of each User on Capacity Booking Platform. Amount of the Available Credit shall be updated every hour.
- 5.3.5 Notwithstanding the above, User meeting Exemption Rating criteria is entitled to participate on auctions without limitations.

5.4 Substitution and Return of Credit Support

- 5.4.1 User shall, within the five (5) Business Day as of the day of collection of bank guarantee by Transporter for yearly and quarterly Capacity Products, provide the Transporter with new Credit Support which meets conditions from the Article 5.1.1 of this Network Code.
- 5.4.2 User shall, within five (5) Business Days as of the withdrawal of funds from the separate escrow account, either in case of collection by Transporter or from any other reason (save for the case from the Article 5.4.4 of this Network Code), provide the Transporter new Credit Support which meets conditions from the Article 5.1.1 of this Network Code.
- 5.4.3 User, within five (5) Business Days as of the day when becomes aware that National Bank of Serbia, i.e. central bank competent for foreign bank, has issued to the bank from the Article 5.1.1 of this Network Code measures which may lead to the revocation of license or has revoked the license, or within five (5) Business Days when the User becomes aware that credit rating of foreign bank or international financial institution is changed and does not meet criteria from the Article 5.1.1.1 of this Network Code, shall provide the Transporter with new Credit Support which meets conditions from the Article 5.1.1 of this Network Code. In case that Transporter becomes aware of any of these circumstances before the

User, deadline of five (5) Business Days shall start from the day of deliverance of invitation to User by Transporter to provide new Credit Support.

- 5.4.4 User is entitled to request from Transporter the withdrawal from the separate escrow account of the amount that does not serve as securing for the payment of obligations from the Article 5.1.4 of this Network Code, with simultaneous decrease of the Credit Limit for the withdrawn amount. Transporter is obliged to give its consent for the withdrawal of said amount within three (3) Business Days as of the receipt of request.
- 5.4.5 User is entitled to request from the Transporter to return bank guarantee provided that such bank guarantee does not serve to Transporter as security for payment of obligations from the Article 5.1.4 of this Network Code, with simultaneous decrease of the Credit Limit for the amount of returned bank guarantee. Transporter is obliged to return bank guarantee within three (3) Business Days as of receipt of request.
- 5.4.6 Transporter shall return all Credit Support instruments to the User which Short-Term GTA cease to be valid and toward whom Transporter has no claims, within five (5) Business Days.

6. CAPACITY PRODUCTS

6.1 Introduction

- 6.1.1 The Transporter offers to Users its Gas Transmission Services as Capacity Products, which are contracted either as Firm Capacity or Interruptible Capacity, in Physical Flow Direction or in Commercial Reverse Flow, for a period of one (1) Gas Year or for a period shorter than one (1) Gas Year.
- 6.1.2 Transporter offers:
- 6.1.2.1 Firm Yearly Capacity, as Firm Capacity in the Physical Flow Direction for a period of one (1) Gas Year, which is offered only in case of the Surrender, cessation of the Long-Term GTA and in case from the Article 9.4 of this Network Code ("**Firm Yearly Capacity**");
- 6.1.2.2 Firm Short-Term Capacity, as Firm Capacity in the Physical Flow Direction for a period shorter than one (1) Gas Year ("**Firm Short-Term Capacity**");

- 6.1.2.3 Interruptible Capacity, as capacity in the Physical Flow Direction for a period shorter than one (1) Gas Year, that may be Interrupted in line with the conditions stipulated in the Article 14 of this Network Code ("**Interruptible Capacity**");
- 6.1.2.4 Commercial Reverse Yearly Capacity, as capacity in the Commercial Reverse Flow for a period of one (1) Gas Year, that may be Interrupted in line with the conditions stipulated in the Article 14 of this Network Code ("**Commercial Reverse Yearly Capacity**").
- 6.1.2.5 Commercial Reverse Short-Term Capacity, as the capacity in the Commercial Reverse Flow for a period shorter than one (1) Gas Year that may be Interrupted in line with the conditions stipulated in the Article 14 of this Network Code ("**Commercial Reverse Short-Term Capacity**").
- 6.1.3 The Transporter shall:
 - 6.1.3.1 invite Users to make the offers for contracting Available Capacity for each Capacity Product offered on auctions;
 - 6.1.3.2 publish Available Capacity for each Capacity Product on the Capacity Booking Platform; and
 - 6.1.3.3 publish the Reserve Price for each Capacity Product and each Interconnection Point on its website and on the Capacity Booking Platform.
- 6.1.4 Contracting of Capacity Products is performed in the auction procedure which are conducted through Capacity Booking Platform for each Interconnection Point, in line with the Article 7 of this Network Code.
- 6.2 **Firm Yearly Capacity**
 - 6.2.1 Transporter shall offer for contracting Firm Yearly Capacity when firm long-term capacity from the Long-Term GTA becomes available for contracting on the basis of Surrender, cessation of the Long-Term GTA and in case from the Article 9.4 of this Network Code.
 - 6.2.2 Firm Yearly Capacity shall be offered for a period of one (1) or more separate Gas Years.

6.3 Firm Short-Term Capacity

- 6.3.1 The Transporter shall offer to the Users for contracting the following Capacity Products as Firm Short-Term Capacity:
- 6.3.1.1 Firm Quarterly Capacity, as Firm Short-Term Capacity contracted for a period of a Gas Quarter ("**Firm Quarterly Capacity**");
 - 6.3.1.2 Firm Monthly Capacity, as Firm Short-Term Capacity contracted for a period of a Gas Month ("**Firm Monthly Capacity**");
 - 6.3.1.3 Firm Daily Capacity, as Firm Short-Term Capacity contracted for a period of a Gas Day ("**Firm Daily Capacity**"); and
 - 6.3.1.4 Firm Within-Day Capacity, as Firm Short-Term Capacity contracted for a period within a Gas Day ("**Firm Within-Day Capacity**").
- 6.3.2 Firm Short-Term Capacity is offered independently at each Interconnection Point and so that Users separately contract Firm Short-Term Capacity at the Entry Point Kirevo/Zaječar and/or Exit Point(s).

6.4 Interruptible Capacity

- 6.4.1 Interruptible Daily Capacity shall be offered by the Transporter for contracting as Capacity Product to the Users at an Interconnection Point only when there is no Available Capacity for Firm Short-Term Capacity at that Interconnection Point for the following Gas Day ("**Interruptible Daily Capacity**").
- 6.4.2 Interruptible Capacity is offered independently at each Interconnection Point and therefore Users separately contract Interruptible Capacity at the Entry Point Kirevo/Zaječar and/or Exit Points.
- 6.4.3 Within-Day Interruptible Capacity shall be contracted in line with the Article 12.8 of this Network Code.

6.5 Commercial Reverse Capacity

- 6.5.1 Commercial Reverse Capacity (which is in a Commercial Reverse Flow) shall be offered for contracting by the Transporter on an interruptible basis.

- 6.5.2 The Transporter shall offer to the Users for contracting the following Capacity Products as Commercial Reverse Capacity:
- 6.5.2.1 Commercial Reverse Yearly Capacity;
 - 6.5.2.2 Commercial Reverse Quarterly Capacity, as Commercial Short-Term Reverse Capacity contracted for the period of a Gas Quarter ("**Commercial Reverse Quarterly Capacity**");
 - 6.5.2.3 Commercial Reverse Monthly Capacity, as Commercial Short-Term Reverse Capacity contracted for the period of a Gas Month ("**Commercial Reverse Monthly Capacity**"); and
 - 6.5.2.4 Commercial Reverse Daily Capacity, as Commercial Short-Term Reverse Capacity contracted for the period of a Gas Day ("**Commercial Reverse Daily Capacity**").
- 6.5.3 User that intends to contract Commercial Reverse Capacity must contract Commercial Reverse Capacity as a combination of equal amounts of Contracted Capacity at one Contracted Entry Point and one Contracted Exit Point.

7. CAPACITY CONTRACTING

7.1 Offering of Capacity in Physical Flow Direction

- 7.1.1 The following Capacity Products as Firm Short-Term Capacity shall be offered by the Transporter for contracting at each Interconnection Point, as long as there is Available Capacity at that Interconnection Point to accommodate the offering of those Capacity Products, in the following order of priority:
- 7.1.1.1 Firm Quarterly Capacity for each Gas Quarter in the same Gas Year at rolling quarterly auctions, whereby the Available Capacity to be offered at each quarterly auction shall be calculated as Technical Capacity on an Interconnection Point decreased for Total Contracted Capacity and increased for the Surrendered Capacity at that Interconnection Point, whereby Total Contracted Capacity and Surrendered Capacity relate to the relevant Gas Quarter. On first auction for Firm Quarterly Capacity for the next Gas Year, Available Capacity shall be offered for all four quarters of the Gas Year. On the second auction for Firm Quarterly Capacity, Available Capacity shall

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be offered for the remaining three quarters of the Gas Year. On the third auction for Firm Quarterly Capacity, Available Capacity shall be offered for the third and fourth quarter of the Gas Year. On the fourth auction for Firm Quarterly Capacity, Available Capacity shall be offered for fourth quarter of the Gas Year;

- 7.1.1.2 Firm Monthly Capacity for the following Gas Month at monthly auctions, whereby the Available Capacity to be offered at each monthly auction shall be calculated as the Technical Capacity on an Interconnection Point decreased for Total Contracted Capacity and increased for the Surrendered Capacity at that Interconnection Point, whereby Total Contracted Capacity and Surrendered Capacity relate to the next Gas Month;
 - 7.1.1.3 Firm Daily Capacity on a Day-Ahead basis at daily auctions, whereby the Available Capacity to be offered at each auction shall be calculated as the Technical Capacity on an Interconnection Point decreased for the Total Contracted Capacity and increased for the Surrendered Capacity and for non-nominated capacity which cannot be renominated in line with the Article 12.7.5 of this Network Code at that Interconnection Point, whereby Total Contracted Capacity, Surrendered Capacity and non-nominated capacity relate to the relevant Gas Day; and
 - 7.1.1.4 Firm Within-Day Capacity on auctions for Within-Day capacities, whereby the Available Capacity to be offered at each auction shall be calculated as the Technical Capacity on an Interconnection Point decreased for the Total Contracted Capacity and increased for the Surrendered Capacity and non-nominated capacity which cannot be renominated in line with the Article 12.7.5 of this Network Code at that Interconnection Point, whereby Total Contracted Capacity, Surrendered Capacity and non-nominated capacity relate to the relevant hour(s) within the Gas Day.
- 7.1.2 Firm Yearly Capacity at each Interconnection Point for the following Gas Year shall be offered for contracting by the Transporter at the annual auction for Firm Yearly Capacity, in case that Firm Yearly Capacity becomes available as a consequence of Surrender in line with the Article 8 of this Network Code or as a consequence of cessation of Long-Term GTA. It is required that the difference between Technical

Capacity of that Interconnection Point reduced by all Contracted Capacities and increased for Surrendered Capacity and capacity existing as a consequence of cessation of Long-Term GTA at that Interconnection Point that relate to the period which includes relevant Gas Year, and the capacity that the Transporter must reserve for Short-Term Capacity Products at that Interconnection Point pursuant to the Final Exemption Act is a positive number.

- 7.1.3 Interruptible Daily Capacity for a particular Interconnection Point and Gas Day shall be offered for contracting by the Transporter, in line with the Article 6.4.1 of this Network Code, through a daily auction only if all Technical Capacity has been allocated for the following Gas Day on that Interconnection Point and if the difference between the Technical Capacity and the aggregate of Confirmed Quantities for the Physical Flow Direction at that Interconnection Point for the following Gas Day is a positive number.
- 7.1.4 Users may contract: i) only Entry Point Kirevo/Zaječar, ii) only an Exit Point or iii) Entry Point Kirevo/Zaječar and an Exit Point.

7.2 Bundling of Physical Flow Direction Firm Capacity

- 7.2.1 Transporter may offer for contracting Firm Capacity in Physical Flow Direction as Bundled Capacity at each Interconnection Point after the Transporter has entered into an agreement with the Adjacent TSO thereon, to the extent that transportation capacity is available on both sides of that Interconnection Point. If the amount of a particular Capacity Product for Firm Short-Term Capacity to be offered at an Interconnection Point by the Transporter is different than the amount of capacity to be offered by the Adjacent TSO for the same standard capacity product, the lower of the two amounts of capacities shall be offered as Bundled Capacity whereby the outstanding part of capacity shall be offered as unbundled capacity on the relevant side of that Interconnection Point.
- 7.2.2 Bundled Capacity at a specific Interconnection Point shall be offered through auction held on the Capacity Booking Platform. Users may contract Physical Flow Direction capacity on both sides of an Interconnection Point as Bundled Capacity through a single contracting procedure.
- 7.2.3 The reserve price of any Physical Flow Direction capacity offered as Bundled Capacity shall be the sum of the Reserve Price and the reserve price specified as such for the relevant capacity product at that interconnection point which is offered by the Adjacent TSO ("**Bundled Capacity Reserve Price**").

7.3 Offering of the Commercial Reverse Capacity

- 7.3.1 Transporter for Entry Point Horgoš/Kiškundorožma 1200, Entry Point Serbia and Exit Point Kirevo/Zaječar shall offer for contracting the following Capacity Products as Commercial Reverse Capacity in the following order:
- 7.3.1.1 Commercial Reverse Yearly Capacity for each Gas Year at annual auctions;
 - 7.3.1.2 Commercial Reverse Quarterly Capacity for each Gas Quarter in the same Gas Year at quarterly auctions;
 - 7.3.1.3 Commercial Reverse Monthly Capacity for the following Gas Month at monthly auctions; and
 - 7.3.1.4 Commercial Reverse Daily Capacity for a next Gas Day at daily auctions.
- 7.3.2 Transporter shall offer for contracting Commercial Reverse Yearly Capacity for the following Gas Year at annual auction, in the amount equal to the Total Contracted Capacity for the following Gas Year at that Interconnection Point in Physical Flow Direction.
- 7.3.3 Transporter shall offer for contracting Commercial Reverse Quarterly Capacity for the quarters in Gas Year on quarterly auctions in the amount equal to the Total Contracted Capacity for that Gas Quarter at that Interconnection Point in Physical Flow Direction decreased for the contracted Commercial Reverse Yearly Capacity for that Gas Quarter. On the first auction for Commercial Reverse Quarterly Capacity for the next Gas Year, Available Capacity shall be offered for all four quarters of the Gas Year. On the second auction for Commercial Reverse Quarterly Capacity, Available Capacity shall be offered for the remaining three quarters of the Gas Year. On the third auction for Commercial Reverse Quarterly Capacity, Available Capacity shall be offered for the third and fourth quarter of the Gas Year. On the fourth auction for Commercial Reverse Quarterly Capacity, Available Capacity shall be offered for fourth quarter of the Gas Year.
- 7.3.4 Transporter shall offer for contracting Commercial Reverse Monthly Capacity for months in the Gas Year on the monthly auctions in the amount equal to the Total Contracted Capacity for that Gas Month at that Interconnection Point in Physical Flow Direction decreased for the sum of contracted Commercial Reverse Yearly Capacity and Commercial Reverse Quarterly Capacity for that Gas Month.

- 7.3.5 Transporter shall offer for contracting Commercial Reverse Daily Capacity for days in the Gas Year on the daily auctions in the amount equal to the Total Contracted Capacity for that Gas Day at that Interconnection Point in Physical Flow Direction decreased for the sum of contracted Commercial Reverse Yearly Capacity, Commercial Reverse Quarterly Capacity and Commercial Reverse Monthly Capacity for that Gas Day.
- 7.3.6 Commercial Reverse Capacity must be contracted as a combination of Available Capacity at each of an Entry Point and an Exit Point. Possible combinations of a reverse flow are presented in a table below:

FULL REVERSE FLOW		
Entry Point Horgoš/Kiškundorožma 1200	====>	Exit Point Kirevo/Zaječar
Entry Point Serbia	====>	Exit Point Kirevo/Zaječar
HALF REVERSE FLOW		
Entry Point Horgoš/Kiškundorožma 1200	====>	Exit Point Serbia
Entry Point Serbia	====>	Exit Point Horgoš/Kiškundorožma 1200

- 7.3.7 Reserve Prices on auction for Entry Point Horgoš/Kiškundorožma 1200, Entry Point Serbia and Exit Point Kirevo/Zaječar shall be determined by Transporter in line with Item 14 Paragraph 1 of the Final Exemption Act. Reserve Prices for the Exit Point Horgoš/Kiškundorožma 1200 and an Exit Point Serbia shall be determined by Transporter in line with Item 12 Paragraph 3 of the Final Exemption Act due to the fact that each Exit Point is in this case in Physical Flow Direction.

7.4 Publication of Auctions

- 7.4.1 The Transporter publishes an auction for particular Capacity Product for particular Interconnection Point on the Capacity Booking Platform. The publication contains at least the following information: (i) the Available Capacity offered as relevant Capacity Product at relevant Interconnection Point, (ii) the Reserve Price, and (iii) large price step and small price step for yearly, quarterly and monthly auctions.
- 7.4.2 The auctions for Firm Capacity shall be published and conducted according to the following calendar:
- 7.4.2.1 Firm Yearly Capacity shall be offered on the auction which is held on first Monday in July, whereby bids should be submitted in the period between 09:00 CET and 18:00 CET;

- 7.4.2.2 Firm Quarterly Capacity shall be offered on four (4) auctions, whereby first auction shall be held on first Monday in August, second shall be held on first Monday in November, third shall be held on first Monday in February and fourth shall be held on first Monday in May. Bids should be submitted in the period between 09:00 CET and 18:00 CET;
- 7.4.2.3 Firm Monthly Capacity shall be offered on the auctions held each third Monday in the month for the next Gas Month. Bids should be submitted in the period between 09:00 CET and 18:00 CET;
- 7.4.2.4 Firm Daily Capacity shall be offered on auctions held every day, for the next Gas Day. Bids should be submitted in the period between 16:30 CET and 17:00 CET;
- 7.4.2.5 Firm Within-Day Capacity shall be offered on auctions held every hour starting from the next hour after the publication of results of last auction for Firm Daily Capacities for next Gas Day or for Interruptible Daily Capacities if offered. Bids for first auction should be submitted from the next hour after the publication of the results for last auction for Firm Daily Capacity, or for Interruptible Daily Capacity if offered, until 02:30 CET of previous Gas Day. On the first auction Firm Within-Day Capacity for all twenty four (24) hours of Gas Day shall be offered. After first auction, Firm Within-Day Capacity for a period shorter than twenty four (24) hours within Gas Day shall be offered on auctions. At the beginning of each hour, new auction for Firm Within-Day Capacity for a period which begins four (4) hours as of the start of that auction and ends at the end of the Gas Day shall start. Bid should be submitted within thirty (30) minutes. In last auction on which the capacities are offered for last hour within the Gas Day bids should be submitted in the period between 01:00 CET and 01:30 CET of the Gas Day.
- 7.4.3 Auctions for Commercial Reverse Capacity shall be published and conducted in line with the following calendar:
- 7.4.3.1 Commercial Reverse Yearly Capacity shall be offered on auction held on third Monday in July. Bids should be submitted in the period between 09:00 CET and 18:00 CET;
- 7.4.3.2 Commercial Reverse Quarterly Capacity shall be offered on four (4) auctions for quarters in Gas Year, whereby first auction shall be held on

first Monday in September, second shall be held on first Monday in December, third shall be held on first Monday in March and fourth shall be held on first Monday in June. Bids should be submitted in the period between 09:00 CET and 18:00 CET;

7.4.3.3 Commercial Reverse Monthly Capacity shall be offered on auctions held each forth Tuesday in the month for the next Gas Month. Bids should be submitted in the period between 09:00 CET and 18:00 CET;

7.4.3.4 Commercial Reverse Daily Capacity shall be offered on auctions held each day, for the next Gas Day. Bids should be submitted in the period between 17:30 CET and 18:00 CET.

7.4.4 Interruptible Daily Capacity shall be offered on auctions held each day for the next Gas Day, if the conditions from the Article 7.1.3 of this Network Code are met. Bids should be submitted in the period between 17:30 CET and 18:00 CET.

7.4.5 Interruptible Within-Day Capacity shall be offered through Gastrans Electronic Data Platform through the procedure for Over-nominations from the Article 12.8 of this Network Code each hour during the Gas Day, after the publication of results of auctions for Firm Within-Day Capacity and if conditions from the Article 12.8 of this Network Code are met.

7.4.6 Auction Calendar from this Article 7.4 may be changed in case of change of auction calendar of European Network of Transmission System Operators for Gas for a relevant Gas Year and shall be published on the Capacity Booking Platform by which publishing it is considered that Users are informed on the upcoming auctions.

7.4.7 Publication of auction for a Capacity Products on the Capacity Booking Platform shall have the contractual effect as set out in the Articles 7.6.6 – 7.6.8 of this Network Code in case of an auction applying an ascending clock auction algorithm and has the effect as set out in the Article 7.6.14 of this Network Code in case of an auction applying a uniform price auction algorithm.

7.5 Eligibility of Users to participate in an auction

7.5.1 User may participate in an auction if it has provided to the Transporter the Credit Support as set out in the Article 5 of this Network Code and if its Available Credit calculated in line with the Article 5.3.1 of this Network Code and published by

Transporter over Capacity Booking Platform, allows it to contract at least one (1) kWh/h of the Capacity Product offered on auction.

- 7.5.2 User meeting Rating Exemption criteria may participate on auctions without providing Credit Support.
- 7.5.3 User which Rating Exemption cease to exist is not entitled to participate on auctions until it provides Credit Support in line with the Article 5 of this Network Code.
- 7.5.4 The Transporter observes whether any of the events set out in the Articles 7.5.1 and 7.5.3 of this Network Code have occurred in respect to any User and if it determines so, it shall inform Capacity Booking Platform and that User, at latest at the beginning of a Gas Day on which an auction shall be conducted in line with the Auction Calendar, that User is not eligible for participation in said auction for as long as such event is continuing. When the Transporter determines that the User is not eligible to participate on any auctions due to occurrence of any of the events set out in the Articles 7.5.1 and 7.5.3 of this Network Code, it is the responsibility of such User to provide the Transporter with the relevant evidence(s) proving that such event has ceased, so that the Transporter verifies, on the basis of such evidence(s), whether such User is entitled to participate on auctions in line with this Network Code, on which fact it shall notify User within five (5) days as of the delivery of such evidence(s).
- 7.5.5 In case of cessation of the Short-Term GTA of a User, in line with provisions thereof, the Transporter shall inform the Capacity Booking Platform that such User is considered as permanently not eligible to participate on auctions.
- 7.5.6 If the Transporter determines that User is not eligible to participate on an auction in line with the Article 7.5 of this Network Code, User is entitled to file a complaint to AERS in line with the Energy Law not later than eight (8) days as of the receipt of notification by which Transporter in electronic form notifies User on rejection of the Request for Access to the System for that auction.

7.6 Conduct of Auctions by the Capacity Booking Platform

- 7.6.1 The Capacity Booking Platform conducts an auction by allowing participation of all Users that are verified by the Transporter as eligible to participate in such auction in line with the Article 7.5 of this Network Code.

- 7.6.2 If an eligible User intends to contract Available Capacity, it must do so through the Capacity Booking Platform by placing a bid to the Transporter. It is the responsibility of each eligible User to comply with the contracted general terms for access to the Capacity Booking Platform.
- 7.6.3 Only bids of eligible Users values of which do not exceed the Available Credit may be accepted by the Capacity Booking Platform acting in the name and on behalf of the Transporter.
- 7.6.4 The Capacity Booking Platform, in the name and on behalf of the Transporter, conducts the auctions in electronic form, by conducting the first bidding round, receiving the bids from the Users which are verified by the Transporter, determines whether the next bidding round should be conducted and publishes the price applicable to that bidding round, determines when the auction shall be closed and publishes the auction results, all in line with this Network Code and the rules of the Capacity Booking Platform.

Ascending clock auction algorithm auctions

- 7.6.5 Ascending clock auction algorithm shall be applicable to the auctions for Firm Yearly Capacity, Firm Short-Term Capacity and Commercial Reverse Capacity (other than Firm Daily Capacity, Firm Within-Day Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity), enabling Users to place volume bids against escalating prices announced in consecutive bidding rounds, starting at the Reserve Price. Ascending clock auction shall be conducted in line with the Articles 7.6.5-7.6.12 of this Network Code which corresponds to the procedure and ascending clock auction algorithm set out in the CAM Network Code.
- 7.6.6 When an auction with ascending clock auction algorithm is published, publication of such auction by the Transporter shall have the effect of “invitation to submit an offer” (in Serbian: *poziv da se učini ponuda*) pursuant to the Article 35 of the Law on Contracts and Torts made by the Transporter to all eligible Users for contracting capacity up to Available Capacity against the Reserve Price. Transporter undertakes by such invitation to accept all submitted offers provided that auction is closed in the first bidding round pursuant to this Network Code.
- 7.6.7 If the capacity bided for by the Users in a bidding round is higher than the Available Capacity for that auction, the Transporter shall through Capacity Booking Platform sent to the Users “proposal to amend the offers” (in Serbian: *predlog za izmenu ponude*) in the meaning of the Article 41 of the Law on Contracts and Torts, and

Capacity Booking Platform shall start the new bidding round in respect to the Available Capacity against the price being equal to the price from the previous bidding round increased for large price step. Such proposal is sent to all eligible Users for contracting capacity up to Available Capacity against the new price. The Transporter is obliged by the proposal to accept all submitted amended offers provided that auction is closed in that bidding round pursuant to this Network Code. Transporter shall be sending through Capacity Booking Platform proposal for submitting amended offers pursuant to this Article, as long as the capacity bided for by the Users in a bidding round is higher than the Available Capacity for that auction.

- 7.6.8 When the capacity bided for by the Users for the first time is lower than the Available Capacity for that auction, the Transporter shall through Capacity Booking Platform sent proposal for submitting amended offers for Available Capacity against the price being equal to the price from the bidding round preceding the first time undersell Available Capacity increased for small price step. Proposal to make an amended offer is sent to all eligible Users for contracting capacity up to Available Capacity against the new price. The Transporter is obliged by the proposal to accept all submitted amended offers, provided that auction is closed in that bidding round pursuant to this Network Code. The Capacity Booking Platform shall start the new bidding round by increasing the price for one small price step, as long as the capacity bided for by the Users in a bidding round is higher than the Available Capacity for that auction, except in case set out in the Article 7.6.10.4 of this Network Code.
- 7.6.9 Quantities in the Users' bids in any bidding round in which small price step is applicable shall be equal or less then the quantities from the bids of each User in the bidding round preceding the first time undersell of Available Capacity. Quantities in the Users' bids in the bidding round in which small price step is applicable must be equal or less then the quantities from the bids of each User in the previous bidding round in which small price step is applied. Quantities in the Users' bids in any bidding round in which small price step is applicable must be equal to or greater than the quantities from the bids of each User in the bidding round in which first time undersell of Available Capacity occurred.
- 7.6.10 Notwithstanding the above, the auction shall close:

- 7.6.10.1 if the capacity bided for by the Users at the end of the first bidding round is less than or equal to the Available Capacity for that auction; or
 - 7.6.10.2 if the capacity bided for by the Users at the end of a bidding round in which small price step was applied is less than or equal to the Available Capacity for that auction; or
 - 7.6.10.3 if the capacity bided for by the Users at the end of any bidding round is equal to the Available Capacity for that auction; or
 - 7.6.10.4 when the capacity bided for by the Users is greater than the capacity offered in the bidding round with a price equal to that which led to the first time undersell, minus one small price step.
- 7.6.11 When an auction closes, the price announced for the last bidding round in which the auction closes shall be considered as the Auction Price except in case set out in the Article 7.6.10.4 of this Network Code when the Auction Price shall be the price that led to the first time undersell of Available Capacity and the successful bids shall be those submitted during the original bidding round in which the first time undersell of Available Capacity occurred.
- 7.6.12 Same rules set out in the Articles 7.6.6-7.6.11 of this Network Code are applicable in case of the Bundled Capacity and relate to the part of Bundled Capacity Reserve Price or the part of the Auction Price for the Bundled Capacity payable to the Transporter.
- Uniform price auction algorithm*
- 7.6.13 Uniform price auction algorithm shall be applied on auctions for Firm Daily Capacity, Firm Within-Day Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity, where there is a single bidding round in which Users bid price as well as an amount of the capacity. Uniform price auction will be conducted in line with the Articles 7.6.13-7.6.22 of this Network Code which corresponds to the procedure and uniform price auction algorithm set out in the CAM NetworkCode.
- 7.6.14 When a uniform price auction algorithm is applicable to an auction, publication of such auction by the Transporter shall have the effect of invitation to submit an offer pursuant to the Article 35 of the Law on Contracts and Torts, which invitation

is made by the Transporter through Capacity Booking Platform to all eligible Users for contracting any capacity up to Available Capacity against the price which cannot be lower than the Reserve Price.

- 7.6.15 User's bid shall contain quantity of the Capacity Product which User intends to contract, minimum requested quantity of the Capacity Product which User is ready to contract in case that in line with this Network Code quantity from the bid cannot be contracted, as well as the price against which is ready to contract the Capacity Product, which price cannot be lower than the Reserve Price.
- 7.6.16 Capacity Booking Platform shall in the name and on behalf of the Transporter rank all received bids using the criteria of highest offered price, so that the bid with the highest price is ranked as the first.
- 7.6.17 All bids the aggregate requested quantity of which does not exceed Available Capacity shall be considered as accepted by the Transporter.
- 7.6.18 Bid which requested quantity of Capacity Product, together with the bids from the Article 7.6.17 of this Network Code, exceeds Available Capacity is considered as accepted by the Transporter, provided that the minimum quantity from the Article 7.6.15 of this Network Code is less or equal to the difference between the Available Capacity and total amount of quantity from the bids from the Article 7.6.17 of this Network Code.
- 7.6.19 In case of two or more bids with the same offered price, and sum of the quantities from such bids together with the aggregated quantity from bids from the Article 7.6.17 of this Network Code exceeds Available Capacity, difference between the Available Capacity and total amount of quantity from the bids from the Article 7.6.17 of this Network Code shall be pro rata allocated to such bids, and all bids which minimum quantity from the Article 7.6.15 of this Network Code is less or equal to the pro rata allocated quantities shall be considered as accepted by the Transporter.
- 7.6.20 In cases from the Articles 7.6.18 and 7.6.19 of this Network Code, it is considered that the Transporter has rejected bids of Users minimum requested quantity of which have been higher than the difference or its proportional part and the lower ranked bid shall be accepted if the conditions from the Articles 7.6.18 or 7.6.19 of this Network Code are met.

- 7.6.21 Auction Price on the auction with the uniform price algorithm is the lowest price from the accepted bid.
- 7.6.22 Same rules as determined in the Articles 7.6.14-7.6.21 of this Network Code shall be applicable in case of the Bundled Capacity and relate to the part of Bundled Capacity Reserve Price or the part of the Auction Price for the Bundled Capacity payable to the Transporter.

7.7 Publication of auction results

- 7.7.1 Users shall be notified on an individual basis on the Available Capacity that they have contracted at the relevant auction by sending Notification on Contracting the Capacity Product which notification contains the following data: Contract Capacity, Capacity Product, Transportation Start Date, Transportation End Date, Interconnection Point as Contracted Entry Point or Contracted Exit Point and Auction Price. The Transporter shall publish aggregated information of auction results by posting this information on Gastrans' website.
- 7.7.2 The results for auctions of Firm Short-Term Capacity and Commercial Reverse Capacity (other than Firm Daily Capacity, Firm Within-Day Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity), shall be published on the next Business Day following the closing of auction.
- 7.7.3 Results for Firm Daily Capacity, Firm Within-Day Capacity, Commercial Reverse Daily Capacity and Interruptible Daily Capacity auctions, shall be published no later than thirty (30) minutes after the closing of auction.
- 7.7.4 Day of delivering of Notification on Contracting the Capacity Product to the User through Capacity Booking Platform is the day in which requested volume and type of the Capacity Product for the transport on the requested Entry Point or Exit Point is considered contracted ("**Contracted Capacity**").
- 7.7.5 As from the day of delivery of Notification on Contracting the Capacity Product to the User through Capacity Booking Platform, the Transporter becomes obliged to enable the provision of the Gas Transmission Service to the User in the Contracted Capacity starting from the Gas Day which is determined as the start of the gas transmission in the Notification on Contracting the Capacity Product, from which Gas Day User is entitled to deliver Gas for transport at the Contracted Entry Point or to take over Gas at the Contracted Exit Point in the Contracted Capacity.

- 7.7.6 As from the day of delivery of notification from the Article 7.7.1 of this Network Code through Capacity Booking Platform, such notification becomes integral part of the Short-Term GTA as its annex, without obligation to be signed by Transporter and User, whereby notification shall be applicable at latest from the Gas Day in which User is entitled to deliver Gas for transport.

8. SURRENDER OF THE CONTRACTED CAPACITY

8.1 General

- 8.1.1 Pursuant to Item 16 Paragraph 2 Point 2) of the Final Exemption Act, the User may request to Surrender to the Transporter part of or all Contracted Capacity which User does not intend to use so that the Transporter may offer it on auctions in line with the Article 7 of this Network Code and contract it with the other User in case of contractual congestion.
- 8.1.2 User is entitled to request Surrender of Firm Capacity in duration that corresponds to Firm Yearly Capacity, Firm Quarterly Capacity or Firm Monthly Capacity and Commercial Reverse Capacity in duration that corresponds to Commercial Reverse Quarterly Capacity or Commercial Reverse Monthly Capacity.
- 8.1.3 A User may request Surrender of Firm Capacity corresponding to Firm Yearly Capacity only for the next Gas Year which is offered at auction.

8.2 Procedure for Surrender of Contracted Capacity

- 8.2.1 A User who intends to Surrender Contracted Capacity is required to send a Surrender Request to the Transporter through Capacity Booking Platform. The Surrender Request must be sent to the Transporter no later than 10:00 CET on the date falling four (4) Business Days before the date of publication of Available Capacity for the relevant auction in which the Surrendered Capacity will be offered. User must populate the form of Surrender Request available on the Capacity Booking Platform which contains in particular:
- 8.2.1.1 the Interconnection Point at which Contracted Capacity is being Surrendered;
- 8.2.1.2 the quantity and Capacity Product of the Contracted Capacity that is being Surrendered;

- 8.2.1.3 the duration of the capacity subject to Surrender (corresponding to one of the standard Capacity Products set out above); and
 - 8.2.1.4 whether the Surrendered Capacity is Bundled Capacity or not.
- 8.2.2 If a Surrender Request, populated on the Capacity Booking Platform, contains all requested data and Capacity Product corresponds to the requirements from the Article 8.1 of this Network Code the Transporter must notify the User that the Surrender Request is accepted no later than 10:00 CET on the date falling two (2) Business Days before the date of publication of Available Capacity for the relevant auction in which the Surrendered Capacity will be offered.
- 8.2.3 User cannot withdraw or amend accepted Surrender Request, without the consent of the Transporter.
- 8.2.4 After the Transporter notifies the User on acceptance of the Surrender Request, the Surrendered Capacity will be included in Available Capacity offered by the Transporter on the relevant auctions, in line with the Article 7 of this Network Code.
- 8.2.5 In any auction in which Surrendered Capacity is offered, the Transporter will:
 - 8.2.5.1 first, contract part of Available Capacity which does not include Surrendered Capacity;
 - 8.2.5.2 afterwards, contract part of Available Capacity that is Surrendered Capacity.
- 8.2.6 If more than one User has offered Surrendered Capacity, Surrendered Capacities will be offered on the relevant auction in the order in which the Transporter has received the Surrender Requests which relate to such Surrendered Capacities.
- 8.2.7 Promptly after the closing of an auction at which Surrendered Capacity has been offered, Transporter shall via e-mail notify each User with the Surrendered Capacity at that auction on the:
 - 8.2.7.1 quantity of its Surrendered Capacity that Transporter has contracted at that auction with the other User ("**Recontracted Capacity**") and the quantity of its Surrendered Capacity that Transporter has not contracted at that auction; and

8.2.7.2 amount payable to the Transporter (if applicable) calculated in line with the Article 8.3 of the Network Code.

8.2.8 If on auction Surrendered Capacity is not contracted, the Surrender Request shall cease to have effect. If any Surrendered Capacity was not recontracted at an auction in full and the User intends that Contracted Capacity to be offered again at the next auction, the User should send new Surrender Request to the Transporter before the next auction.

8.2.9 The User retains all rights and obligations under the Short-Term GTA and/or Long-Term GTA for the whole Contracted Capacity including the Surrendered Capacity (except for right of the User to trade with Contracted Capacity in line with the Article 10 of this Network Code when requesting Surrender) until such Surrendered Capacity is contracted between Transporter and new User in whole or in part. After contracting the Surrendered Capacity on auction, Short-Term GTA of the User whose Surrendered Capacity was recontracted on auction is considered amended on the day on which the Capacity Booking Platform confirms to the Transporter contracting of Surrendered Capacity, on which day all rights and obligations of User will cease in relation to quantity and duration of Recontracted Capacity (with the obligation, if applicable, to pay the amount calculated in line with the Article 8.3 of this Network Code).

8.3 Auction Premium

8.3.1 If User Surrendered the capacity contracted with the Auction Premium, and Auction Premium for the Recontracted Capacity is lower than the Auction Premium of the initially contracted Surrendered Capacity, User which Surrendered Capacity is recontracted is obliged to pay to the Transporter the amount equal to the total uncovered Auction Premium, as calculated in line with the following formula:

$$AP = [P_{old} - P_{new}] \times RC \times P$$

Where:

AP is the total amount payable by the User to the Transporter in respect of uncovered Auction Premium for particular Surrendered Capacity for a period that Transporter has recontracted the Surrendered Capacity, in EUR,

Pold is the Auction Premium applicable to the capacity prior to its Surrender, in EUR/kWh/h,

Pnew is the Auction Premium applicable to the Recontracted Capacity, in EUR/kWh/h,

RC is the amount of Surrendered Capacity, in EUR/kWh/h, and

P is the number of the hours of the recontracted Surrendered Capacity.

8.3.2 The User shall have no obligation toward Transporter from this Article 8.3 in respect to the Recontracted Capacity if User Surrendered the capacity contracted with the Auction Premium, but the Auction Premium for the Recontracted Capacity is higher or equal to the Auction Premium of the initially contracted Surrendered Capacity, as well as in case the User has contracted the capacity that is Surrendered against the Reserved Price.

9. MARKET TEST PROCEDURES

9.1 General

9.1.1 In line with the Item 14 Paragraph 2 of the Final Exemption Act, Transporter is obliged to conduct Market Test at least every two (2) years as of the commercial operation date of the Pipeline. Purpose of Market Test is to assess the interest of natural gas market for expansion of capacities on Entry Point and all Exit Points in the Pipeline. Market Test shall be organized in cooperation with the AFO. If Market Test shows the interest of market for expansion of capacities, results of the Market Test conducted by Transporter and AFO are positive and other conditions from this Article 9 are met, the Transporter is obliged to commence the construction of incremental capacity. Transporter shall publish the results of Market Test on its website.

9.1.2 In conducting Market Test, Transporter shall apply Article 9 of this Network Code which corresponds to the provisions of CAM Network Code relating to the incremental capacity.

9.2 Assessment of Market Interest

9.2.1 Transporter together with the publication of the auction for yearly Capacity Products, as set out in the Article 7.4.2.1 of this Network Code, shall sent invitation

to all participants on natural gas market to submit non-binding demand indications for incremental capacity (hereinafter referred to as: "**Market Test Invitation**"). Market Test Invitation shall be published through Capacity Booking Platform and on the Transporter's website.

- 9.2.2 All Users and Persons which intend to submit non-binding demand indications to the Transporter must do so using form published on the website of Transporter together with the Market Test Invitation. Non-binding demand indications may contain conditions under which the interest is expressed.
- 9.2.3 Deadline for the submission of non-binding demand indications is eight (8) weeks as of the publication of Market Test Invitation. In the Market Test Invitation Transporter may determine fee to be paid for submission of non-binding demand indications.
- 9.2.4 First Market Test Invitation Transporter shall publish on 2021 and must publish Market Test Invitation at least each odd numbered year even if does not offer yearly Capacity Products on auctions in the odd numbered year.

9.3 Market Demand Assessment Report and Design Phase

- 9.3.1 After the expiry of the deadline from the Article 9.2.3 of this Network Code, Transporter shall within eight (8) weeks publish market demand assessment report for incremental capacities on its website, determining whether sufficient market interest for incremental capacities exists on the basis of the submitted non-binding demand indications and accordingly shall determine whether to commence design phase or to suspend the procedure.
- 9.3.2 If there is sufficient market interest for incremental capacities on the both sides of respective Interconnection Point, Transporter in coordination with the AFO shall commence drafting of project of incremental capacities which shall offer mutually aligned amount of the incremental capacities on the both sides of respective Interconnection Point, on the day after the publication of the report from the Article 9.3.1 of this Network Code.
- 9.3.3 At latest twelve (12) weeks after the commencement of drafting of incremental capacities project, Transporter and AFO for that Interconnection Point shall conduct public consultation on draft of incremental capacities project. Public consultation shall last for a minimum one (1) month and no longer than two (2) months.

- 9.3.4 After the conclusion of public consultation, Transporter shall draft incremental capacities project and submit it to AERS, and AFO for such Interconnection Point shall submit the incremental capacity project to its national regulatory authority, which project includes parameters of economic test.
- 9.3.5 If the justification for the realisation of incremental capacities is determined, Transporter shall publish on its website incremental capacities project as well as model of the agreement on access to the system and transportation of natural gas for incremental capacities approved by AERS, no later than two (2) months before the publication of auction for yearly Capacity Product on which the incremental capacities shall be offered for contracting.

9.4 Offering of Incremental Capacities on Auctions and Economic Test

- 9.4.1 After the conduction of all steps from the Articles 9.2 and 9.3 of this Network Code, Transporter shall offer for contracting on yearly auctions incremental capacities applying rules from the Articles 7.6.5-7.6.12 of this Network Code.
- 9.4.2 After the closing of auctions, Transporter is obliged to conduct economic test, applying relevant provisions of CAM Network Code, taking into account aggregate amount of booked incremental capacities on auctions to determine the justification and financial feasibility of investment in incremental capacities. If the result of economic test is positive, Transporter shall commence with the construction of incremental capacities. If the result of economic test is negative, Transporter shall suspend the procedure of incremental capacities.

10. SECONDARY TRADING OF CAPACITIES

10.1 Introduction

- 10.1.1 Secondary trading of Contracted Capacity may be effectuated either as a Transfer or a Sublet.
- 10.1.2 Secondary trading of capacity contracted under Short-term GTA or Long-Term GTA shall be performed through Capacity Booking Platform. User with the Long-Term GTA may dispose with Contracted Capacity via secondary trade of capacities also in the manner contracted in the Long-Term GTA.

- 10.1.3 User intending to participate in secondary trade of capacities is obliged to comply with the access requirements of the Capacity Booking Platform, as set out in the terms and conditions of the Capacity Booking Platform.

10.2 Subletting

- 10.2.1 The User shall be entitled to exercise its rights under this Network Code on behalf of another User or third Person ("**Sublessee**") by way of subletting part or all of its Contracted Capacity and in which case the User acts as a transportation agent for such Sublessee, subject to the satisfaction of the conditions set out in the Article 10.2.2 of this Network Code.
- 10.2.2 Transporter shall accept Sublet proposal through Capacity Booking Platform within twenty four (24) hours as of the receipt of information from the Capacity Booking Platform that the User has sent proposal to the Transporter to accept Sublet, under following conditions:
- 10.2.2.1 the User shall remain liable to the Transporter to the same extent as if the Natural Gas in question was transported on its behalf;
- 10.2.2.2 the User shall remain responsible for all dealings with the Transporter and the Transporter shall not have any direct dealings with the Sublessees and Nominations made by Sublessees shall at all times be treated as not submitted;
- 10.2.2.3 the User, acting as a transportation agent, shall ensure that the Sublessee holds Title to the Gas in respect of all Gas made available and/or taken over at relevant Interconnection Point by the User in the name of a Sublessee; and
- 10.2.2.4 any exercise of rights between the User and Sublessee in respect to the part of or all Contracted Capacity subject to Sublet does not in any way affect the rights and obligations between the User and the Transporter.
- 10.2.3 The Transporter shall have no greater liability than if the Natural Gas in question was transported for the User and the obligations under this Network Code were being performed only for the User and the User is obliged to indemnify the Transporter against any additional costs arising as a result of the Subletting.
- 10.2.4 The minimum period of a Sublet is one (1) Gas Day.

10.2.5 A User can trade its Contracted Capacity by way of Subletting to another User and/or third Person.

10.2.6 Users may cancel Sublet in line with the rules of Capacity Booking Platform.

10.3 Transfer

10.3.1 The User shall be entitled to Transfer ("**Assignor**") its Contracted Capacity in whole or in part, to any User ("**Transferee**") subject to the satisfaction of the conditions set out in the Article 10.3.2 of this Network Code.

10.3.2 Transporter shall confirm that it approves Transfer over Capacity Booking Platform within twenty four (24) hours as of the receipt of proposal of Assignor and Transferee sent through Capacity Booking Platform to the Transporter, under following conditions:

10.3.2.1 the Transferee has provided Credit Support in line with the Article 5 of this Network Code including the condition that amount of the Credit Support corresponds to the amounts from the Article 5.1.5 of this Network Code for all Contracted Capacity including the quantity of transferred capacity, save for in case when the Transferee meets Rating Exemption criteria; and

10.3.2.2 the Transferee, to whom part of or all Contracted Capacity from the Long-Term GTA is transferred, has executed Balancing Agreement with the Transporter.

10.3.3 Transfer which meets conditions from the Article 10.3.2 of this Network Code shall be considered contracted and shall have effect between Transporter, Assignor and the Transferee from the moment when Transporter confirms to the Transferee and Assignor through Capacity Booking Platform that it accepts Transfer proposal.

10.3.4 By the Transfer, Contracted Capacity in whole or in part with its respective rights and obligations shall be assigned to the Transferee, and the Assignor may use Gas Transmission Service for the remaining Contracted Capacity, if any. If Contracted Capacity of Assignor under Long-Term GTA is transferred in whole, Long-Term GTA of such Assignor shall cease to exist.

10.3.5 From the moment from the Article 10.3.3 of this Network Code, it is considered that Assignor and Transferee have contracted with the Transporter amendments to the Short-Term GTA and/or Long-Term GTA so that quantity of Transferee's

Contracted Capacity is increased for the quantity of Contracted Capacity that is Transferred to it, and quantity of Assignor's Contracted Capacity shall be decreased for the same quantity.

- 10.3.6 As from the date of receipt of notification on Transfer through Capacity Booking Platform, Transporter becomes obliged to enable Transferee the use of Gas Transmission Services starting from the Gas Day which is in notification on Transfer determined as start date for transmission of Natural Gas in the quantity calculated in line with the Article 10.3.5 of this Network Code, from which Gas Day Transferee is entitled to deliver Gas for transport at Contracted Entry Point and to take over Gas from transport at Contracted Exit Point in the Contracted Capacity.
- 10.3.7 As from the date of delivering of notification from the Article 10.3.6 of this Network Code through Capacity Booking Platform, it becomes integral part of the Short-Term GTA or Long-Term GTA, without obligation to be signed by Transporter and Transferee, whereby it is applicable at latest from the Gas Day preceding Gas Day in which the Transferee is entitled to deliver Gas for transport.
- 10.3.8 The minimum period of a Transfer is one (1) Gas Day.
- 10.3.9 Users may cancel Transfer in line with the rules of Capacity Booking Platform.

11. NATURAL GAS TRADE AT VTP

11.1 General

- 11.1.1 The Transporter shall enable the Trade of Natural Gas that is transported through the Pipeline between the Users through Gastrans Electronic Data Platform from the Pipeline commercial operation date.
- 11.1.2 In the event that the Transporter enters into an agreement with a Gas Exchange Platform, and all technical and IT requirements for uninterrupted communication between the Gastrans Electronic Data Platform and the Gas Exchange Platform are met in order to allow the Transporter to receive Trade Notifications from the Gas Exchange Platform and to treat them as Nomination/Renomination, the Transporter shall notify all Users on the date from which the Trade on the Gas Exchange Platform will be possible. Such notification must be sent at least forty five (45) Business Days before such date, in order to provide the Users with enough

time to enter into respective agreements with a Gas Exchange Platform and to comply with IT requirements of the Gas Exchange Platform.

11.1.3 From the date from which the Trade on Gas Exchange Platform will become possible, the Trade through Gastrans Electronic Data Platform will be disabled. Transporter may temporarily enable the Trade through Gastrans Electronic Data Platform in case the Trade on the Gas Exchange Platform becomes unavailable due to technical reasons.

11.1.4 The quantities of Natural Gas Traded in line with this Article 11 shall be deemed to be delivered/taken over at a VTP.

11.2 Trade on the Gastrans Electronic Data Platform

11.2.1 The Users are entitled to contract Trade of Natural Gas which is transported through the Pipeline, on which they notify the Transporter by sending the joint Trade Notification, using standardised Transporter's form which contains the following information in particular:

11.2.1.1 User Code of the Selling User;

11.2.1.2 User Code of the Purchasing User;

11.2.1.3 Gas Day on which the Natural Gas subject to Trade shall be transported;

11.2.1.4 quantity of Natural Gas for Gas Day (or part of Gas Day) in kWh, equally allocated to hours and expressed in kWh/h for each hour of Gas Day (or part of Gas Day).

11.2.2 Both Selling User and Purchasing User populate and sign the joint Trade Notification on the Gastrans Electronic Data Platform. Only fully populated joint Trade Notification can be signed by the User using electronic signature.

11.2.3 Upon signing by one User, Gastrans Electronic Data Platform shall automatically notify another User that the joint Trade Notification is populated and signed by the first User and that it can review and sign joint Trade Notification using electronic signature.

11.2.4 Other User may amend the data if it disagrees with the data populated in the joint Trade Notification, sign the amended joint Trade Notification upon which Gastrans Electronic Data Platform shall automatically notify the first User on the amended

joint Trade Notification who may sign it using its electronic signature or amend data again.

- 11.2.5 Only after signing of joint Trade Notification by both Users, the joint Trade Notification shall be considered as submitted to Transporter.
- 11.2.6 The joint Trade Notification can be submitted at earliest fifteen (15) Business Days before the date on which the Natural Gas subject to Trade shall be transported and at latest until the moment determined for submitting of Nominations as set out in the Article 12.6.1.1 of for Renominations as set out in the Article 12.7.2 of this Network Code.
- 11.2.7 The Transporter shall accept joint Trade Notifications complying with this Article 11.2 as Nomination or Renomination, of relevant Users, whereby it shall be considered that VTP is an exit point for the Selling User and entry point for the Purchasing User.
- 11.2.8 Quantities from the Trade Notification shall be taken into account for the purpose of Articles 13.2 and 13.3 of this Network Code and, if necessary, shall be decreased in line with these Articles.

11.3 Trade on the Gas Exchange Platform

- 11.3.1 From the date notified by the Transporter to Users pursuant to the Article 11.1.2 of this Network Code, the Users may Trade on the Gas Exchange Platform with Natural Gas which is transported through the Pipeline and deemed to be delivered/taken over at a VTP. The Transporter shall accept Trade Notifications made by the Gas Exchange Platform on behalf of a User as its Nominations or Renominations, effectuating a Trade at the VTP, subject to the conditions set out in this Article 11.3.
- 11.3.2 The Transporter shall accept Trade Notifications as Nominations or Renominations and support the Trade at a VTP between Users if:
 - 11.3.2.1 the Gas Exchange Platform has entered into and complies with all its obligations under agreements entered into with the Transporter to enable the Transporter to receive Trade Notification from the Gas Exchange Platform and to treat them as Nomination/Renomination;
 - 11.3.2.2 the Trade is performed between two or more Users, whereby the initial Selling User has contracted a Capacity Product at Entry Point

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Kirevo/Zaječar and the final Purchasing User has contracted a Capacity Product at relevant Exit Point in the Physical Flow Direction which enable them to effectuate the Trade through the Pipeline (in terms of delivering the Natural Gas to the Pipeline and taking over the Natural Gas from the Pipeline) at the VTP;

11.3.2.3 the Transporter has received Trade Notification from the Gas Exchange Platform until relevant deadlines for the Nominations and Renominations, as provided in the Article 12 of this Network Code;

11.3.2.4 the Traded Quantities are in line with limitations set out in the Article 12.7.5 of this Network Code, if the Trade Notification is treated as Renomination.

11.3.3 Each User is obliged to comply with the access requirements and communication rules of the Gas Exchange Platform. Transporter shall have no liability due to the failure of the Gas Exchange Platform to enable uninterrupted access to it or to provide the Transporter with the Trade Notification until expiry of relevant deadlines.

12. NOMINATIONS

12.1 General Procedure

12.1.1 It is the responsibility of the User to submit Nominations within the deadline and in line with this Article 12 of the Network Code.

12.1.2 By sending Nominations and, if applicable, Renominations to the Transporter, User notifies the Transporter on the quantities of Natural Gas to be transported using the Contracted Capacity, whereby the Transporter acts according to the following procedure:

12.1.2.1 the User sends a notice to the Transporter with its Nomination/Renomination for the Contracted Entry Point and/or Contracted Exit Point;

12.1.2.2 the Transporter computes the Nominated Quantities of Natural Gas scheduled to be delivered by the User to the Transporter at the Contracted Entry Point or taken over by the User from the Transporter at the Contracted Exit Point and matches them with AFO; and

- 12.1.2.3 the Transporter sends a Confirmed Quantity Notice to the User setting out its Confirmed Quantities at the Contracted Entry Point and/or Contracted Exit Point.

12.2 Types of Nomination for Capacity

- 12.2.1 Nomination may be made as either Double-Sided Nomination or Single-Sided Nomination.
- 12.2.2 The Transporter shall publish on its website a list of the Interconnection Points in respect of which a Single-Sided Nomination will be accepted ("**Single-Sided Interconnection Point**"), together with the identity of the Active TSO and the Passive TSO at each Single-Sided Interconnection Point.
- 12.2.3 In respect of each Single-Sided Interconnection Point:
 - 12.2.3.1 the Transporter and the AFO shall determine which of them will be the Active TSO, with the other being the Passive TSO; and
 - 12.2.3.2 a user in the Pair of Users that has contracted capacity with the Active TSO will become the Active User, while the other user in the Pair of Users is Passive User. When a Pair of Users consists of the User which is also the AFO user, such User shall become the Active User on the side of the Active TSO and will send the Single-Sided Nominations to the Active TSO.
- 12.2.4 A Pair of Users send Single-Sided Nominations at a Single-Sided Interconnection Point. Active User shall send the Notification on Joint Nomination to the Active TSO. If the Transporter is the Active TSO, it shall inform the Passive TSO on receipt of the Notification on Joint Nomination. If the Transporter is Passive TSO, it shall verify with the User (being Passive User) via Gastrans Electronic Data Platform that Single-Sided Nominations shall be performed at a relevant Interconnection Point. Positive verification by the User shall have the effect of the Passive User authorising the Active User to nominate in the name of the Passive User for a period set in the Notification on Joint Nomination (which may be indefinite).
- 12.2.5 In the period from receipt of the Notification on Joint Nomination by the Passive TSO until the date of the expiry (if any) of the authorisation referred to in the Article 12.2.4 of this Network Code, the Active TSO will be responsible for receiving nominations for a Pair of Users from the Active User for both sides of the relevant Single-Sided Interconnection Point, and the Active TSO will send nominations to the Passive TSO. If the Transporter is the Passive TSO, then the nomination

received from the Active TSO will be deemed to be the Nominated Quantities received from the relevant User.

12.3 Equal Nominations Rule

12.3.1 It is the responsibility of the User to ensure that its Nominations are equal in the manner that:

12.3.1.1 Nominated Quantities for Physical Flow Direction at the Contracted Entry Point are equal to the sum of Traded Quantities at VTP which User sells on VTP, which quantities are stated in a Trade Notification, and Nominated Quantities at the Contracted Exit Point(s); or

12.3.1.2 sum of Nominated Quantities for Physical Flow Direction at the Contracted Entry Point and Traded Quantities at VTP which User purchases on VTP, which quantities are stated in a Trade Notification, are equal to the Nominated Quantities at the Contracted Exit Point(s).

12.3.2 Nominations for Commercial Reverse Capacity must be made as equal Nominated Quantities at the Contracted Entry Point and Contracted Exit Point.

12.4 Submission of Nominations

12.4.1 Each User is required to submit separate Nominations for Physical Flow Direction and for Commercial Reverse Flow, as Single-Sided or Double-Sided Nomination, for each Contracted Entry Point and each Contracted Exit Point for which it has Contracted Capacity, for each Gas Day in line with the timetable from the Article 12.6 of this Network Code. The User submits Nominations using Transporter's standardised form which contains in particular the following data:

12.4.1.1 the Interconnection Point's identification;

12.4.1.2 its User Code;

12.4.1.3 the counterparty's identification (the user code issued by the Adjacent TSO for the counterpart user in the relevant Pair of Users on the other side of the Interconnection Point);

12.4.1.4 the Gas Day to which the Nomination applies; and

12.4.1.5 the quantity of Natural Gas for Gas Day in kWh, equally allocated to hours and expressed in kWh/h for each hour of Gas Day.

12.4.2 For so long as a Notification on Joint Nomination is in effect, User who is the Passive User shall not submit a Nomination or Renomination in respect of the Contracted Capacity subject to that Notification on Joint Nomination.

- 12.4.3 If a User submits a Nomination as part of a Double-Sided Nomination, it is the responsibility of the User and other user in the Pair of Users to ensure that the nominations for that Pair of Users on either side of the Interconnection Point are equal.

12.5 Nominations for VTP

- 12.5.1 A Trade Notification sent to the Transporter before the deadline specified in the Article 12.6.1.1 of this Network Code shall be considered as Nominations at VTP of the Users identified by such Trade Notification.
- 12.5.2 A Trade Notification sent to the Transporter after the deadline specified in the Article 12.6.1.1 of this Network Code, and in line with the deadline from the Article 12.7.2 of this Network Code shall be considered as Renominations at VTP of the Users identified by such Trade Notification and shall be taken into account only if both Users from the Trade Notification send Renomination in the same renomination cycle.
- 12.5.3 Trade Notification from the Article 12.5.2 of this Network Code may be submitted even if Trade Notification from the Article 12.5.1 of this Network Code has not been submitted.
- 12.5.4 Traded Quantities of each User indicated in the Trade Notification cannot be higher than the Contracted Capacity of that User and cannot result in breach of the Renomination Limitation by any User.

12.6 Timetable

- 12.6.1 In a process of submitting Nomination, the following timetable applies:
- 12.6.1.1 the User submits a Nomination to the Transporter for a particular Gas Day at earliest fifteen (15) Business Days before Gas Day on which the Nomination is referred to, and no later than 14.00 CET on the immediately preceding Gas Day;
- 12.6.1.2 if the User has submitted a Nomination in respect of a particular Gas Day then, at any time before the Nomination deadline for that Gas Day, the User may submit a new Nomination to the Transporter, which will override any previous Nominations for that Gas Day; and
- 12.6.1.3 following the expiry of Nomination deadline for a particular Gas Day, the Transporter performs the Matching Processes as specified in the Article 13 of this Network Code using the last Nomination received from the User before the Nomination deadline, after which the

Transporter notifies the User of its Confirmed Quantities for Gas Day no later than 16.00 CET on preceding Gas Day.

- 12.6.2 If the Transporter does not receive a valid message with Nominations for an Interconnection Point for a particular Gas Day by the nomination deadline, the Nominated Quantities at that Interconnection Point for that Gas Day will be deemed to be zero (0).
- 12.6.3 The User has the right to make Renomination in line with the Article 12.7 of this Network Code. After verification of fulfilment of conditions from the Article 12.1 of this Network Code and conducting of Matching Process in line with the Article 13 of this Network Code, the Transporter confirms quantities within two (2) hours of receipt of Renomination and commences provision of Gas Transportation Service not earlier than two (2) hours as of the end of renomination cycle.
- 12.6.4 When the access to the Gastrans Electronic Data Platform is not possible from the reasons stated in the Article 4 of this Network Code, User will be entitled to use means of communication from Article 4.1.3 of this Network Code but in such case, the deadline for submission of Nominations and/or Renominations shall expire fifteen (15) minutes before the deadlines from the Articles 12.6.1.1 and 12.7.2 of this Network Code.

12.7 Renominations

- 12.7.1 Renomination may be submitted by the User with the Contracted Capacity.
- 12.7.2 User may submit Renomination after the deadline for the notification of its Confirmed Quantities (pursuant to the Article 12.6.23 of this Network Code), and at latest three (3) hours before the end of the Gas Day. The Transporter will run a renomination cycles each hour. Renominations submitted in a renomination cycle may not relate to hour which is less than two (2) hours after the end of relevant renomination cycle.
- 12.7.3 The Transporter shall notify User on its revised Confirmed Quantities resulting from Renomination within two (2) hours from the end of the renomination cycle.
- 12.7.4 Rule from the Article 12.2 shall be accordingly applicable also to the Renominations.
- 12.7.5 In case of Renominations the following limitations are applicable:
 - 12.7.5.1 if User Nominates quantities between 0-80% of its Contracted Capacity, by the upward Renomination User may renominate as Firm Capacity up to 90% of its Contracted Capacity, whereby 10% of its Contracted Capacity User may renominate as Interruptible Daily Capacity;

- 12.7.5.2 if User Nominates quantities of 80% or more of its Contracted Capacity, by the upward Renomination User may renominate as Firm Capacity up to the half of the non-nominated Contracted Capacity. The other half of non-nominated Contracted Capacity, User may renominate as Interruptible Daily Capacity;
- 12.7.5.3 if User Nominates quantities between 20-100% of its Contracted Capacity, by the downward Renomination User must renominate as Firm Capacity at least 10% of its Contracted Capacity;
- 12.7.5.4 if User Nominates quantities of 20% or less than its Contracted Capacity, by the downward Renomination the User must renominate as Firm Capacity at least half of its Nominated quantities.
- 12.7.6 Renomination Limitations as defined in the Article 12.7.5 of this Network Code shall not be applicable on the Contracted Capacity as Firm Daily Capacity, Firm Within-Day Capacity and Interruptible Daily Capacity.
- 12.7.7 Renomination Limitations as defined in the Article 12.7.5 of this Network Code shall not be applicable to the Users which have contracted less than 10% of the Technical Capacity in the previous Gas Year at the relevant Interconnection Point.

12.8 Over-Nominations

- 12.8.1 If the Firm Capacity is fully contracted at the relevant Interconnection Point for Gas Day and Nomination are less than Total Contracted Capacity on such Interconnection Point, the User has a right during Gas Day to submit Over-Nomination for that Interconnection Point which exceeds the sum of its Contracted Capacity. In the Matching Process in line with the Article 13 of this Network Code, Transporter determines Confirmed Quantities in respect to the Over-Nominations and shall be deemed that Within-Day Interruptible Capacity is contracted in the quantity equal to Confirmed Quantities and Confirmed Quantity Notice issued by the Transporter shall represent the annex to the Short-Term GTA.
- 12.8.2 User may use Within-Day Interruptible Capacity at an Interconnection Point through Over-Nominations on interruptible basis, if User receives confirmation from the Transporter, at earlier two (2) hours after the end of renomination cycle in which Over-Nomination is submitted.

13. MATCHING AND CONFIRMATIONS

13.1 Initiation of the Matching Process

After the expiry of Nomination deadline and at the end of each renomination cycle, the Transporter and each AFO will initiate the Matching Process in respect of each relevant Interconnection Point, in order to determine Confirmed Quantities of each User which submitted Nomination or Renomination.

13.2 Verification of Nominated Quantities for the Matching Process

- 13.2.1 The User is responsible for submitting Nominations that do not exceed its Contracted Capacity and Renominations that comply with the Renomination Limitations. As part of the Matching Processes, the Transporter will first ensure that the Nominated Quantities are consistent with these amounts, rejecting through Gastrans Electronic Data Platform Nominations that exceed Contracted Capacity and Renominations not complying with Renomination Limitations whereby last valid Nomination or Renomination shall be taken into account. For this purpose, the Contracted Capacity for all Capacity Products in the Physical Flow Direction, as well in Commercial Reverse Flow, shall be treated on an aggregate basis at each Interconnection Point.
- 13.2.2 If the conditions for Over-Nominations from the Article 12.8 of this Network Code are fulfilled, Over-Nominations will be allowed. In such case, Transporter accepts quantities of Natural Gas in Over-Nomination that are greater than the Contracted Capacity as the Nominated Quantities at the relevant Interconnection Point.
- 13.2.3 The Transporter shall ensure that the submitted Nominations or Renominations are equal in the manner described in the Article 12.3 of this Network Code. If the Nominations or Renominations are not equal, the Transporter will reduce the Nominated Quantities before using them for the purpose of the Matching Process at one or more Interconnection Points so that they are equal.

13.3 Matching

- 13.3.1 During the Matching Process at an Interconnection Point, the Transporter and the AFO will verify that:
- 13.3.1.1 the identity of the User and other user in each Pair of Users as contained in a Nomination corresponds to the identity of the users in Pair of Users notified to the AFO; and

- 13.3.1.2 the Nominated Quantities (as may have been decreased under the Article 13.2.3 of this Network Code) of each user in the Pair of Users, are equal.
- 13.3.2 The Matching Process will result in Confirmed Quantities for each User in Pair of Users at each Interconnection Point as follows:
 - 13.3.2.1 if the identity of Pair of Users is the same and the nominated quantities are equal, then there is a "match" and the Confirmed Quantities will be equal to the Nominated Quantity (as may have been decreased under the Article 13.2.3 of this Network Code);
 - 13.3.2.2 if the identity of Pair of Users is the same, but the nominated quantities are not equal, then there is a "mismatch" and nominated quantities of Pair of Users shall be decreased on the less nominated value under the conditions from the Article 12.3 of this Network Code and such decreased quantities shall be Confirmed Quantities; and
 - 13.3.2.3 if the identity of Pair of Users is not the same, then there is a "mismatch" and the Confirmed Quantities will be zero (0).
- 13.3.3 The Transporter shall send a Confirmed Quantity Notice to the User with a Confirmed Quantity at an Interconnection Point following the end of the Matching Process at that Interconnection Point. If User has submitted Trade Notification, Confirmed Quantity Notice shall state specifically quantity of Natural Gas which is deemed as Confirmed Quantity on VTP.

13.4 Minimum FlowRate

- 13.4.1 If the aggregate of the Confirmed Quantities at a particular Interconnection Point would result in a hourly flow in Physical Flow Direction below the Minimum Flow Rate at that Interconnection Point, the Transporter will use its reasonable endeavours to coordinate with the AFO, subject to the technical limitations of the Pipeline and the relevant AFO Agreements, to provide the Gas Transmission Services at that Interconnection Point so that flow is on interruptible basis during the Gas Day.
- 13.4.2 If it is not possible for either the Pipeline and the transmission system of Adjacent TSO, or both, to enable accurately measurement and/or take over or deliver Natural Gas based on a modified flow on interruptible basis, the Transporter shall

interrupt any Commercial Reverse Capacity at the relevant Interconnection Point. If this is still insufficient to maintain the Minimum Flow Rate, the Transporter will notify the Users at that Interconnection Point that it cannot provide Gas Transmission Services due to the fact that flow is below the Minimum Flow Rate and may reduce the flow at the relevant Interconnection Point to zero (0).

- 13.4.3 If the Transporter interrupts Commercial Reverse Capacity or is required to bring the flow rate down to zero (0), the Transporter shall revise the Confirmed Quantities and notify the User of its revised Confirmed Quantities at the affected Interconnection Point and other Interconnection Points on which the Transporter is required to reduce Confirmed Quantities to ensure that the Confirmed Quantities are equal on the manner described in the Article 12.3 of this Network Code.

14. CAPACITY RESTRICTIONS, SUSPENSION AND INTERRUPTION

14.1 General

- 14.1.1 The Transporter is entitled to restrict and/or suspend the provision of the Gas Transmission Services in the case of:
- 14.1.1.1 Scheduled Maintenance, and
 - 14.1.1.2 Capacity Restriction.
- 14.1.2 Transporter is also entitled to interrupt usage of contracted Interruptible Capacity in cases including but not limited to Gas quality, pressure, temperature, flow patterns, upward Renomination of Users with contracted Firm Capacity, Maintenance, up- or downstream constraints and capacity management deriving from congestion management procedures ("**Interruption**").
- 14.1.3 When Transporter does not make available Contracted Capacity on the Contracted Entry Point and/or Contracted Exit Point and does not provide Gas Transmission Service to the User with the Short-Term GTA, other than for the reasons of Schedule Maintenance or rejection of User's Nomination in case of Non-Conforming Gas in line with the Article 17.2 of this Network Code, than, in any hour where such failure occurs, the amount of Transmission Fee that would be payable by the User for that hour, shall be reduced proportionally for the difference between Contracted Capacity and quantity of the Gas from the capacity

restriction notice, if the Transporter has submitted capacity restriction notice prior to the deadline for submission of Nomination, or difference between quantity of Gas from Nomination and quantity of Gas from the capacity restriction notice if the Transporter has submitted capacity restriction notice after the deadline for the submission of Nomination during the shortfall hour in respect to the Contracted Capacity.

- 14.1.4 The Users with the Long-Term GTA are entitled to reduction of Transmission Fee in case of Capacity Restriction in line with the provisions of Long-Term GTA.

14.2 Order of restriction/interruption the provision of the Gas Transmission Services

- 14.2.1 In cases from the Article 14.1.1 of this Network Code, Transporter restricts/suspends the provision of the Gas Transmission Services at each relevant Interconnection Point, in the following order:

14.2.1.1 first, Within-Day Interruptible Capacity, then Interruptible Daily Capacity, on a pro-rata basis to the extent necessary to allow the Transporter the provision of the Firm Capacity and Commercial Reverse Capacity;

14.2.1.2 second, Firm Capacity, only if all Interruptible Capacity has been restricted, in line with the Article 14.2.2 of this Network Code, to the extent necessary to allow the Transporter provision of the Firm Capacity and Commercial Reverse Capacity with a longer duration (if applicable);

14.2.1.3 third, Commercial Reverse Capacity, only if the restriction of capacity has caused that physical flow is lesser than Minimum Flow Rate at the relevant Interconnection Point.

- 14.2.2 Firm Capacity from the Article 14.2.1.2 of this Network Code and Commercial Reverse Capacity from the Article 14.2.1.3 of this Network Code shall be restricted/suspended in the following order:

14.2.2.1 first, Firm Daily Capacity and Commercial Reverse Daily Capacity, on a pro-rata basis to the extent necessary to allow the Transporter provision of the Firm Capacity and Commercial Reverse Capacity with a longer duration;

- 14.2.2.2 second, Firm Monthly Capacity and Commercial Reverse Monthly Capacity, on a pro-rata basis, to the extent necessary to allow the Transporter provision of the Firm Capacity and Commercial Reverse Capacity with a longer duration;
 - 14.2.2.3 third, Firm Quarterly Capacity and Commercial Reverse Quarterly Capacity, on a pro-rata basis, to the extent necessary to allow the Transporter provision of the Firm Capacity and Commercial Reverse Capacity with a longer duration;
 - 14.2.2.4 fourth, Firm Yearly Capacity and Commercial Reverse Yearly Capacity, on a pro-rata basis, to the extent necessary to allow the provision of the Gas Transmission Services.
- 14.2.3 In case of Interruption, the Within-Day Interruptible Capacity shall be interrupted first, then Interruptible Daily Capacity and Commercial Reverse Capacity, in the order from the Article 14.2.2 of this Network Code.
- 14.2.4 Notwithstanding the order set out in this Article 14.2, any User is entitled, upon receipt of the capacity restriction notice, to send the Nominations/Renominations with Nominated Quantities that are lower than the quantity the Transporter is able to make available to such User. In such case, the Transporter shall distribute between other relevant Users, on a pro-rata basis, the difference between the quantity the Transporter is able to make available to such User and the Nominated Quantities of such User. If such User is entitled to the reduction of the Transmission Fee, it will be entitled for the whole difference between Contracted Capacity and quantity of Gas from Nomination if the Transporter has sent capacity restriction notice prior to the deadline for submission of Nomination, or between quantity of Gas from Nomination and quantity of Gas from Renomination if the Transporter has sent capacity restriction notice after the deadline for submission of Nomination.

14.3 Procedure

- 14.3.1 The Transporter is obliged to send a notice on capacity restriction and/or suspension of Gas Transmission Service to all Users and the notice on Interruption to all affected Users, as soon as it becomes aware of the event from the Article 14.1 of this Network Code, and in any case it must use Reasonable Efforts (taking into account relevant circumstances) to give a notice at least forty five (45)

minutes prior to occurrence of the restriction/suspension of Gas Transmission Service or Interruption.

14.3.2 A notice from the Article 14.3.1 of this Network Code shall contain details of the event due to which restriction and/or suspension of Gas Transmission Service or Interruption is necessary, the quantity of capacity at the relevant Interconnection Point that the Transporter is able to make available to affected User during such event in case of capacity restriction and estimation of Transporter on duration of restriction/suspension or Interruption.

14.3.3 If the Transporter has previously sent to the affected User the Confirmed Quantity Notice for a Gas Day to which any of the notices from this Article relate, the Transporter is obliged to send to the affected User a new Confirmed Quantity Notice with revised Confirmed Quantities at relevant Interconnection Point.

15. BALANCING AND ALLOCATION

15.1 General

15.1.1 The Transporter shall balance the Pipeline on principles of minimal costs, transparency and non-discrimination and in a manner that is efficient and does not impose unnecessary costs for the Users by:

15.1.1.1 entering into Operational Balancing Agreements and procedures with AFO; or

15.1.1.2 using all technical measures including adjustment of Natural Gas flow, requesting the Users to make the Renominations, using the linepack of the Pipeline; or

15.1.1.3 calculating and charging the Users Transmission Imbalance; or if necessary

15.1.1.4 selling or purchasing the Natural Gas for the purpose of balancing.

15.1.2 The User is obliged to ensure for each Gas Day that the quantities of the Natural Gas delivered at the Entry Point Kirevo/Zaječar are equal to the quantities of the Natural Gas taken over at the Exit Point(s).

- 15.1.3 Transmission Imbalance of the User is the difference between the quantities of the Natural Gas delivered at the Entry Point Kirevo/Zaječar and the quantities of the Natural Gas taken over at the Exit Point(s) for a Gas Day.
- 15.1.4 Transmission Imbalance for Physical Flow Direction is positive when the $TIPF_u$ from the Article 15.3.1 of this Network Code is positive and Transmission Imbalance for Commercial Reverse Capacity is positive when the $TICR_u$ from the Article 15.3.2 of this Network Code is positive.
- 15.1.5 Transmission Imbalance for Physical Flow Direction is negative when the $TIPF_u$ from the Article 15.3.1 of this Network Code is negative and Transmission Imbalance for Commercial Reverse Capacity is negative when the $TICR_u$ from the Article 15.3.2 of this Network Code is negative.
- 15.1.6 Transmission Imbalance and Imbalance Charge is calculated for a User in line with this Network Code.
- 15.1.7 If Operational Balancing Agreement is entered into, User may have Transmission Imbalance only in cases envisaged by Operational Balancing Agreement which cases Transporter publishes on its website.
- 15.1.8 The Transporter shall apply the Article 15.1.1.4 of this Network Code if it assesses that the transmission imbalance shall occur which shall cause change of the pressure in the Pipeline which is higher than operational acceptable limit. During the assessment it shall be taken into account: i) Nominations/Renominations, ii) operational information obtained from AFOs, and iii) estimation of the Transporter acting as Prudent and Reasonable Operator.
- 15.1.9 Transporter, for the balancing of system in line with the Article 15.1.1.4 of this Network Code, shall purchase and sell Gas for balancing of system on the Gas Exchange Platform. If Gas Exchange Platform is not available, Transporter shall organise public tender, prior to the Gas Year, for purchasing and selling Gas for balancing for a period of one (1) Gas Year and publish it on its website.

15.2 Allocation of Gas to Users

- 15.2.1 By the usage of an Operational Balancing Agreement, the Transporter shall secure that the Allocated Quantities of User at the relevant Interconnection Point will be equal to the Confirmed Quantities of User and the steering difference between the Allocated Quantities and the Metered Quantities at the relevant

Interconnection Point is allocated to an operational balancing account held between the Transporter and AFO. In cases envisaged by Operational Balancing Agreement, which Transporter publishes on its website, Allocated Quantities of User on the relevant Interconnection Point are calculated in the manner envisaged by Operational Balancing Agreement.

15.2.2 If an Operational Balancing Agreement is not entered into at a particular Interconnection Point, Allocated Quantities for each User for every Gas Day shall be calculated in the following manner:

15.2.2.1 Allocated Quantities for Commercial Reverse Flow for Entry Point Horgoš/Kiškundorožma 1200, Entry Point Serbia and Exit Point Kirevo/Zaječar are equal to the Confirmed Quantities;

15.2.2.2 Allocated Quantities for Physical Flow Direction for Entry Point Kirevo/Zaječar, Entry Point Serbia and Exit Point Horgoš/Kiškundorožma 1200 are equal to the Confirmed Quantities adjusted for the multiplier of percentage of participation of Confirmed Quantities of User in aggregate Confirmed Quantities of all Users at that Interconnection Point in the Physical Flow Direction and difference between Metered Quantities and all Confirmed Quantities at that Interconnection Point, calculated using the following formula:

$$AC_u = CC_u + (CC_u / \Sigma CC) * (\Sigma MQ - \Sigma CCPF)$$

where:

AC_u are Allocated Quantities for the User u for the Gas Day d in the Physical Flow Direction for Interconnection Point,

CC_u are Confirmed Quantities for the User u for the Gas Day d in Physical Flow Direction for Interconnection Point,

ΣCC are Confirmed Quantities for all Users for Gas Day d in Physical Flow Direction for Interconnection Point,

ΣMQ are Metered Quantities for Gas Day d for Interconnection Point,

$\Sigma CCPF$ are Confirmed Quantities of all Users and Transporter in the Physical Flow Direction and in Commercial Reverse Flow for Gas Day d for Interconnection Point.

15.2.2.3 Allocated Quantities shall be equal to the Confirmed Quantities in case that AFO at Exit Point Horgoš/Kiškundorožma 1200 does not deliver data on measured quantities until the moment stipulated in the AFO Agreement.

15.2.3 Allocated Quantities at the VTP will be equal to the Confirmed Quantities on VTP and/or Balancing Nominations.

15.3 Calculation of User's Transmission Imbalance

15.3.1 For Physical Flow Direction

The Transmission Imbalance for Physical Flow Direction for a Gas Day d for a User u will be calculated by the Transporter according to the following formula:

$$TIPF_u = \sum PFEN_u - \sum PFEX_u + \sum VTPB_u - \sum VTPS_u$$

Where:

$TIPF_u$ is the Transmission Imbalance for Physical Flow Direction for Gas Day d for User u ,

$PFEN_u$ are the Allocated Quantities at the Entry Point Kirevo/Zaječar in respect of Physical Flow Direction for Gas Day d for User u ,

$PFEX_u$ are the Allocated Quantities at each Contracted Exit Point in respect of Physical Flow Direction for Gas Day d for User u ,

$VTPB_u$ are the Allocated Quantities purchased at the VTP by User u ,

$VTPS_u$ are the Allocated Quantities sold at the VTP by User u .

15.3.2 For full reverse and half reverse flow

The Transmission Imbalance for Full Reverse Flow for a Gas Day d for a User u is equal to zero (0). For Half Reverse Flow Transporter calculates according to the following formula:

$$TICR_u = \sum CREN_u - \sum CREX_u$$

Where:

TICRu is the Transmission Imbalance for Half Reverse Flow for Gas Day *d* for User *u*.

CRENu are the Allocated Quantities at each Contracted Entry Point in respect of Half Reverse Flow for Gas Day *d* for User *u*.

CREXu are the Allocated Quantities at each Contracted Exit Point in respect of Half Reverse Flow for Gas Day *d* for User *u*.

15.3.3 User's Transmission Imbalance

Transmission Imbalance for the Gas Day *d* for User *u* is equal to the sum of imbalances from the Articles 15.3.1 and 15.3.2 of this Network Code.

15.4 User's Imbalance Charge

15.4.1 The Transporter shall calculate the Imbalance Charge for User for each Gas Day on which that User has Allocated Quantities. The Imbalance Charge for each Gas Day in a Gas Month shall be calculated pursuant to the Short-Term GTA or Balancing Agreement.

15.4.2 In case of a positive Transmission Imbalance, Transporter shall notify User on the amount of Imbalance Charge which User shall calculate to Transporter, whereby the Imbalance Charge shall be calculated as follows:

$$ICP_u = TI_u * GPP$$

Where:

ICP_u is charge for positive imbalance for Gas Day *d* for User *u*,

TI_u is the absolute value of the Transmission Imbalance for Gas Day *d* for User *u* calculated in line with the Article 15.3.3 of this Network Code,

GPP is price for the Natural Gas which is defined as Gas price for Gas Day *d* on the Gas Exchange Platform, and if Gas Exchange Platform is not available GPP is price of Natural Gas against which Transporter sells Natural Gas on Gas Day *d* on the basis of the agreement on purchase and sell of Gas for balancing from the Article 15.1.9 of this Network Code.

- 15.4.3 In case of a negative Transmission Imbalance, Transporter shall calculate the Imbalance Charge for User, whereby the Imbalance Charge shall be calculated as follows:

$$ICN_u = TI_u * GPN$$

Where:

ICN_u is charge for negative imbalance for Gas Day d for User u ,

TI_u is the absolute value of the Transmission Imbalance for Gas Day d for User u calculated in line with the Article 15.3.3 of this Network Code,

GPN is price for the Natural Gas which is defined as Gas price for Gas Day d on the Gas Exchange Platform, and if Gas Exchange Platform is not available GPN is price of Natural Gas against which Transporter purchases Natural Gas on Gas Day d on the basis of the agreement on purchase and sell of Gas for balancing from the Article 15.1.9 of this Network Code.

- 15.4.4 GPP and GPN shall have the same value for the Gas Day d if the Gas Exchange Platform is available.
- 15.4.5 Transporter shall publish GPP and GPN for each Gas Day d on its website.

16. MAINTENANCE AND MANAGEMENT IN CASE OF DISTURBANCES IN SYSTEM

16.1 Maintenance Programme

- 16.1.1 The Transporter shall render Maintenance Programme each year for the next calendar year. When drafting Maintenance Programme, Transporter shall consult with the Users and AFOs on aligning of timing of Maintenance.
- 16.1.2 The consultation process shall commence at latest on 1 October each year by submission of proposal of the Maintenance Programme prepared by Transporter to Users and AFOs.
- 16.1.3 By 30 November in the year in question, the Users propose to the Transporter maintenance period, whereby the Users shall use all reasonable endeavours to propose, that in each year, the maintenance period falls within a period between 1 May and 31 August of that Gas Year.

- 16.1.4 By 31 December of the current year the Transporter shall notify the Users (through Gastrans Electronic Data Platform) of its decision, taking into account the maintenance period proposed by Users and requests of AFOs, when finally determining the Maintenance Programme in respect of that Gas Year ("**Maintenance Programme**").
- 16.1.5 Maintenance Programme shall contain: description of type and scope of works proposed by Transporter to be carried out, as well as duration and time for each of the envisaged maintenance periods, Interconnection Points impacted by the maintenance period, estimated decrease of capacity on the Interconnection Points during each Gas Day envisaged by the Maintenance Programme as well as all other information that Transporter considers necessary. Transporter shall procure that Maintenance Programme shall be realized during Off Peak Season.
- 16.1.6 If Transporter amends its Maintenance Programme, Transporter is obliged to notify Users and AFO on amendment within the deadline not shorter than thirty (30) days from the planned commencement of works.
- 16.1.7 Transporter shall publish on its website Maintenance Programme as well as all amendments to it.
- 16.1.8 Transporter is obliged that within five (5) Business Days before the commencement of works on maintenance notify Users and AFO on the commencement of works.
- 16.1.9 Transporter is obliged to keep record on duration of restriction or suspension of Gas Transmission Service for each Interconnection Point and record on the level of capacity decrease.
- 16.1.10 The Transporter shall ensure that the Maintenance does not exceed ten (10) Days in every Gas Year.
- 16.1.11 Transporter keeps and delivers to competent authorities on their request data on the daily basis on duration of works on Maintenance and duration of restriction or suspension of Gas Transmission Service which occurred. Information shall be available to the Users affected by any restriction or suspension of Gas Transmission Service, upon their request.

16.2 Management in case of Disturbance in Pipeline

- 16.2.1 Disturbance in Pipeline is short-term unplanned disturbance in delivery caused by accidents or other unpredictable situations that jeopardise security of system operation, as well as Unforeseen Works.
- 16.2.2 The Transporter shall undertake all possible measures to remedy disturbance in Pipeline as soon as possible.
- 16.2.3 In case of occurrence of disturbance in Pipeline, Transporter shall notify the Users on reasons and duration of restriction or suspension of Gas Transmission Service without delay.
- 16.2.4 Exceptionally, Transporter may:
- 16.2.4.1 without prior notification, restrict or suspend Gas Transmission Service in case of force majeure, accidents and other unpredictable situations, on which must inform Users as soon as possible; and
 - 16.2.4.2 restrict or suspend Gas Transmission Service to a single User, in case that User does not amend Nomination in line with the Transporter's request, when the operation of Pipeline is jeopardised.
- 16.2.5 Transporter shall keep the record on all restriction or suspension of Gas Transmission Service deriving from the disturbance in Pipeline and their duration.
- 16.2.6 Transporter shall in the total days planned for Maintenance calculate restriction or suspension of Gas Transmission Service which occurred as a consequence of Unforeseen Works.
- 16.2.7 In case of a general shortage of Natural Gas or disturbance in Pipeline, Transporter shall act pursuant to the Energy Law and regulation governing conditions for delivering and supplying of Natural Gas.
- 16.2.8 Physical Reverse Flow may occur in case of emergency.

16.3 Reduction of Transmission Fee Payment

Transporter shall reduce Transmission Fee from the Short-Term GTA and/or Long-Term GTA in line with the provisions on the reduction from the Articles 14.1.3 and 14.1.4 of this Network Code, if during the period of maintenance, works on Scheduled Maintenance last longer than ten (10) days yearly and cause restriction or suspension of Gas Transmission Service. No reduction of the Transmission Fee shall be made if the restriction or suspension of Gas

Transmission Service of the User is caused by the force majeure or accident caused by third parties or if the disturbance in Pipeline is attributable to a negligent act or omission of the User.

17. GAS QUALITY

17.1 Gas Quality

17.1.1 Request in respect to the quality of Gas transported through the Pipeline is defined pursuant to the Applicable Laws and published on the Transporter's website. The Transporter shall use Reasonable Efforts to align the requested Gas quality with the gas quality of the upstream AFO. The Transporter shall notify the User reasonably advance about any changes in Gas specifications deriving from to the amendment of the Applicable Laws.

17.1.2 During the Transportation Period, the Transporter shall take over Natural Gas made available by the User at the Contracted Entry Point that complies with the prescribed Gas quality, and the Transporter shall deliver to the User, at the Contracted Exit Point, the Gas that complies with the prescribed Gas quality.

17.2 Non-Conforming Gas

17.2.1 If Natural Gas delivered by the User at the Contracted Entry Point does not meet the requested Natural Gas quality, the Transporter shall be entitled to refuse acceptance of the Gas which does not conform the prescribed quality, in whole or in part. Transporter shall endeavour to accept Gas which does not conform the prescribed quality if the acceptance of such Gas will not jeopardise the safety and/or integrity of transmission system. In any such case, the User is obliged to immediately adjust its Nomination at the concerned Contracted Entry Point in line with the Transporter's instruction and to reduce the delivery of Gas for transport which does not conform to the prescribed quality at that Contracted Entry Point. Transporter retains the right to charge from User the whole amount of the Transmission Fee as well as all real damage (in Serbian *stvarna šteta*) deriving from the taking over of Gas which does not conform the prescribed quality, if User has not adjust Nomination upon Transporter's request.

17.2.2 If Natural Gas delivered by the Transporter at the Contracted Exit Point does not meet the Natural Gas quality pursuant to the Applicable Laws, the User shall be entitled to refuse, in whole or in part, to accept the Gas which does not conform the prescribed quality. The Transporter shall in any such case immediately reduce

the supply of Gas which does not conform to the prescribed quality at that Contracted Exit Point accordingly. User retains the right to charge from Transporter all real damage (in Serbian *stvarna šteta*) deriving from non-acceptance of the Gas which does not conform to the prescribed quality.

- 17.2.3 In the case that reduction of quantities is necessary in line with the Articles 17.2.1 and 17.2.2 of this Network Code, User shall immediately submit Renomination in order to avoid Transmission Imbalance.
- 17.2.4 Transporter and User shall promptly inform each other if they become aware of the delivery of Gas which does not conform the prescribed quality at the Contracted Entry Point or Contracted Exit Point, or expect Gas which does not conform to the prescribed quality to be delivered.
- 17.2.5 Right to indemnity in case of delivery of Gas which does not conform the prescribed quality and the manner of realization of such right are governed in the Long-Term GTA and Short-Term GTA.

18. FUEL GAS

18.1 Election

- 18.1.1 The User shall be entitled to elect between providing Fuel Gas in kind for use of Contract Capacity, or to bear part of the Transporter's costs for procurement of Fuel Gas from the Article 18.1.5 of this Network Code, which Transporter shall procure to enable to Users use of service in the Contracted Capacity.
- 18.1.2 The election made by the User shall be valid for all Capacity Products it has contracted during the Gas Year. In the event that User opts to deliver to the Transporter Fuel Gas in-kind, it is User's responsibility to include and specifically indicate in its Nomination or Renomination, the appropriate amount of Natural Gas for Transporter for Fuel Gas.
- 18.1.3 The transfer of the Title to the Gas in respect to Fuel Gas provided in-kind shall occur on VTP, and in case that the User if foreign legal entity, transfer of the Title to the Gas in respect to Fuel Gas shall occur on Entry Point Kirevo/Zaječar.
- 18.1.4 Transporter shall obtain Fuel Gas free of charge, while User who procures to the Transporter Fuel Gas in kind shall bear all connected costs (including transporting costs to the VTP) and all taxes, fees and duties.

- 18.1.5 Transporter shall procure Fuel Gas not provided in-kind via public tender before the start of Gas Year on the principles of minimal costs and non-discrimination. Transporter shall organize the public tender for purchasing Fuel Gas for a period of one (1) Gas Year and publish it on its website. Place of delivery of Fuel Gas to the Transporter is at VTP.

18.2 Determination of Necessary Quantities of Fuel Gas

- 18.2.1 Necessary quantities of Fuel Gas for each Gas Day d for each User shall be calculated according to the following formula:

$$FG = X1 * Q1 + X2 * Q2 - KN$$

whereby

FG is estimated necessary quantity of Fuel Gas for Gas Day d , in kWh,

X1 is percentage of Fuel Gas for the compressor as determined by Transporter on the Gastrans Electronic Data Platform, in %,

Q1 is quantity of Gas the User Nominates for transportation on Exit Point Horgoš/Kiškundorožma 1200, in kWh for Gas Day d ,

X2 is percentage of Fuel Gas for preheating as determined by Transporter on the Gastrans Electronic Data Platform, in %,

Q2 is quantity of Gas the User Nominates for transportation on Exit Point Serbia, in kWh for Gas Day d ,

KN is difference, in kWh, between estimated necessary quantity of Fuel Gas and allocated quantity of Fuel Gas of that User including the Gas Day $d-2$ in case that User has opted to deliver Fuel Gas in kind. KN may be positive or negative value and Transporter notifies User on such difference each Gas Day, in order to be taken into account when submitting Nominations of the User for the next Gas Day. KN is zero (0) if the User has opted to pay the costs for the Fuel Gas from the Article 18.1.5 of this Network Code.

18.3 Allocation of Utilised Quantities of Fuel Gas

- 18.3.1 The Transporter shall allocate utilised Fuel Gas to Users on hourly basis. If this is not technically feasible, the Transporter shall allocate utilised Fuel Gas for Gas Day.
- 18.3.2 The Fuel Gas is consisted of utilised quantities of Fuel Gas at the compressor station and utilised quantities of Fuel Gas for preheating on Exit Points Serbia.

- 18.3.3 Utilised Gas at the compressor station shall be metered on the hourly basis and shall be allocated to all Users that has Physical Flow Direction through compressor station. On the basis of the metered hourly quantities, quantities of the Fuel Gas for each Gas Day shall be calculated. Utilised quantity of Fuel Gas at the compressor station for Users for each hour shall be calculated as follows:

$$FGQC_{USER} = CS * AAQC_{USER} / AAQC_{ALL}$$

where:

$FGQC_{USER}$ is allocated utilised quantity of Fuel Gas at the compressor station for User u , in kWh,

CS is the total utilised quantity of Fuel Gas at the compressor station, in kWh,

$AAQC_{USER}$ is the Allocated Quantities of User u in the Physical Flow Direction through Exit Point Horgoš/Kiškundorožma 1200, in kWh.

$AAQC_{ALL}$ is the Allocated Quantities of all Users in the Physical Flow Direction through Exit Point Horgoš/Kiškundorožma 1200, in kWh.

- 18.3.4 Utilised Fuel Gas used for preheating at the Exit Point Serbia shall be metered on the hourly basis and shall be allocated to all Users that has Physical Flow Direction through Exit Point Serbia. On the basis of the metered hourly quantities, quantities of the Fuel Gas for each Gas Day shall be calculated. Utilised quantity of Fuel Gas for preheating for Users for each hour shall be calculated as follows:

$$FGP_{USER} = PHG * AAQE_{USER} / AAQE_{ALL}$$

where:

FGP_{USER} is the allocated quantity of Fuel Gas for preheating of Gas to the User u at the Exit Point Serbia, in kWh,

PHG is the total utilised quantity of Fuel Gas for preheating, at the Exit Point Serbia, in kWh,

$AAQE_{USER}$ is the Allocated Quantities to the User u in the Physical Flow Direction at the Exit Point Serbia, in kWh,

$AAQE_{ALL}$ is the aggregate Allocated Quantities of all Users in the Physical Flow Direction at Exit Point Serbia, in kWh.

- 18.3.5 Transporter shall notify User on quantities of Fuel Gas allocated to that User during Gas Month in Monthly Statement.

18.4 Calculation of Fee for Fuel Gas

- 18.4.1 User who has elected to reimburse the Transporter for costs of Fuel Gas from the Article 18.1.5 of this Network Code, the Transporter shall calculate for each Gas Day fee for Fuel Gas by multiplying the Gas price from the agreement against which the Transporter procures the Fuel Gas and the quantity of Fuel Gas allocated to that User in line with the Article 18.3 of this Network Code.
- 18.4.2 In case the User has elected to provide Fuel Gas in-kind and does not use the transport service for thirty (30) days, Transporter shall calculate the fee for Fuel Gas in case that difference between the estimation of necessary quantity of Fuel Gas and total allocated quantity of Fuel Gas of the User (KN) occurred in the last Gas Day in which the transport take place is negative. If the difference KN is positive, Transporter shall notify User on the fee for Fuel Gas which User shall calculate to the Transporter. The fee for the Fuel Gas is calculated against the price defined in the agreement on the basis of which Transporter procures the Fuel Gas, which price is applicable on the day of calculation.
- 18.4.3 If the User delivers Fuel Gas in kind, and then elects, in line with the Article 18.1.2 of this Network Code, to pay to the Transporter costs of Fuel Gas from the Article 18.1.5 of this Network Code, and KN of User is not equal to the zero (0), Article 18.4.2 of this Network Code shall be applied accordingly.

18.5 Transporter's Obligations regarding Fuel Gas

- 18.5.1 The Transporter shall:
- 18.5.1.1 meter all Fuel Gas consumption for each hour;
 - 18.5.1.2 notify the User, through its website or Gastrans Electronic Data Platform, about its reasonable expectation of the percentage range of Fuel Gas to be allocated to the User;
 - 18.5.1.3 notify the User which provide the Fuel Gas in kind, at latest twenty (20) hours before the Gas Day, on X1 and X2 and KN of Fuel Gas from the Article 18.2 of this Network Code for that Gas Day;

- 18.5.1.4 publish the price against which Fuel Gas is procured for each Gas Day *d* on its website.

19. METERING

19.1 Measurement Equipment

- 19.1.1 The Pipeline shall have 4 measurement stations:

- 19.1.1.1 measurement station at the Entry Point Kirevo/Zaječar with three measurement lines (2 working lines + 1 reserve line) ("**GMS 1**"). Each measurement line has two measurement devices (for fiscal/commercial purposes and for control purposes);
- 19.1.1.2 measurement station at the Exit Point Paraćin with three measurement lines (2 working lines + 1 reserve line) ("**GMS 2**"). Each measurement line has two measurement devices (for fiscal/commercial purposes and for control purposes);
- 19.1.1.3 measurement station at the Exit Point Pančevo with three measurement lines (2 working lines + 1 reserve line) ("**GMS 3**"). Each measurement line has two measurement devices (for fiscal/commercial purposes and for control purposes); and
- 19.1.1.4 measurement station at the Exit Point Gospođinci with three measurement lines (2 working lines + 1 reserve line) ("**GMS 4**"). Each measurement line has two measurement devices (for fiscal/commercial purposes and for control purposes).

- 19.1.2 On each GMS from the Article 19.1.1 of this Network Code ultrasound measurement flow are built in and each GMS is equipped with the interface for remote data transmission.

- 19.1.3 On each GMS before the measurement lines collector gathering Gas for process gas chromatograph, equipped with the interface for remote data transmission is located which measures at least the following parameters:

- 19.1.3.1 content from C1 to C6+;
- 19.1.3.2 content of carbon dioxide;

- 19.1.3.3 content of nitrogen;
- 19.1.3.4 content of oxygen;
- 19.1.3.5 content of sulphide compounds in Natural Gas;
- 19.1.3.6 water dew point; and
- 19.1.3.7 carbohydrate dew point.
- 19.1.4 In addition to Measurement Equipment for the measurement of flow of Gas on Interconnection Points with AFO, on GMS Measurement Equipment for measuring utilization of Fuel Gas is built in:
 - 19.1.4.1 at the GMS 2 for the need of preheating unit – working and reserve line;
 - 19.1.4.2 at the GMS 3 for the need of preheating unit – working and reserve line;
 - 19.1.4.3 at compressor station for the operation of the compressor - working and reserve line.
- 19.1.5 Measures with the rotating clips are for the measuring of Gas for the preheating units from the Articles 19.1.4.1 and 19.1.4.2 of this Network Code, ultrasound measurers are for the measurement of Gas for the compressor from the Article 19.1.4.3 of this Network Code. On the compressor station, process gas chromatograph measures parameter of Gas defined in the Article 19.1.3 of this Network Code.
- 19.1.6 Transporter shall measure Gas quantity, Gas pressure, Gas temperature, energy content and Gas composition. Referent conditions are: i) for the calculation of quantities of the Natural Gas, Gas temperature of 273,15 K (0°C) and pressure of 101,325 kPa (1,01325 bar abs) and ii) for calculation GCV and Wobbe index (based on GCV) referent combustion temperature of 298,15 K (25°C).
- 19.1.7 The Transporter must, acting as a Reasonable and Prudent Operator, ensure that:
 - 19.1.7.1 all Measurement Equipment that is necessary for the Transporter to comply with Applicable Laws and its obligations under this Network

Code, the Short-Term GTAs and the Long-Term GTAs is installed at the Pipeline or Adjacent Facility;

- 19.1.7.2 all Measurement Equipment that is required to be operational is continuously operated, and its performances are monitored;
- 19.1.7.3 all Measurement Equipment is tested and calibrated with a frequency at least that specified in the requirements of Applicable Laws;
- 19.1.7.4 all Measurement Data is verified, recorded and kept for at least five (5) years after they are generated;
- 19.1.7.5 logs of all calibrations, verifications and validations that have taken place are produced and kept for at least five (5) years after their production;
- 19.1.7.6 all Measurement Equipment used by the Transporter shall be protected against power blackouts for at least seventy two (72) hours; and
- 19.1.7.7 all Measurement Equipment used by the Transporter shall be compliant with the requirements of Applicable Laws and this Network Code.

19.2 Correction of inaccurate Measurement Data

- 19.2.1 If, at any time, the Transporter becomes aware that the Measurement Data has not been metered or has been inaccurately metered for a period of time, the Transporter must promptly:
 - 19.2.1.1 ensure testing of the Measurement Equipment and, to the extent necessary, adjust or repair so as to resume accurate metering; and
 - 19.2.1.2 take such action as is necessary to replace any missing or incorrect Measurement Data with corrected data or default values.
- 19.2.2 The Transporter will determine the procedures to replace missing or incorrect Measurement Data and may rely on the advice of Expert. The procedures used by the Transporter to determine corrected or default data include the following order of priority:

- 19.2.2.1 if available, use of data from reserved measurement lines of Transporter or AFO; and
- 19.2.2.2 results of laboratory examination of Measurement Equipment.
- 19.2.3 The period for which any replacement values will apply will be either:
 - 19.2.3.1 the period during which the Measurement Data were not metered or inaccurately metered, if known; or
 - 19.2.3.2 the period between the date on which the last verification of Measurement Data occurred and the date on which the adjustment or repair of the Measurement Equipment as required by the Article 19.2.1.1 of this Network Code, was completed,subject to any limit on such period provided in a relevant AFO Agreements.
- 19.2.4 If any Measurement Data is corrected in line with this Article:
 - 19.2.4.1 and if that Measurement Data affects the delivered quantities of Natural Gas at an Interconnection Point:
 - (a) the Transporter shall together with the relevant AFO determine if the correction can be absorbed between the Transporter and the AFO pursuant to any AFO Agreements or Operational Balancing Agreement with AFO in effect at that Interconnection Point at the time of creating Measurement Data subject to correction (or as otherwise agreed between the Transporter and the AFO) without any need to revise the Allocated Quantities; or
 - (b) if it is not possible to make the correction in line with the above Article (a), the Allocated Quantities will be revised for each Gas Day on which replacement values apply pursuant to the proportional allocation rule in the Article 15.2.2 of this Network Code, and
 - 19.2.4.2 the Transporter must update any affected Monthly Statements pursuant to the Article 20.2 of this Network Code.

19.3 Access to the Measurement Data

- 19.3.1 Transporter will ensure to provide to each User each hour during every Gas Day:
- 19.3.1.1 energy content for each Contracted Entry/Exit Point contracted by the User for that particular hour and cumulate energy content for current Gas Day; and
 - 19.3.1.2 Nominated and preliminary (for information purposes) Allocated Quantities of each User for each Contracted Entry/Exit Point contracted by the User for that particular hour and cumulative energy content of User for current Gas Day; and
 - 19.3.1.3 Trade Notification(s) for current Gas Day; and
 - 19.3.1.4 current Transmission Imbalance for that Gas Day.
- 19.3.2 If OBA is entered into, the Allocated Quantities for the purpose from the Article 19.3.1.2 of this Network Code shall be equal to Confirmed Quantities. For the Interconnection Points where OBA is not in place, the Allocated Quantities from the Article 19.3.1.2 of this Network Code shall be determined in line with the Article 15.2.2 of this Network Code.
- 19.3.3 In case of non-existence of OBA for the Interconnection Point Horgoš/Kiškundorožma 1200, the final allocation of quantities shall be performed only upon delivering of final allocations by downstream AFO.

19.4 Requests for Verification

- 19.4.1 The User may request copies of all calibration, validation and verification logs relating to the period of previous three (3) months for relevant Measurement Equipment. The Transporter shall provide all requested logs in relation to the subject Measurement Equipment within a period of fifteen (15) days as of such request.
- 19.4.2 Following receipt and review of the information provided under the Article 19.4.21 of this Network Code, the User may deliver to the Transporter notification with arguments for believing that a material error exists in the relevant Measurement Data, and require from the Transporter to verify that Measurement Data.
- 19.4.3 Following receipt of a notice referred to in the Article 19.4.2 of this Network Code, the Transporter must:

- 19.4.3.1 carry out the required verification in line with the request from this Article as soon as reasonably practicable and provide the User with results of verification and information of each step of verification not later than five (5) Business Days as of notification from the Article 19.4.2 of this Network Code;
 - 19.4.3.2 no later than thirty (30) days after the end of the required verification, produce a report stating if the relevant Measurement Equipment subject to the verification is and was operating accurately and in compliance with the Measurement Equipment technical specifications and, if relevant, specifying any resulting actions to be taken in respect to the Measurement Equipment.
- 19.4.4 If the verification concludes that:
 - 19.4.4.1 the Measurement Equipment is and was functioning accurately, compliant with the Measurement Equipment technical specifications, the User requesting that verification shall pay the costs calculated in line with the decision on determination of costs for non-standardised services; or
 - 19.4.4.2 the Measurement Equipment is not or was not functioning accurately, the Transporter shall bear all costs incurred in connection with verification and the drafting of the report.
- 19.4.5 A User that requires a verification has the right to have its personnel present during the verification, provided that such User has included, in its notice given under the Article 19.4.2 of this Network Code, confirmation that it intends to have its personnel present and the names and contact details of those personnel. The User is responsible for ensuring that its personnel, at all times that they are present, to comply with all security and safety, insurance, confidentiality and legal requirements of the Transporter and/or a relevant Adjacent TSO.

20. MONTHLY STATEMENTS, INVOICING AND PAYMENT

20.1 Monthly Statements

- 20.1.1 The Transporter issues Monthly Statement for a previous Gas Month and delivers it to the User together with the Monthly Invoice. The Monthly Statement shall at

a minimum contain the following information for each Gas Day of the month to which Monthly Statement is related to:

- Contracted Capacity;
- Allocated Quantities;
- Gas quality data;
- Fuel Gas;
- Data on Interruption, if occurs;
- Data on Capacity Restriction, if occurs;
- Uncovered amount of Auction Premium in the process of Surrender in line with the Article 8.3 of this Network Code, if any; and
- Transmission Imbalance, if any.

20.2 Correction of Monthly Statements

20.2.1 If any Measurement Data in respect of a Gas Month for which a Monthly Statement has been sent is subsequently corrected pursuant to the Article 19 of this Network Code, then the Transporter must:

20.2.1.1 revise the Monthly Statement affected by the relevant Measurement Data so that it reflects the corrected Measurement Data; and

20.2.1.2 send to each affected User, within ten (10) Business Days after the determination of error in Measurement Data, the corrected Monthly Statements together with a comparative breakdown to the previously issued Monthly Statements, indicating all changes to the Allocated Quantities, Transmission Imbalance, Fuel Gas allocation and all other Measurement Data.

20.3 Monthly Invoices

- 20.3.1 The Transporter shall, no later than the fifth (5th) day of the month following each month during the Transportation Period, deliver to the User Monthly Invoices and email them to the User.
- 20.3.2 Transporter issues Monthly Invoices to the User for:
- 20.3.2.1 Contracted Capacity for Capacity Product;
 - 20.3.2.2 Fuel Gas;
 - 20.3.2.3 Transmission Imbalance;
 - 20.3.2.4 Uncovered amount of Auction Premium in the process of Surrender in line with the Article 8.3 of this Network Code; and
 - 20.3.2.5 all additional costs if incurred in relation with the Gas transportation pursuant to the Short-Term GTA and this Network Code.
- 20.3.3 User, within five (5) days as of delivery of Monthly Statement, delivers invoice for Transmission Imbalance and sends it to the Transporter and while the copy thereof provides via e-mail on the same day.
- 20.3.4 All amounts in invoices from the Article 20.3.1 of this Network Code are expressed in EUR, and for Users which are residents are recalculated in RSD applying official middle exchange rate of the National Bank of Serbia at the last day of month to which invoice relates to.
- 20.3.5 When the User has contracted more than one Capacity Product for the same period, Transporter shall issue separate Monthly Invoice for each contracted Capacity Product, whereby it shall issue separate invoice for Fuel Gas and separate invoice for Transmission Imbalance.
- 20.3.6 To the User with the Long-Term GTA, Transmission Fee and costs for procurement of Fuel Gas from the Article 18.1.4 of this Network Code shall be invoiced on the basis of the Long-Term GTA, and Imbalance Charge shall be invoiced on the basis of the Balancing Agreement.

20.4 Payments

- 20.4.1 The User shall make payments no later than twentieth (20th) in the month in which it receives the Monthly Invoice from the Transporter. Transporter shall make

payments to the User no later than twenty fifth (25th) in the month in which User issued invoice to the Transporter in line with the Article 20.3.2 of this Network Code. Payments shall be made by transfer to the bank account expressed in the invoice without any deductions, decreases, bank costs and similar.

- 20.4.2 If User or Transporter fails to pay amount payable by issued invoice within the deadline, interest will accrue on the overdue amount from due date (excluding the due date) up to the date of actual payment (excluding the date of actual payment) at the rate of 6M EURIBOR + 3% for the debt in EUR, and at the statutory default interest rate for the debt in RSD. Interest payable for the debt in EUR shall be accrue on a daily basis and on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days. Any interest accruing under this Article shall be due within ten (10) days as of the issuance of interest calculation.

20.5 Complaints in relation to Invoicing and Payments

- 20.5.1 User is entitled to submit complaint on Monthly Statement within three (3) days as of the receipt of Monthly Statement, and Transporter is obliged to respond to the User within three (3) days as of the receipt of complaint. If Transporter does not agree with complaint, Transporter and User are entitled to refer subject matter to the Expert for solving, within three (3) days as of the receipt of response to complaint.
- 20.5.2 Save for in the case of manifest error, the total amount of Monthly Invoice is payable on the due date for payment, notwithstanding that the User has submitted complaint on Monthly Invoice which is not accepted.

21. AMENDMENTS TO THE NETWORK CODE

21.1 Change in Law

- 21.1.1 Transporter shall provide a notice on change in law ("**Change in Law Notice**") to the User which imposes the obligation to comply this Network Code and/or the Short-Term GTA with the Change in Law.
- 21.1.2 Change in Law Notice shall contain proposal of the amendments to this Network Code and/or executed Short-Term GTA and/or Long-Term GTA reflecting the Change in Law, with the deadline for its adoption.

- 21.1.3 User who disagrees with the Transporter's proposal may in line with this Network Code submit its objections and proposals for amendment of this Network Code and/or executed Short-Term GTA and/or Long-Term GTA within fifteen (15) days.

21.2 Amending of the Network Code

- 21.2.1 Transporter may propose amendment of this Network Code when:
- 21.2.1.1 intends to construct or make operational additional Interconnection Points or incremental capacities;
 - 21.2.1.2 when there is a change with AFO that requires amendments to this Network Code for the Transporter to comply with its obligations under the AFO Agreements, the Operational Balancing Agreements with AFO, the Short-Term GTAs and/or the Long-Term GTAs; or
 - 21.2.1.3 acting as a Reasonable and Prudent Operator, determines that is necessary to update or amend this Network Code in order to facilitate or improve the provision and/or use of Gas Transmission Services.

21.3 Submission of Proposal for Amendment

- 21.3.1 Users' Committee from the Article 22 of this Network Code as well as each interested party is entitled to, at any time, submit a Proposal for Amendment to the Transporter.
- 21.3.2 Proposal for Amendment contains:
- 21.3.2.1 name and address of the submitting person, its email address and telephone number of a contact person;
 - 21.3.2.2 text of the Proposal for Amendment with detailed description of the technical, operational or commercial reasons of those amendments;
 - 21.3.2.3 a written assessment of the consistency of the proposed amendments with the Applicable Laws applicable to the Pipeline;
 - 21.3.2.4 date on which the proposed amendments should take effect and should be applicable, taking into account the time required to amend the Network Code in line with this Network Code and, in the case that

proposed amendments may affect the operation of the Pipeline, time required to implement changes to the operation of the Pipeline;

21.3.2.5 documents which are available and clarify the information from the Articles 21.3.2.2-21.3.2.4 of this Network Code;

21.3.2.6 record from the session of Users' Committee, if the submitting person is Users' Committee.

21.3.3 Proposal for Amendment shall be submitted via e-mail, registered mail or directly at the address of the Transporter.

21.4 Acting upon the Proposal for Amendment

21.4.1 The Transporter shall notify the submitting person within thirty (30) days from the receipt of Proposal for Amendment or of delivery of requested information from the Article 21.3.2 of this Network Code:

21.4.1.1 whether accepts to amend this Network Code upon Proposal for Amendment, in which case gives estimation of time necessary for adoption of Proposal for Amendment in line with this Network Code; or

21.4.1.2 gives reasons for non-acceptance of the Proposal for Amendment, in which case proposal and reasons are being forwarded to the AERS, for the information purposes.

21.4.2 During the evaluation of Proposal for Amendment, the Transporter assesses:

21.4.2.1 compliance of the proposal with the Applicable Laws and obligations from the Long-Term GTA;

21.4.2.2 whether Proposal for Amendment has negative impact on operation of Pipeline;

21.4.2.3 effects of the Proposal for Amendment on the costs of provision of Gas Transmission Services.

21.4.3 Prior to the expiry of deadline from the Article 21.4.1 of this Network Code, Transporter may request from the submitting person additional information and explanation.

21.5 Public Consultation

- 21.5.1 On the basis of the evaluation of Proposal for Amendment, Transporter shall determine draft of the amendment of the Network Code, and as the case may be, draft of annex to the Short-Term GTA (**"Amendment Draft"**) and publish them on its website, for the purpose of public consultation.
- 21.5.2 Transporter especially notifies compliance officer and AERS on public consultation.
- 21.5.3 Public consultation shall last at least thirty (30) days, in which deadline all interested parties may submit their comments to the Transporter.
- 21.5.4 If amendment of Network Code implies the obligation to comply Long-Term GTA, Transporter shall submit draft of the annex to the Long-Term GTA to the User with the Long-Term GTA, compliance officer and AERS.

21.6 Process of Approval of Amendment Proposal of this Network Code

- 21.6.1 After completion of the public consultation, the Transporter shall consider all proposals of the public consultation participants, and in line with the proposals that it accepts, determine the final proposal of the amendment of this Network Code and/or proposal of the annex of executed Short-Term GTA (**"Amendment Proposal"**).
- 21.6.2 Compliance officer shall submit Amendment Proposal with all proposals and its opinion to AERS which, within the five (5) Business Days from the receipt of Amendment Proposal, may request amendment thereof in order to be in compliance with the Applicable Laws.
- 21.6.3 If AERS submits its opinion within five (5) Business Days, Transporter shall adopt Amendment Proposal which is complied with the AERS' requests. If AERS does not deliver its opinion within this deadline, Transporter shall adopt the Amendment Proposal.
- 21.6.4 Act on adopting the Amendment Proposal from the Article 21.6.3 of this Network Code Transporter shall deliver to the AERS for consent, in line with the Energy Law, and upon obtaining of AERS's consent, Transporter shall publish this act on its website.

22. USERS' COMMITTEE

22.1 General

- 22.1.1 The Transporter shall establish a Users' Committee ("**Users' Committee**") as its advisory body which:
- 22.1.1.1 monitors the implementation of this Network Code and notify Transporter on implementation of this Network Code, manner of provision of Gas Transmission Services and other services in connection with the transport, operational conditions of Pipeline and Gastrans Electronic Data Platform and possibility of their improvement;
 - 22.1.1.2 drafts the Proposal for Amendment which submits to the Transporter in line with the Article 21.3 of this Network Code;
 - 22.1.1.3 provides opinion on the Amendment Draft during public consultation;
 - 22.1.1.4 provides the Transporter with the members of Users' Committee views on Proposal for Amendment which one or more Users or interested parties submitted to the Transporter, if Transporter requires it to estimate the acceptability of the Proposal for Amendment in line with the Article 21.4.2 of this Network Code.
- 22.1.2 Users' Committee has eight (8) members with the voting right.
- 22.1.3 Each member may have only one (1) representative in the Users' Committee.
- 22.1.4 Mandate of the members with the voting right is two (2) years.
- 22.1.5 Mandate of the Users' Committee member shall be terminated before the elapse of mandate if member requests so, when member's, appointed in line with the Article 22.3 of this Network Code, Short-Term GTA cease to exist or it executes Long-Term GTA.
- 22.1.6 In case of termination of mandate before the elapse of mandate, mandate of Users' Committee new member shall last until the expiry of mandate of other Users' Committee members.

22.2 Application for Membership

- 22.2.1 Each User is entitled to apply for the membership in the Users' Committee.
- 22.2.2 Application for membership is signed by the electronic signature and submitted via e-mail to the Transporter's e-mail.
- 22.2.3 Application form is available on the Transporter's website.
- 22.2.4 Transporter publishes and regularly updates on its website list of all Users which submitted application, their contact data and date of the application submission, as well as date of Users' Committee sessions.

22.3 Appointment of Users' Committee Members

- 22.3.1 Transporter shall appoint four (4) members of the Users' Committee from the Users with Long-Term GTA with the duration longer than one (1) year, pursuant to the Final Exemption Act.
- 22.3.2 The other four (4) members of the Users' Committee, Transporter shall appoint from the Users which:
 - 22.3.2.1 submitted application for membership in the Users' Committee in line with this Network Code;
 - 22.3.2.2 in the previous two (2) Gas Years have the biggest quantity of the Contracted Capacity in the individual length no more than one (1) Gas Year; and
 - 22.3.2.3 at the moment of appointing them as members of Users' Committee do not have Long-Term GTA from the Article 22.3.1 of this Network Code.
- 22.3.3 If two or more Users have the same quantity of Contracted Capacities, as a member shall be appointed User which has submitted application for membership earlier, and if number of the applied Users is less than four (4), Transporter shall appoint as members all applied Users from the list, whereby the missing members shall be appointed in case of receipt of subsequent applications.
- 22.3.4 If the number of Users with the Long-Term GTA from the Article 22.3.1 of this Network Code is increased, Transporter may appoint additional number of

members in which case number of members from the Article 22.3.2 of this Network Code shall be automatically increased to be equal to the number of members from the Article 22.3.1 of this Network Code.

22.4 Work of Users` Committee

- 22.4.1 Manner of voting and other issues in relation to the work of Users` Committee shall be regulated by the rulebook.
- 22.4.2 Manner of voting in the Users` Committee shall be determined as to vote of each member depends and is proportional to its Contracted Capacities.
- 22.4.3 Sessions of Users` Committee may attend, without voting rights, representatives of AERS and representatives of AFO.
- 22.4.4 Transporter shall appoint its representative in the Users` Committee.
- 22.4.5 Transporter shall ensure the conditions for work of Users` Committee.
- 22.4.6 Representative of Transporter shall convene and chair the sessions of Users` Committee, appoint members of Users` Committee in line with this Network Code, deliver to the members material to be considered on sessions, propose rulebook and participate in the work of Users` Committee, without voting right.
- 22.4.7 Sessions of the Users` Committee may be ordinary and extraordinary, whereby ordinary session shall take place at least once a year.
- 22.4.8 Quorum for session is at least half of the total members with voting rights.
- 22.4.9 Minutes shall be made for all issues which are subject to consideration on the Users` Committee. Chairman of the Users` Committee shall deliver minutes to all members, Transporter, AERS and AFO. Users` Committee minutes shall contain proposals and opinions for which the majority has voted, and if one or more members are objecting to the adopted opinion or proposal, Transporter`s representative shall put its separate opinion, view or proposal in the minutes.
- 22.4.10 If Users` Committee delivers Proposal for Amendment, Transporter shall notify AERS on acceptability of their Proposal for Amendment within thirty (30) days from its submission.

- 22.4.11 Users with the Long-Term GTA may request that chairman of Users' Committee attends to their sessions when considering issues exclusively relating to the implementation of Long-Term GTA.

23. DISPUTE RESOLUTION

23.1 Amicable Settlement of Disputes and Expert Engagement

- 23.1.1 In case that dispute arises between Transporter and User in relation to the Short-Term GTA, parties shall endeavour to settle it amicably.
- 23.1.2 If Transporter and User may appoint authorised institution, accredited laboratory or competent person ("**Expert**") to resolve the dispute.
- 23.1.3 Transporter and User shall by mutual agreement appoint Expert, determine his scope of work and deadline within they propose dispute to be resolved. Transporter and User shall deliver to the Expert all information in their possession and information which they may procure if the Expert requests them in order to resolve the dispute.
- 23.1.4 Expert acts as independent competent expert, not as arbiter.
- 23.1.5 Expert shall deliver its decision to the parties with the reasoning.
- 23.1.6 If Transporter and User confirm in written that they agree with the Expert's proposal, it shall be deemed that decision on dispute is final and binding to parties.
- 23.1.7 If Transporter and/or User do not accept Expert's decision, dispute shall be settled pursuant to the Article 23.2.1 of this Network Code.
- 23.1.8 Costs in relation to the appointing of Expert as well as all accompanying taxes, fees and duties which arise from the dispute resolution shall be borne by Transporter and User in the proportion determined by Expert.

23.2 Court Dispute Resolution

- 23.2.1 Each dispute that was firstly referred to the Expert pursuant to the Article 23 of this Network Code, as well as all other disputes arising from Short-Term GTA, shall be settled before the competent court in Novi Sad.

24. TRANSPARENCY AND RECORD KEEPING

24.1 General Rule on Transparency

24.1.1 Pursuant to the Item 16 paragraph 2 point 9) of the Final Exemption Act, Transporter shall publish data in connection to:

- 24.1.1.1 technical information necessary to Users in order to access the Pipeline;
and
- 24.1.1.2 information that shall be published for all Interconnection Points and timeline for their publication.

24.2 Technical Information Necessary to Users in Order to Access the Pipeline

24.2.1 Transporter shall publish on its website information on Pipeline and services that it provides in a manner that these information are available to all Persons free of charge in a form allowing their download and quantitative analysis:

- 24.2.1.1 detailed description of offered Capacity Products;
- 24.2.1.2 Reserve Prices for Capacity Products;
- 24.2.1.3 this Network Code including:
 - (a) Short-Term GTA and GEDP User Agreement;
 - (b) data on Gas quality containing at least GCV and Wobbe index;
 - (c) data on requested pressures on Interconnection Points;
 - (d) short summary of:
 - procedure in case of Interruption;
 - harmonised procedure applicable for use of transmission system and definition of key terms;
 - provisions on capacity allocation and congestion management;

- rules for secondary trade of capacities;
- rules on balancing and calculation of Imbalance Charge;
- description of Pipeline and Interconnection Points with the names of the AFO;
- information in case of disturbance in Pipeline;
- procedures agreed with AFO at the Interconnection Points, relevant for access of the Users to transmission systems, relating to interoperability, nomination, matching process and other agreed procedure defining rules for allocation of quantities and balancing;
- methodology for calculation of Technical Capacity.

24.3 Information that Transporter Publishes for all Interconnection Points and Timeline for Their Publication

24.3.1 Transporter shall daily, and if necessary hourly, publish on its website the following information for all Interconnection Points:

- 24.3.1.1 maximum Technical Capacity for the flow in both directions;
- 24.3.1.2 total contracted Firm Capacity and Interruptible Capacity in both directions;
- 24.3.1.3 Nomination and Renomination in both directions;
- 24.3.1.4 firm and interruptible Available Capacity in both directions;
- 24.3.1.5 real physical flow of Gas;
- 24.3.1.6 planned and real Interruption;
- 24.3.1.7 planned and unplanned interruptions of Firm Capacities, information on restoration of the Firm Capacities (especially Maintenance of Pipeline and possible duration of Interruption due to the Maintenance). Planned interruption shall be published at least forty two (42) days ahead;

- 24.3.1.8 occurrence of unsuccessful, legally valid bids for Firm Capacity Products with a duration of one month or longer including number and quantities from the unsuccessful bids;
- 24.3.1.9 on which Interconnection Points and when Firm Capacity Products with a duration of one month or longer are contracted against Auction Price that is higher than Reserve Price;
- 24.3.1.10 on which Interconnection Points and when none of Firm Capacity Products with a duration of one month or longer are offered at the auctions from the Article 7 of this Network Code;
- 24.3.1.11 total capacity made available by the procedure of management congestion.
- 24.3.2 Information from the Articles 24.3.1.1, 24.3.1.2 and 24.3.1.4 of this Network Code shall be published for a period of at least eighteen (18) months ahead.
- 24.3.3 Transporter shall publish historical data from the Articles 24.3.1-24.3.7 of this Network Code for the last five (5) years.
- 24.3.4 Transporter shall daily publish measured values of GCV or Wobbe index for all Interconnection Points. Temporary data shall be published at latest three (3) days following the end of the relevant Gas Day. Final data shall be published within three (3) months following the end of the relevant month.
- 24.3.5 Transporter shall publish available, contracted and technical capacities on the yearly basis for the next ten (10) years. Information shall be updated at least monthly.
- 24.3.6 Transporter shall publish daily total quantity of capacity that is offered and contracted via secondary trade of capacities. Information shall contain the following data:
 - 24.3.6.1 Interconnection Point on which the capacity is sold;
 - 24.3.6.2 type of capacity, entry or exit, Firm or Interruptible;
 - 24.3.6.3 quantity and period of sold capacities;
 - 24.3.6.4 type of transaction, whether is Sublet or Transfer;

- 24.3.7 Transporter shall publish Capacity Products and time for realisation of secondary trade of capacities.
- 24.3.8 Transporter shall, if not applying OBA, deliver to each User for each balancing period, quantities of Transmission Imbalance and amount of Imbalance Charge.
- 24.3.9 Transporter shall, if not applying OBA, publish quantity of Gas in the Pipeline at the beginning of each Gas Day and the estimation of quantities of Gas at the end of Gas Day.
- 24.3.10 Transporter shall provide calculator for calculation of transmission costs on the basis of Reserve Prices which shall be applicable on auctions.

24.4 Information Published by Transporter in line with this Network Code

- 24.4.1 Transporter shall, pursuant to this Network Code, publish on its website the following information:
 - 24.4.1.1 form of Request for Access to the System from the Article 3.3 of this Network Code;
 - 24.4.1.2 set of standardised messages from the Article 4.1.2 of this Network Code;
 - 24.4.1.3 e-mail and fax number from the Article 4.1.3 of this Network Code;
 - 24.4.1.4 indicative model with recommendable content of bank guarantee from the Article 5.1.1.1 of this Network Code;
 - 24.4.1.5 incremental capacity project and model of the agreement on access to the system and transportation of natural gas for incremental capacities from the Article 9.3.5 of this Network Code;
 - 24.4.1.6 Trade Notification form from the Article 11.2.1 of this Network Code;
 - 24.4.1.7 list of Interconnection Points on which Single-Sided Nominations are applied from the Article 12.2.2 of this Network Code;
 - 24.4.1.8 Nomination form from the Article 12.4.1 of this Network Code;

- 24.4.1.9 cases envisaged by Operational Balancing Agreement when Transmission Imbalance may occur for the Users in line with the Article 15.1.7 of this Network Code;
- 24.4.1.10 GPP and GPN from the Article 15.4.5 of this Network Code;
- 24.4.1.11 Amendment Draft from the Article 21.5.1 of this Network Code;
- 24.4.1.12 act on amendment of this Network Code from the Article 21.6.4 of this Network Code.

24.5 Record keeping

- 24.5.1 Pursuant to the Final Exemption Act, the Transporter shall keep all records required under the Applicable Laws in relation to the Long-Term GTA, Short-Term GTA and other agreements entered into between the Transporter and Users under and in connection with this Network Code.
- 24.5.2 At the request of AERS, the Transporter shall provide such records to AERS, so to allow AERS to perform tasks from its competence.

25. TRANSITIONAL AND FINAL PROVISIONS

- 25.1 Transporter shall publish, within forty five (45) Business Days from the start of commercial operation date of Pipeline, on its website date of forming of Users' Committee and application form for membership in Users' Committee.
- 25.2 Transporter shall publish, at latest ninety (90) Business Days from the start of commercial operation date of Pipeline, on its website:
 - 25.2.1 list of Users which applied for membership in line with this Network Code;
 - 25.2.2 date and place of first ordinary session of Users' Committee;
 - 25.2.3 deadline for submission of proposal for appointment Users' Committee members.
- 25.3 If within eight (8) days before the session from the Article 25.2.2 of this Network Code, applied Users propose no more than four (4) candidates for Users' Committee, Transporter's representative shall on first session appoint proposed candidates for members of Users'

Committee, if such proposal is signed by the majority of the total number of applied Users evidenced on the list at the day of expiry of the deadline for the submission of proposals.

- 25.4** If applied Users from the Article 25.3 of this Network Code do not submit proposal or propose less than four (4) candidates for members of Users' Committee, Transporter shall on first session appoint all proposed candidates for members of Users' Committee, and missing member shall appoint from the list of applied Users, according to the date of submission of application, starting from the earliest.
- 25.5** If, until the deadline, less than four (4) Users are applied, Transporter shall appoint all Users from the list for members of Users' Committee, and missing members shall appoint upon the receipt of subsequent applications.
- 25.6** Transporter shall on first session appoint four (4) members of Users' Committee with Long-Term GTA pursuant to the Final Exemption Act.
- 25.7** First session of Users' Committee shall be held at latest six (6) months from the day in which Transporter performed first allocation of capacity in line with this Network Code.
- 25.8** Upon the consent of AERS, this Network Code shall be published on the Transporter's website together with the decision of AERS on consent.
- 25.9** This Network Code shall become effective on eighth (8th) day as of the publishing.

Novi Sad
Number: 05-42
Date: 03 April 2020

Directors of Gastrans d.o.o. Novi Sad

DUŠAN BAJATOVIĆ
Director

IGOR ELKIN
Director