

## GENERAL CONDITIONS OF AUCTION “GUARANTEES OF ORIGIN”

### 1. GENERAL PROVISIONS

- 1.1. These are the general conditions of the Auctions for the “*Guarantees of origin for the energy from renewable sources*” (hereinafter referred to as “**Auction**”) of Slovenské elektrárne, a.s. (hereinafter referred to as “**SE**”) regulating the rights and duties of SE and Auction Participants (hereinafter referred to as “**Conditions**”) in Auctions announced by SE, which are not a public tender pursuant to Sec. 281 et seq. of Act No. 513/1991 Coll. Commercial Code as amended.
- 1.2. For the purpose of these Conditions, the party interested in the purchase of Guarantees of Origin is referred to as “**Auction Participant**”.
- 1.3. Under these Conditions, “**IS OKTE**” refers to the information system of the organizer of short-term electricity market, OKTE company with the registered seat at: Mlynské nivy 48, 821 09 Bratislava, Company Identification No.: 45687862, registered in the Commercial Register of the City Court Bratislava III, Section: Sa, File No.: 2904/B (hereinafter referred to as “**OKTE**”).
- 1.4. “**Guarantee of Origin**” under these Conditions refers to a document pursuant to sec. 8a of Act No. 309/2009 Coll. on the Support of Renewable Energy Sources and High-efficiency Cogeneration as amended (hereinafter referred to as “**Renewable Energy Act**”) issued to SE by OKTE in electronic form, which certifies that the electricity has been produced from renewable energy sources and which is used to certify that the given share of electricity has been produced from the renewable energy sources and supplied to the power grid.

### 2. AUCTION NOTICE

- 2.1. SE will announce auctions no more than four times per calendar year, usually in the first month of the relevant calendar quarter. SE reserves the right to announce the Auction in any of the months in the relevant calendar year or not to announce any Auction in the relevant calendar year at all.
- 2.2. SE will publish the Auction Notice together with the Conditions on its website (hereinafter referred to as “**Auction Notice**”). The entities who entered into an annual framework agreement with SE on the transfer of the guarantee of origin for the energy from renewable sources (hereinafter referred to as “**Framework Agreement**”) will receive the Auction Notice from SE in electronic form, as well, in from of an email to the contact addresses provided in the respective Framework Agreement.
- 2.3. The Auction Notice will include but not be limited to the following information:
  - a) Date and time of the Auction,
  - b) Total amount of Guarantees of Origin traded in the Auction,
  - c) List of Guarantees of origin products traded in the Auction,
  - d) Minimum unit price of Guarantees of Origin specified for each product of Guarantees of Origin individually,
  - e) Deadline (time and date) for the submission of bids to purchase Guarantees of Origin,
  - f) SE contact data where the bids to purchase Guarantees of Origin shall be sent.
- 2.4. The Auction Notice will be published on SE website or sent to the respective email address of entities, which entered into a Framework Agreement with SE as per clause 2.2. hereof, no less than 14 calendar days prior to the announcement of the Auction.
- 2.5. SE reserves the right to amend the Conditions or cancel the Auction at any time without specifying the reasons thereof. The information about the amendment or cancelation of Auction will be published on the SE website and delivered to all Auction Participants who participated in it. The Auction Participant has no right to claim any costs from SE arising in relation to the amendment of the Conditions or cancelation of the Auction.

### 3. PARTICPATION CONDITIONS AND BID SUBMISSION

- 3.1. Auction Participant can be an entity which:
- a) Has a Contract on the Transfer of Guarantees obtained in form of auction (hereinafter referred to as "Contract on the Transfer of Guarantees") concluded with SE and valid on the day of the Auction,
  - b) Has settled any liabilities towards SE as at the day of the Auction,
  - c) Has an established account with an authority certified by an Association of Guarantee Issuers – AIB HUB. (For Slovak entities, it is IS OKTE for the guarantees of origin for energy).
- 3.2. Based on the Auction Notice as per section 2. hereof, the Auction Participants submit their bids to purchase Guarantees of Origin in writing, by sending:
- a) A signed draft Contract on the Transfer of Guarantees, Annex No. 1 hereto,
  - b) A signed Bid to purchase a Guarantee of Origin for energy produced from renewable sources, Annex No. 2 hereto,
- by means of an email to the email address of SE specified in the Auction Notice within the deadline specified in the Auction Notice.
- 3.3. To eliminate any doubts, the data about the amount and unit price for the Guarantee of Origin shall be specified in the Bid as follows:
- a) The amount of Guarantees of Origin shall be specified in the Bid in MWh without decimals,
  - b) The unit price of Guarantees of Origin shall be specified in the Bid in €/MWh with the accuracy of two decimal places.
- 3.4. The Contract on the Transfer of Guarantees and the Bid must be signed by the Auction Participant, their statutory body, or a member of their statutory body, or another representative of the Auction Participant who is authorised to act on behalf of the Auction Participant in commercial contracting relationships based on a written authorisation signed by a statutory representative of the Auction Participant, which shall be enclosed with the Bid by the Auction Participant.
- 3.5. The Auction participant has a right to revoke their Bid, however, no later than 1 hour before the expiration of the deadline for bid submission, by sending a notice of revoking the bid in writing to the SE contact address specified in the Auction Notice. To verify compliance with the deadline for revoking a bid under this clause, the decisive time indicator is the time when the electronic message (email ) is received by SE is
- 3.6. If the Auction Participant and SE make an agreement about an amendment of the conditions specified in the bid, SE can ask the Auction Participant to submit consolidated (updated) wording of the bid including the incorporated amendments and deviations. Submission of such consolidated bid will be considered an amendment of the Bid made by the Auction Participant.
- 3.7. The Auction Participant can submit a discretionary number of Bids within one Auction; the amount of Guarantees of Origin from the individually submitted Bids must not exceed the total amount of Guarantees of Origin traded in the respective Auction specified in the Auction Notice. The unit price of the Guarantee of Origin within the Bid must be equal or greater than the minimum unit price of Guarantees of Origin specified by SE in the Auction Notice.

### 4. COURSE OF THE AUCTION AND BID EVALUATION

- 4.1. The Auction Participant must **conclude a Contract** on the Transfer of Guarantees **with SE** at the time of the first Auction for the period of 3 calendar years from its concluding, **no later than 48 hours prior to the start of the Auction**; otherwise, if the Auction Participant fails to conclude the Contract on the Transfer of Guarantees with SE within the period in accordance with the previous sentence, their Bid will be excluded from the Auction. After the term of the Contract on the

Transfer of Guarantees terminates, regardless of the number of Auctions executed, the Participant interested in a purchase of Guarantees of Origin in any further Auction must conclude the Contract on the Transfer of Guarantees again.

- 4.2. After the acceptance of Bids is closed, SE will evaluate the Bids and all Bids submitted in the Auction in compliance with these Conditions will be ranked according to the criteria as follows:
  - a) Unit price – from the highest to the lowest,
  - b) Time of the delivery of the Bid to SE – from the earliest to the latest,
  - c) The total demanded amount of the Guarantees of Origin – from the highest to the lowest (the Bid for a larger amount of Guarantees of Origin will be ranked higher).
- 4.3. The Bids to purchase the Guarantees of Origin submitted by the Auction Participants within the respective Auction will be ranked and satisfied in accordance with the criteria specified under clause 4.2. hereof while the Guarantees of Origin are available or until the moment when all Bids will be satisfied. The final price of the Guarantees of Origin will be defined in the Auction based on the price in the Bids from the market players (pay-as-bid).
- 4.4. The Bids of the Auction Participants will be evaluated according to the criteria specified under clause 4.2 hereof. Successful Auction Participant will be the one who, according to the SE evaluation, submitted the most convenient Bid in line with the criteria specified under clause 4.2. hereof.

In cases where equal amounts of the Guarantees of Origin are demanded, the offered price will be decisive.

In cases where equal amounts of the Guarantees of Origin are demanded and equal prices are offered, the time of the Bid delivery to SE will be decisive.
- 4.5. SE reserves the right to conclude a contract for the purchase of the Guarantees of Origin with several Auction Participants or to refuse all the submitted Bids. SE also reserves the right to satisfy a Participant's Bid only partially, depending on the amount of the Guarantees of Origin available in SE and depending on the evaluation of the Auction Participant's Bid in line with the criteria set out in clause 4.2. hereof.
- 4.6. SE will inform all the Auction Participants whose Bids were evaluated within the Auction about the results and evaluation in electronic form (by email).
- 4.7. The amount of the Guarantees of Origin, which remains untraded after the Auction is completed and evaluated, remains on the account of SE and can be involved in any of the following Auctions.

## **5. CONCLUSION OF A CONTRACT AND TRANSFER OF THE GUARANTEES OF ORIGIN**

- 5.1. Purchase contracts for the transfers of the Guarantees of Origin will be concluded with the successful Auction Participants in form of a transfer order in compliance with the terms and conditions of the Contract on the Transfer of the Guarantees.
- 5.2. SE will make the order to transfer the Guarantees of Origin to the Auction Participant's account through IS OKTE to be credited to the Auction Participant as the buyer in compliance with the terms and conditions of the Contract on the Transfer of the Guarantees. The transfer of the ownership title to the Guarantees of Origin becomes effective on the day of the transfer in IS OKTE.
- 5.3. Unless SE and the Auction Participant agree otherwise, if the Auction Participant fails to pay the purchase price for the Guarantees of Origin in line with section 6 hereof on the first working day following after the due date on the advance invoice issued by SE at latest, the Purchase Contract will automatically terminate and the Guarantees of Origin, which were the subject of such

terminated Purchase Contract, will remain on the account of SE and can be included in any of the following Auctions. In such case, SE will also have a right to exclude the Auction Participant from the participation in any other Auction.

- 5.4. SE will send the summary information, detailed evaluation of the Auction, advance invoice and transfer order to the Auction Participants no later than within 2 days after the evaluation of the Auction, by means of electronic mail to the email address of the Auction Participant specified in the Contract on the Transfer of the Guarantees.
- 5.5. The summary information pursuant to clause 5.4. hereof contains the following information:
  - a) The total amount of the awarded Guarantees of Origin defined in MWh,
  - b) Maximum, minimum, and average price for which the Guarantees of Origin for the respective products were traded.
- 5.6. The detailed evaluation of the Auction pursuant to clause 5.4. hereof contains the following:
  - a) The total amount of the Guarantees of Origin defined in MWh, awarded to the Auction Participant, b) unit price for each product for which the Auction Participant submitted a Bid within the Auction, c) the total price of the Guarantees of Origin awarded.

## **6. PAYMENT AND INVOICING TERMS**

- 6.1 SE will issue and deliver to the Auction Participant an advance invoice for the Guarantees of Origin pursuant to the Purchase Contract no later than by the 15th day from the day of Auction evaluation. The advance invoice will be issued in compliance with Act No. 222/2004 Coll. on the Value Added Tax (hereinafter referred to as “**the VAT Act**”).
- 6.2 The Auction Participant shall pay the purchase price within 14 days from the advance invoice issue date. If the invoice due date falls on Saturday, Sunday, Bank Holiday or another day of rest, the invoice due date is the next working day. The Auction Participant’s monetary obligation is considered fulfilled on the day when the money is credited to the SE account defined in the invoice.
- 6.3 If the Auction Participant files a complaint and it is admitted, SE will issue an adjusted invoice (debit note or credit note). Adjusted invoice due date is 14 calendar days from the invoice issue date. If the invoice due date falls on Saturday, Sunday, or a day of rest, the invoice due date is the next working day. The invoice is considered paid when the invoiced amount is credited to the account of the Producer or Auction Participant.

## **7 FINAL PROVISIONS**

- 7.1 The Auction Participant must inform SE about any facts, of which they are aware and which could lead to any damage and make effort to mitigate any imminent damage.
- 7.2 If SE or the Auction Participant identify an error in the issuing, transfer, acknowledgment, cancelation or exercising of the Guarantee of Origin, they shall inform the other party thereof as soon as possible.
- 7.3 If any error occurs in the course of issuing, transfer, acknowledgment, cancelation or exercising of the Guarantee of Origin or as a result of an unauthorised access to or failure of the IS OKTE, SE and the Auction Participant will cooperate and make reasonable effort in order to eliminate and remedy such error. SE will not be liable towards the Auction Participant for any damage incurred as a result of any error hereunder, except for the cases where such error has occurred as a result of a breach of obligations by SE.
- 7.4 Any fees associated with the transfer, ownership title or exercising of the Guarantees of Origin in the IS OKTE paid to OKTE pursuant to the terms and conditions issued by OKTE will be paid by the

Auction Participants separately, at their own costs, without any financial claims towards SE regardless of the results of the Auction.

Annexes:

Annex No. 1: Contract on the Transfer of Guarantees

Annex No. 2: Bid to purchase a guarantee of origin for energy produced from renewable sources