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# REGULATION OF TRADING ON THE NATURAL GAS EXCHANGE

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## CHAPTER ONE GENERAL PROVISIONS

### SECTION ONE INTRODUCTION

1. UAB GET Baltic is a company that has been established in accordance with law of the Republic of Lithuania and that carries out its business activity under a Natural gas exchange operator licence. The company is organising trade in standardized long-term and short-term physical natural gas products and provides the participants of the Exchange with the services of the Exchange electronic trading system.
2. UAB GET Baltic offers an opportunity to buy natural gas in market areas operating in Lithuania, common Latvian and Estonian market area and Finland including physical delivery.
3. By organizing trading on the Exchange electronic trading system UAB GET Baltic offers an opportunity to buy natural gas products together with the cross-border capacities allocated by the implicit capacity allocation method at the interconnection points of transmission systems. When trading in a day-ahead and (or) within-day product, an order to buy and (or) to sell natural gas is displayed in all three market areas: Lithuanian, common Latvian and Estonian market area and Finnish.

### SECTION TWO GOAL OF THE REGULATION

4. The goal of the UAB GET Baltic Regulation of trading on the natural gas exchange (hereinafter referred to as "the Regulation") is to establish the principles of operation of the natural gas exchange of UAB GET Baltic and trading rules on the Exchange, the procedure for the submission of orders to buy and to sell natural gas and the settlement procedure, the rights and duties of participants of the Exchange, entities intending to be the participants of the Exchange, and the Natural gas exchange operator during operation on the Exchange.
5. The Natural gas exchange operator, entities intending to be the participants of the Exchange, and the participants of the Exchange (including Participants with Market Maker status), who buy and (or) sell, intend to buy and (or) to sell natural gas in the future on the Exchange shall act in accordance with this Regulation.
6. The Regulation has been drawn up in accordance with Article 38(1) of the Law on Natural Gas of the Republic of Lithuania, considering the Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (hereinafter referred to as "**REMIT regulation**"), Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks, Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules, and Commission Regulation (EU) No 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 as well as other directly applicable EU regulations and relevant directives, accordingly, the rules of Transmission system operators valid in the market areas.

7. The Regulation has been drawn up by the Operator of the Natural Gas Exchange and approved by the National Energy Regulatory Council (hereinafter referred to as the “**Council**”) taking into account the opinion of the natural gas market participants operating in the market areas and other supervisory authorities (national regulatory authorities) in accordance with the applicable law.

## SECTION THREE DEFINITIONS AND THE MEANINGS THEREOF

8. Definitions and meanings used in the Regulation:
  - 8.1. **Settlement** shall mean a procedure upon which one party eliminates its pecuniary obligation to the other party for the services rendered and for the products bought or sold on the Exchange.
  - 8.2. **An advance payment** (hereinafter referred to as “**the Prepayment**”) shall mean the sum of money in advance transferred to the bank account indicated by the Operator by the Participant, designated for payment for the products bought or planned to be bought on the Exchange, the services rendered by the Operator as well as set-off of the penalties.
  - 8.3. **Balance conditions** shall mean the provisions stipulated by the natural gas transmission services contract or balancing contract between the Transmission system operator and the Participant, regarding the balancing of the natural gas volume delivered to the transmission system and withdrawn from the transmission system.
  - 8.4. **A bank guarantee** shall mean an instrument by which a bank unconditionally undertakes to pay to the guarantee beneficiary the specific sum of money on the first demand guarantee.
  - 8.5. **The participant of the Exchange** (hereinafter referred to as “**the Participant**”) shall mean a person, who has the status of the Participant, buying and (or) selling products on the Exchange in accordance with the procedure and conditions established by Regulation.
  - 8.6. **Exchange service fees** shall mean the approved by the Council fees for the services rendered by the Exchange.
  - 8.7. **The Participant’s identification data** (hereinafter referred to as “**Identification Data**”) shall mean the unique codes required to identify the Participants and to secure the safety of their data and to carry out actions on the Exchange.
  - 8.8. **The Participant’s status** shall mean an entity, who has entered into a contract with the Natural gas exchange operator and was entered into the Register of Participants, right that allows the Participant to trade on the Exchange, which means to carry out to buy and (or) to sell orders and to fulfil transactions, to use other options provided by the Exchange, by acquiring the rights and undertaking the duties provided for by this Regulation.
  - 8.9. **Monitoring of the behaviour of Participants** shall mean the systematic surveillance procedure covering the evaluation of actions and behaviour of Participants and the analysis of trading data.
  - 8.10. **The Register of Participants** shall mean the list of participants openly published on the Operator’s site [www.getbaltic.com](http://www.getbaltic.com).
  - 8.11. **A working day** shall mean any day of a week from Monday to Friday when Lithuanian bank is working (central bank).

- 8.12. **The Daily Transaction** shall mean a purchase or a sale transaction concluded on the market of daily transactions for short-term products.
- 8.13. **The Market of Daily Transactions** shall mean the market for trading in short-term products.
- 8.14. **The Day-Ahead Product** shall mean a way to purchase/sell natural gas one day prior to the day of physical delivery of natural gas, whereby during the implicit capacity allocation period by the implicit capacity allocation method, when available capacities are available, the purchase and (or) sale orders shall be displayed in all market areas (in Lithuania, common Latvian and Estonian market area and Finland), if available capacities are not available, trade in a day-ahead product shall only be carried out in a market area to which an order to buy and (or) to sell is submitted.
- 8.15. **The Within-day Product** shall mean a way of purchase/sale of natural gas during the current natural gas day when physical gas delivery takes place, whereby during the implicit capacity allocation period by the implicit capacity allocation method, when available capacities are available, the purchase and (or) sale orders shall be displayed in all market areas (in Lithuania, common Latvian and Estonian market area and Finland), if available capacities are not available, trade in a within-day product shall only be carried out in a market area to which an order to buy and (or) to sell is submitted.
- 8.16. **The electronic trading system** (hereinafter referred to as “**the ETS**”) shall mean the system composed of hardware, software, and communication equipment, aimed at the performance of trading on the Exchange.
- 8.17. **The disturbance of the ETS** shall mean any failure or undue operation of ETS hardware, software, or communication equipment possibly causing the elimination of access to the ETS or limiting the options to consistently carry out trading operations or any other actions on the Exchange.
- 8.18. **The Natural Gas Exchange** (hereinafter referred to as “**the Exchange**”) shall mean the system for trade in natural gas organized by the Operator in accordance with the procedure and conditions set by this Regulation.
- 8.19. **The contract of the participant of the natural gas exchange** (hereinafter referred to as “**the Participant’s Contract**”) shall mean the contract between the Operator and an entity complying with the requirements established by paragraph 31 of this Regulation, granting to this entity the Participant status.
- 8.20. **The Operator of the Natural Gas Exchange** (hereinafter referred to as “**the Operator**”) shall mean UAB GET Baltic, a natural gas exchange operator, which organizes trading in physically settled natural gas products on the natural gas exchange and is licensed for this activity.
- 8.21. **The Delivery Period of Natural Gas** (hereinafter referred as to “**the Delivery Period**”) shall mean a gas day during which products are bought and sold in the Exchange. The gas day means a period from 7:00 a.m. to 7:00 a.m. of the following day in the East Europe time (EET) (East European summer time (EEST)).
- 8.22. **A Long-Term Product** shall mean a product traded on the exchange which sum of the delivery period is not less than the number of days in a given calendar month.
- 8.23. **The security instrument for the fulfilment of obligations** (hereinafter referred to as “**the Collateral**”) shall mean the security instrument issued to the benefit of the Operator

- of the Participant, aimed at securing the fulfilment of current and future obligations of the Participant arisen out of purchase transactions on the Exchange.
- 8.24. **An erroneous transaction** shall mean the purchase or sale of the product on the Exchange, which does not comply with the criteria indicated in the Participant's order and (or) contradicting to the provisions of this Regulation.
- 8.25. **Available Capacities** shall mean not allocated cross-border capacities at the interconnection points of (Lithuanian, common Latvian and Estonian market area, Finland) natural gas transmission systems, which have been allocated by natural gas transmission system operators to the Operator for allocation by the implicit capacity allocation method.
- 8.26. **A Monthly Transaction** shall mean a purchase or sale transaction concluded on the market of monthly transactions, with the delivery period of one calendar month.
- 8.27. **The Market of Monthly Transactions** shall mean the market for trading in long-term products.
- 8.28. **The set-off statement** shall mean the statement issued by the Operator, on the basis of which the difference between amounts payable and receivable by the Participant is fixed and the set-off of counter payments is made between the Operator and the Participant.
- 8.29. **The continuous trading method** shall mean the trading method when the Exchange, upon receiving a new order, immediately verifies whether there is other complying with it order amongst the orders received previously and, if such an order is found – the transaction is fulfilled immediately, if such a transaction is not found – the order is put on the list of orders.
- 8.30. **The Order** shall mean an order to sell or an order to buy.
- 8.31. **The Order to sell** shall mean the instruction to sell product on the Exchange submitted by the Participant.
- 8.32. **The Order to buy** shall mean the instruction to buy product on the Exchange submitted by the Participant.
- 8.33. **The Order Price** shall mean a maximal purchase or a minimal sales price in terms of MWh (megawatt hour), accurate to two decimals, at which the Participant wants to buy or to sell the product and which is indicated in the electronic trading system (EPS) as VAT excluded.
- 8.34. **The Volume of the Order** shall mean the maximal volume of product in MWh (megawatt hours), which the Participant seeks to buy or to sell on the Exchange.
- 8.35. **The Fulfilment of an Order** shall mean the finite process by which a transaction is fulfilled according to the order submitted by the Participant.
- 8.36. **The Transmission System Operator** shall mean a person as defined in Article 2(4) of the Directive No. 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC. The definition of the transmission system operator applied in the Regulation shall mean all four Lithuanian, common Latvian and Estonian, as well as Finnish natural gas transmission system operators jointly and each of them severally unless expressly indicated otherwise.
- 8.37. **The trading session on the Exchange** (hereinafter referred to as “**the Trading Session**”) shall mean the period during which orders are submitted and transactions are fulfilled.
- 8.38. **The Product** shall mean any instrument which is not a financial instrument within the meaning set in Annex I section C of Directive 2014/65/EU of the European Parliament and

of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/62/EU and which is related to the physical delivery of purchased and (or) sold natural gas and which is traded on the Exchange according to the delivery period, as well as described in this Regulation and (or) on the website of the Exchange.

- 8.39. **The Market Area** shall mean a trading area of the Exchange at one of the virtual trading points: in Lithuania, in the common zone of Latvia and Estonia or in Finland, in the Regulation, it may mean all together and each separately, unless expressly stated otherwise.
- 8.40. **The Trading Limit** shall mean the limit denominated in euro, which limits the Participant's ability to submit orders to buy on the Exchange.
- 8.41. **The results of the trading session** shall mean the results of trading on the Exchange based on which invoices for the products bought and (or) sold may be issued. The results of the Trading Session shall be presented on the trading day, upon closing the trading session and upon the formation of the statement of trading results within the period established by this Regulation.
- 8.42. **The Market Maker** shall mean the Participant of the Exchange complying with criteria set in paragraph 87 of the Regulation, who, in accordance with the Market Maker's Agreement between the Market Maker and the Operator, assumes obligations to submit to the ETS orders to buy and to sell for a specific volume and with present periodicity seeking to enter into a transaction and maintain the Exchange liquid.
- 8.43. **Market Maker's Agreement** shall mean a written agreement between the Market Maker and the Operator that sets the rights and obligations of the Market Maker and the Operator, the procedure for management of orders to buy and to sell during the execution of the functions of the Market Maker, the terms of payment, Products that are within application of the Market Maker's functions as well as other conditions of the Market Maker's operation. The Market Maker's Agreement form is published on the Operator's website.
- 8.44. **The Value of a Transaction** shall mean the pecuniary sum denominated in the EUR, calculated as the multiplication of the transaction product volume and a price, including transportation cost (if applicable).
- 8.45. **A Transaction** shall mean a one or more matched orders regarding the purchase and sale of the product in accordance with the procedure established in the Regulation.
- 8.46. **Matched Orders** shall mean all purchase and (or) sell orders matched by the continuous trade matching algorithm.
- 8.47. **The Implicit Capacity Allocation Method** shall mean a method when the natural gas volume bought by the Participant at the same time is supplemented by available capacities at interconnection points between Lithuanian and common Latvian and Estonian market area's and common Latvian and Estonian market area's and Finnish natural gas transmission systems allocated by the Operator.
- 8.48. **The Implicit Capacity Allocation Period** shall mean a period, during which the Operator shall organize the allocation of available capacity through the Exchange.
- 8.49. **A Short-term Product** shall mean a product traded on the Exchange that must be presented within a delivery period.
- 8.50. **Inside Information** shall have the meaning provided in Article 2(1) of the REMIT regulation.

9. Other definitions applied in this Regulation shall be construed as indicated in the paragraph 6 of this Regulation.

## CHAPTER TWO TRADING TERMS

### SECTION ONE PRINCIPLES OF TRADING ON THE EXCHANGE

10. The Participants submit their orders to buy and (or) to sell products that are traded on the Exchange. Upon formation of an appropriate Participants pair of orders a transaction is fulfilled.
11. Trading on the Exchange shall be carried out by the continuous trading method.
12. Only entities having the Participant's status shall trade on the Exchange.
13. One or several Market Makers executing the Market Maker's functions under the Market Maker's Agreement shall operate on the Exchange.
14. Orders to buy and (or) to sell shall be submitted on an anonymous basis, which means that Participants are not provided with and cannot have access to information about Participants who entered into a transaction with another Participant on the Exchange.
15. The orders submitted by Participants shall be defined by the following criteria: an order type (partial or full fulfilment), product name (according to delivery period), price, and volume.
16. Orders shall be submitted by means of the ETS controlled by the Operator.
17. Orders to buy and (or) to sell may be submitted by all the Participants.
18. Orders shall be only submitted to that a market area with which transmission system operator the Participants has entered into a valid contract which sets out the balancing conditions.
19. If a day-ahead and (or) within-day product is selected, an order to buy and (or) to sell during the implicit capacity allocation period shall be displayed in all market areas with due consideration of available capacities available at interconnection points.
20. Only the volume of natural gas which was legally acquired by the Participant and which may be disposed by the Participant without encumbrance may be sold on the Exchange. The Participant shall be in charge of compliance with this requirement and shall assume responsibility for all adverse legal consequences that may be caused by non-compliance with this requirement (including the duty to reimburse for the damages caused by such a breach to other persons).
21. Keeping the anonymity of the Participants, the ETS makes the information of submitted orders available for review by all the Participants according to the market area selected as long as a contract is completed, with the exception of a day-ahead and within-day products that, if available capacities are available during the implicit capacity allocation period, are available for review by all the Participants in all market areas of the Exchange.
22. Trading shall be carried out during a Trading Session:
- 22.1. In the Market of Daily Transactions – 7 days a week, 24 hours a day, during trading hours of delivery periods:
- 22.1.1. Within-day – from 7:00 o'clock until 5:30 o'clock;
- 22.1.2. Day-ahead – from 7:00 o'clock until 7:00 o'clock;
- 22.1.3. Nearest days-ahead (up to 30 days ahead as indicated in paragraph 42.3) - from 7:00 o'clock until 7:00 o'clock;



- 22.2. In the Market of Monthly Transactions (up to 12 months in the future) – 7 days a week, from 9:00 o'clock until 16:00 o'clock.
23. The time of operation of the Exchange: in winter under – EET (*Eastern European Time*) and in summer – EEST (*Eastern European Summer Time*).
24. The site of trade in products shall be a virtual trading point that is set by a transmission system operator. A day-ahead and within-day products shall be displayed at virtual trading points of all market areas during the implicit capacity allocation period, if there is available capacity.
25. The Participant shall buy from the transmission system operator the capacities of the transmission system which would be sufficient for the transportation of the natural gas volume bought/sold.
26. Prior to the beginning of the implicit capacity allocation period, the transmission system operator shall submit to the Operator information regarding the amount of available capacities to be allocated by the implicit capacity allocation method. The implicit capacity allocation period are provided on the Operator's website.
27. Available capacities shall be allocated by the implicit capacity allocation method by the Operator during the implicit capacity allocation period. Information regarding the amount of available capacities to be allocated by the implicit capacity allocation method shall be declared by the Operator in the online mode via the ETS.
28. The Operator shall update information regarding available capacities that have been allocated by the implicit capacity allocation method when:
- 28.1. a day-ahead and (or) within-day product contract is completed in any market area and relative available capacities or the portion thereof is allocated;
- 28.2. a transmission system operator submits to the Operator updated information on the amount of free allocated capacities resulting in decrease or elimination of available capacities.
29. The Operator shall submit to a transmission system operator information on the gas volumes sold and (or) bought at a virtual trading point and the allocated capacities by the implicit capacity allocation method at least every hour.

## SECTION TWO PARTICIPANTS

30. The Participant's status may be given to an entity complying with the requirements established by this Regulation, who entered into the Participant's Contract with the Operator. The form of it is published on the Operator's website.
31. An entity intending to become a Participant (hereinafter referred to as "the Entity") shall:
- 31.1. Submit the filled-in form of the request to grant the status of the Participant (hereinafter referred to as "the Request") published on the Operator's website;
- 31.2. To submit an extract of the Entity's main data issued by the Centre of Registers or any other competent authority not earlier than 60 days before the date of submission of an application to grant the status of the Participant (for legal entities only);
- 31.3. To submit the form for the selection of service fee plan published on the Operator's website;
- 31.4. To submit a valid contract with a transmission system operator in which the balancing conditions must be set.

- 31.5. To submit information about employees or other authorized persons carrying out trading or other actions on the Exchange on behalf of the Participant, who have read this Regulation (hereinafter referred to as “the Representative”);
32. The Operator shall have the right to request the Entity to submit other documents than in accordance with paragraph 31 of this Regulation, if it is necessary for making decision on granting the Participant’s Status.
33. The Participant shall immediately, but not later than within 2 (two) working days, in writing notify to the Operator any amendments to the information established in paragraphs 31.4 and 31.5 of this Regulation and to the information related to the Participants requisites (company name, legal entity code, value added tax (hereinafter referred to as “VAT”) or a change in VAT status, address, billing account, contact number or e-mail).
34. The information of the Entity shall be submitted to the Operator in English or Lithuanian.
35. Upon receiving the Request, the Operator shall adopt a reasonable decision on compliance with the requirements for granting the Participant status and inform the Entity that submitted the Request not later than within 10 (ten) working days from the date when all required documentation was submitted. If the Operator establishes the grounds why the Entity fails to meet the requirements for granting the Participant status and refuses to enter into the Participant’s Contract, then the Operator shall indicate the legal grounds of refusal. If a decision is made that the Entity qualifies for the Participant status, the Operator shall send a draft Participant’s Contract to the Entity by e-mail.
36. The Entity shall acquire the Participant's Status upon entering into the Participant's Contract and upon placing the Entity on the Register of Participants by the Operator. The Operator shall place the Entity on the Register of Participants and publish information on the Operator’s website not later than within 2 (two) working days from the date when the Participant’s Contract is signed.
37. The Operator shall issue to the Participant Identification data on the date when the Entity is granted the Participant’s Status.
38. The Participant’s status may be restricted (which means that the option to submit order on the Exchange may be restricted) or withdrawn (which means that the Participants agreement are unilaterally cancel, compliance with the provision of paragraph 179 of the Regulation) by the decision of the Operator:
- 38.1. if the Participant submits to the Operator wrongful or misleading information;
  - 38.2. if the Participant does not fulfil or unduly fulfils obligations to the Operator, which have been assumed under the fulfilled transactions;
  - 38.3. if the Participant abuses and manipulates the market and (or) carries out other illegal actions prohibited by the REMIT regulation with respect to the market.
  - 38.4. if the transmission system operator notifies that the Participant does not fulfil its obligations to the transmission system operator, which have been assumed under the contract with the transmission system operator, and submits the data proving this fact;
  - 38.5. a transmission system operator shall inform that the transmission service contract with the Participant, which sets forth balancing conditions was cancelled;
  - 38.6. if bankruptcy or restructuring proceedings are initiated to the Participant or the Participant obtains the status of a company under liquidation.
39. Once the Operator has adopted the decision to restrict the status of the Participant in accordance with paragraph 38 of the Regulation, the status of the Participant may be restored in accordance with paragraph 178 of the Regulation.

40. Once the Operator has adopted the decision to withdraw the Participant status in accordance with paragraph 38 of the Regulation, such an Entity willing to become the Participant shall again submit to the Operator a request to grant the Participant status as provided in paragraph 31 of the Regulation and pay an initial registration fee. If Operator has adopted the decision to withdraw the Participant status in accordance with paragraphs 38.1, 38.2, 38.4-38.6, the Participants status may be re-granted at the request of the Entity only after the circumstances or (and) grounds of the withdrawal of the Participants status have ceased to exist. The Operator may adopt the decision, depending on the violation, to postpone the granting of the Participant status to an Entity, whose Participant status has been withdrawn pursuant to paragraph 38 of the Regulation, for up to 6 months.
41. If the Participant's Representative does not comply with provisions of the Regulation, the Operator following a reasonable request may demand to replace the Representative. If the Participant does not fulfil this request, it may be imposed to the sanctions stipulated by paragraph 176 of this Regulation.

### **SECTION THREE TRADING PRODUCTS OF THE EXCHANGE**

42. The products traded on the Exchange are classified according to the term of delivery as follows:
  - 42.1. Within-day products;
  - 42.2. Day-ahead products;
  - 42.3. Nearest days-ahead products (a specific number of days which cannot exceed 30 days ahead is indicated on the Operator's website);
  - 42.4. Monthly products.
43. The Operator of the Exchange shall also have the right to offer other products that are not indicated in paragraph 42 of the Regulation. The Operator shall inform the Participants and the Council about a new offered product by publishing the description of the new product on the Operator's website not later than 10 working days before starting trading in the new offered product.

### **SECTION FOUR TRADING SCHEDULE**

44. Trading on the Exchange shall be carried out every day during the Trading Session.
45. The Operator may announce some hours as non-trading hours of the Exchange, on these hours trade on the Exchange would not be carried out. The Operator shall notify this to the Participants in writing and shall publish this information on the Operator's website.
46. Once a year, not later than 20 December of each current year, the Operator shall publish the trading schedule of the exchange on the Operator's website, which shall include information on the planned non-trading hours on the Exchange for the following calendar year.
47. The Trading Schedule may be changed and updated not later than 5 (five) working days prior to the start of the planned non-trading hour on the Exchange.
48. The Operator, in exceptional cases, reserves the right to publish unplanned non-trading hours on the Exchange outside the time limits specified in paragraphs 46 and 47, by immediately informing the Participants and publishing it on the Operator's website.

49. The Operator shall reserve the right to change the Trading Session time by at least 5 (five) working days prior notify in writing the Participants and notice published on the Operator's website.

## SECTION FIVE SUBMISSION OF ORDERS

50. Orders shall be submitted through the ETS. The ETS shall be accessed through the Operator's website.
51. The Participant, who has entered into a transmission service contract that is providing for balancing conditions and (or) a balancing contract with more than one transmission system operator, before submitting an order, shall select the market area to which it would like to submit its order.
52. An order to buy shall indicate the product of a specific delivery period to be bought, the volume of the order, and the price of the order.
53. An order to sell shall indicate the product of a specific delivery period to be sold, the volume of the order, and the price of the order.
54. An order shall be considered as received when it is registered with the ETS.
55. The Participant, during a trading session, shall have the right to amend or withdraw the submitted order, if a transaction has not been concluded yet, or unrealized portion thereof.
56. The Participant shall be entitled to withdraw the submitted order, if a transaction has not been concluded yet, or to withdraw the unrealized share of the order, even during the period beyond the trading session, which is before or after the trading session.
57. The Participant shall have the right to submit more than one order with different or the same criteria. Orders may be classified (by types) as follows:
- 57.1. Partial fulfilment type orders shall mean orders the main transaction fulfilment criterion of which is considered a price, while the order itself may be fulfilled either fully or partly;
  - 57.2. Full fulfilment type orders shall mean orders the main transaction fulfilment criteria of which are considered a volume and a price, while the order may be fulfilled in full only (all or none).
58. If a transaction is not fulfilled under an order or (and) is realized in part (for partial fulfilment type orders only), such an order continues to be effective as long as an opportunity to enter into a transaction arises, otherwise it is amended or withdrawn by the Participant or the Operator in the event provided for in paragraph 59.
59. If the order submitted is not realized for the product delivery period as indicated in the order, such an unrealized order shall be automatically withdrawn.
60. The Operator shall reserve the right to unilaterally withdraw the orders submitted by the Participant, which have not yet been realized, under the circumstances indicated in paragraph 38 of the Regulation.
61. The display of the volume of the day-ahead and (or) within-day product indicated in the submitted order in market areas other than the market area to which the order has been submitted depends on the implicit capacity allocation period and the amount of available capacities. If the total volume indicated in all orders during the implicit capacity allocation period exceeds available capacities, only the best price orders, i.e. maximum purchase price and

minimum sell price orders for an aggregate volume equal to available capacities will be displayed in market areas other than a market area to which orders has been submitted.

62. If available capacities are sufficient only for a partial fulfilment of a partial fulfilment type order, then, in areas other than an area to which the order has been submitted, a transaction shall be fulfilled to the extent of the share of the order equal to available capacities.
63. Submitted orders to sell day-ahead and (or) within-day products during implicit capacity allocation period, if there is available capacity, shall be displayed at other market areas at the price including a natural gas transportation price between a market area to which orders has been submitted and other market areas, while orders to buy during implicit capacity allocation period, if there is available capacity, shall be displayed at other market areas at the price excluding a natural gas transportation price between a market area to which an order has been submitted and other market areas.

## SECTION SIX FULFILMENT OF TRANSACTIONS

64. During the Trading Session, all orders to buy and to sell shall enter the ETS where transactions are fulfilled.
65. A transaction shall be fulfilled under the following conditions:
  - 65.1. If an order is one of a partial fulfilment type, the criterion for the fulfilment of a transaction shall be a price – the products of an order to sell and an order to buy referring to a specific delivery period are the same, and the price of the order to sell is less than or equal to the price of the order to buy. If the order submitted by the Participant is realized partially, the remaining share of the order shall continue to be in force as long as it is completed in full or its term of validity expires, or the order is amended or withdrawn.
  - 65.2. If an order is one of the full fulfilment type, the transaction execution criteria shall be the volume of natural gas and a price. In case of a full fulfilment type order to buy, a transaction shall be executed if the volume indicated in order to sell is greater than (when the order to sell is one of the partial fulfilment type) or equal to the volume indicated in the order to buy and the price of the order to sell is less than or equal to the price of the order to buy. In case of a full fulfilment type order to sell, a transaction shall be executed if the volume indicated in order to buy is greater than (when the order to buy is one of the partial fulfilment type) or equal to the volume indicated in the order to sell and the price of the order to buy is greater than or equal to the price of the order to sell.
66. The orders to buy shall be put on the orders list in the price descending order, while the orders to sell – in the price ascending order. Orders to buy at the highest price and orders to sell at the lowest price shall be matched on a priority basis. If the prices of the same type orders are the same, then the order submitted earlier shall be fulfilled on a priority basis.
67. The price of each transaction on the Exchange shall be fixed according to the price of the order to buy or to sell submitted earlier. The price of the transaction shall be equal to the price of the fulfilled order to sell if the order to sell was submitted earlier than the order to buy, or the price of the transaction shall be equal to the price of the fulfilled order to buy if the order to buy was submitted earlier than the order to sell.
68. A transaction shall not be fulfilled if the Participant who is the counterparty to the transaction is the same Participant.

69. Under the circumstances foreseen in paragraph 38 of the Regulation, the Operator shall reserve the right to unilaterally, without recourse to court proceedings to cancel the Participant's fulfilled transactions by notifying this to the parties of the transactions and the transmission system operator (provided that information regarding a transaction to be cancelled has already been submitted to the transmission system operator) by an individual notice supplemented with the reasonable decision of the Operator. The Participant's fulfilled transactions shall be cancelled in accordance with the following principles:
- 69.1. In the events foreseen in paragraphs 38.3-38.4, the Operator, with due consideration of the complexity of the breach committed by the Participant, may cancel all the Participant's fulfilled transactions for future periods, under which the Participant buys and (or) sells products on the Exchange, the delivery date of which matures later than the date of the decision of the Operator to impose the sanctions foreseen in paragraphs 38 and 176.
  - 69.2. The Operator shall cancel all the Participant's fulfilled transactions for future periods, under which the Participant buys and (or) sells products on the Exchange, the delivery period of which matures later than the date from which the transmission system operator terminates the contract made with the Participant, which foresees the balancing conditions, in accordance with paragraph 38.5.
  - 69.3. The Operator shall cancel all the Participant's fulfilled transactions for future periods, under which the Participant buys and (or) sells products on the Exchange, the delivery period of which matures later than the date from which the bankruptcy procedures are initiated to the Participant or the Participant acquires the status of a company under liquidation, in accordance with paragraph 38.6.

## **SECTION SEVEN UPDATES AND DISTURBANCES OF THE ETS AND TRADING ERRORS**

70. The Operator shall perform scheduled ETS updating work during the non-trading hours of the Exchange specified in the Trading Schedule.
71. The Operator may also perform unscheduled ETS updating work on hours other than those specified in the Trading Schedule by notifying the Participants by e-mail and providing information on the Operator's website as soon as possible.
72. In the event of disturbances of the ETS, the Operator shall have the right to suspend trading on the Exchange. The Operator shall find the best solution to handle the situation depending on the level of the ETS disturbance. In all ETS disturbances, the Operator shall inform the Participants by e-mail as soon as the disturbance has been noticed.
73. Upon completing unscheduled ETS updating work or eliminating the ETS disturbances and restoring the ETS operation, the Operator shall notify this to Participants by e-mail and by an informational message on the Operator's website.
74. If an evidently erroneous order resulting from the undue operation of the ETS is submitted to the Exchange and, for these reasons, an erroneous transaction is fulfilled, the Participant, shall immediately inform the Operator thereof.
75. If an evidently erroneous order resulting from the undue operation of the ETS or other sound reasons is submitted to the Exchange and, for these reasons, an erroneous transaction is fulfilled, the Operator shall be entitled to unilaterally cancel such a transaction. The decision to

cancel a transaction adopted by the Operator shall be notified to the parties of the transaction and the transmission system operator (provided that information regarding a transaction to be cancelled has already been submitted to the transmission system operator) by the individual notice supplemented with the reasonable decision of the Operator.

76. If the Participant makes an error while submitting an order or fulfilling an undue transaction (resulting from indicating an undue price, an undue volume, or other undue parameters, or submitting an order), it may be only eliminated by the decision of the Operator and upon receiving the request of the Participant and the consent of the Participant who is the counterparty to the transaction.
77. When submitting a request to cancel a concluded transaction due to an error in the submission of an order, the Participant shall submit a concluded transaction cancellation form published on the Operator's website.
78. A transaction cancellation form as a request to cancel a transaction concluded due to an error in the submission of an order may be submitted by any person authorized by the Participant to operate on the Exchange, which the Participant has authorized to submit orders.
79. A written request to cancel the transaction concluded due to the Participant's error, in accordance with paragraph 76 of the Regulation, must be submitted:
  - 79.1. not later than within 15 (fifteen) minutes from the time when the erroneous transaction was concluded;
  - 79.2. for the products traded together with the capacities allocated by the implicit capacity allocation method, within 15 (fifteen) minutes from the time when the erroneous transaction was concluded, but not later than 15 (fifteen) minutes before the end of the current hour.
80. Upon receipt of the Participant's request to cancel an erroneous transaction, the Operator shall address the Participant who is the counterparty to the transaction by telephone and in writing, requesting confirmation of its consent or disagreement to cancel the transaction.
81. The Participant who is the counterparty to the transaction, shall express its consent to cancel the Transaction due to other Participant's error in submitting an order to the concluded Transaction by e-mail. Consent may be expressed by any person authorized by the Participant to operate on the Exchange, which the Participant has authorized to submit orders
82. The Operator reserves the right to refuse to cancel the transaction regardless of the duly fulfilled conditions of paragraphs 76, 77, 79, if due to technical or operational reasons it is not possible to execute the transaction cancellation properly.
83. Upon cancellation of an erroneous Participant transaction or an erroneous transaction concluded due to the ETS disturbances, the Operator shall notify both Parties in writing and publish the message about cancelled transaction on the Operator's website on an anonymous basis.
84. For cancellation of an erroneous transaction due to the circumstances listed in paragraph 76 of the Regulation, the Participant submitting a written request is subject to the cancellation fee, which is determined by the decision of the Operator's Board, after assessment of the transaction cancellation costs and is published on the Operator's website for at least 3 (three) business days before the effective date.
85. The Operator shall not be responsible and shall not indemnify for any direct and (or) indirect losses caused to the Participants or other entities due to the origin of the circumstances

indicated in section seven of chapter two, with the exception of events when these circumstances are resulting from fault or high negligence of the Operator.

## **SECTION EIGHT PRINCIPLES OF THE MARKET MAKER'S OPERATION ON THE EXCHANGE**

86. The functions of the Market Maker shall be executed by the Participant of the Exchange who has been given the status of the Market Maker by the decision of the collective management body of the Operator and who under the Market Maker's Agreement is obliged to regularly submit to the ETS orders to buy and orders to sell for the products provided for in the Market Maker's Agreement seeking to maintain respective products liquidity.
87. The status of the Market Maker may be given on the grounds of individual and non-discriminatory evaluation by the Operator of capabilities of the Participant who is seeking to acquire the status of the Market Maker to execute the functions of the Market Maker according to the following criteria:
  - 87.1. number of representatives of the Participant that will carry out trading and other actions on the Exchange;
  - 87.2. the volume of natural gas sales or purchases during a previous and current calendar year on the Exchange and on the basis of bilateral agreements;
  - 87.3. discharge of liabilities to the providers of goods and services, and other circumstances affecting a financial risk.
88. By decision of the collegial management body of the Operator, a reasoned decision regarding granting the status of a Market Maker shall be taken no later than within 20 (twenty) working days from the date of request and evaluation of the criteria listed in paragraph 87 of the Regulation. If the collegial management body of the Operator refuses to grant the status of a Market Maker, the Operator shall indicate the reason for the refusal by e-mail. If the decision to grant the Market Maker status to the Participant is adopted the Operator sends draft version of Market Maker's agreement by e-mail.
89. The Market Maker's status is granted to the Participant upon signing the Market Maker's Agreement. The Market Maker begins to perform its functions from the date agreed upon in the Market Maker's Agreement and shall perform these functions throughout the term of the Market Maker's Agreement under the conditions and in the manner established therein.
90. The orders submitted by the Market Maker as indicated in paragraph 86 of the Regulation must meet the provisions of the Regulation and conditions indicated in the Market Maker's Agreement (the volume of the Product purchases and sales, the periodicity of submission of orders to buy and to sell, the maximum allowed spread in prices of orders to buy and to sell, and etc.
91. For the functions executed by the Market Maker, the Operator may provide the Market Maker with a specific discount for the tariffs applied by the Operator as enshrined in the Market Maker's Agreement or other incentives. The size of the discount applied to the Market Maker depends on the maximum price spread between buying and selling price chosen by the Market Maker and is calculated in proportion to the chosen maximum price spread (i.e. the lower is maximum price spread between purchase and sell orders the higher discount is applied by the Operator). Discounts for Market Makers are applied on a non-discriminatory basis.



92. A Participant who has been granted a Market Maker's status is published on the Operator's website not later than 1 (one) working day after the date of signing the Market Maker's Agreement.

## CHAPTER THREE SETTLEMENT

### SECTION ONE APPLICABLE FEES

93. The following fees for the services of arranging trading on the Exchange which are approved by the Commission, shall be charged:
- 93.1. An initial registration fee: the lump-sum fee paid by the Entity for granting the status of a Participant and which is published on the Operator's website;
  - 93.2. An annual membership tariff (fee): depending on the service plan offered by the Exchange and selected by the Participant, a fixed annual membership tariff may be applied that shall be payable each year for membership of the Exchange. The annual membership fee shall be paid for the calendar year regardless of when the Participant has opted for a service plan offered by the Exchange with a fixed annual membership tariff (fee) or the moment when the Participant status is granted. The annual membership tariff (fee) is published on the Operator's website;
  - 93.3. A floating trading fee denominated in the EUR per MWh (megawatt hour) payable by the Participant who fulfilled a transaction for the volume of product bought and (or) sold on the Exchange.
94. If the sanctions provided for in paragraphs 38 and 176 are imposed on the Participant and the status of the Participant is limited for some period of time or even is cancelled, or the Participant decides to terminate the Participant's contract, the money paid by the Participant for the annual membership fee shall not be refunded to the Participant.
95. The fees of the services provided by the Operator and fee plans shall be published on the Operator's website. The Participant shall select the applicable fee plan from the fee plans published.
96. If necessary, the Participants may change their tariff (fee) plan once per calendar month. The selected tariff plan shall come into force from the beginning of the next calendar month. If the fee plan is changed, the previously paid annual membership fee shall not be refunded. If a Participant chooses a plan with an annual membership fee not from the beginning of the calendar year, the annual membership fee shall not be reduced by recalculation or division considering the remainder of the calendar year.
97. The plan of fees for the coming period is changed or selected after the Participant submits the filled-in form of the request to change plan of fees, published on the Operator's website. This request shall be submitted at least 10 (ten) calendar days before the beginning of the new month, except the case stipulated in paragraph 99 of this Regulation.
98. If the Operator declares only one plan of fees in the manner provided for in paragraph 95, this plan shall be applicable to all Participants.
99. If the Participant does not submit request to change the plan of fees until the date indicated in paragraph 97, the same plan of fees would be applied for next year.

100. The settlement and other information on prices and fees is provided in euros.
101. Settlement of accounts for the services provided by the Operator and the products bought on the Exchange shall be executed in euro by a bank payment order to either the bank account indicated in the VAT invoice issued by the Operator or to the bank account indicated on the Operator's website, or in other ways indicated in the Regulation.

## SECTION TWO COLLATERALS

102. To fulfil orders to buy the Participant, not later than 1 (one) working day before the beginning of trading on the Exchange, shall transfer to the bank account indicated by the Operator the Prepayment or submit the Collateral the value of which should be no less than the value of foreseen orders price, including VAT and floating trading fee, except the case stipulated in paragraph 119 of this Regulation.
103. If the Operator has a payable sum of money to the Participant for the natural gas sold on the Exchange, then, when submitting the order to buy by the Participant, this sum of money or the portion thereof, on the written request of the Participant, may be set off as the Prepayment paid by the Participant or the portion thereof. The unused portion of the sum of money shall be paid out based on the set-off statement issued by the Operator and approved by the Participant within the time limits established by paragraph 130 of this Regulation.
104. The Participant may submit to the Operator a bank guarantee as a Collateral.
105. The Collateral shall be acceptable for the Operator, first demand, unconditional, irrevocable, provide the right of priority to the fulfilment of an obligation and shall be effective until the full fulfilment of the Participant's obligations, for which such Collateral was issued.
106. The bank guarantee submitted by the Participant as the Collateral shall be issued by the bank, which itself or its parent bank, the group of banks the member of which it is, holds the assigned long-term credit rating in foreign currency at least BBB- according to the scale of the Standard & Poors agency, or corresponding rating equivalent of other credit rating agency. If the bank itself, or its parent bank, the group of banks the member of which it is, was assigned the long-term credit rating lower than the long-term credit ratings indicated in this paragraph, then the bank, or its parent bank, the group of banks the member of which it is, shall be considered as not complying with the requirements of this paragraph.
107. The minimal term of validity of the bank guarantee submitted as the Collateral shall be 2 (two) months, the Participant shall extend the term of validity not later than 3 (three) weeks prior to the expiration of the term of validity of the bank guarantee.
108. Seeking to secure the fulfilment of obligations arisen out of orders to buy, the Participant may simultaneously submit Collaterals. The value of all Collaterals submitted shall be summed up.
109. Upon paying the Prepayment to the bank account indicated by the Operator and (or) submitting the Collateral, the Operator, not later than within 1 (one) working day, shall provide the Participant with the trading limit – an option to submit to the Exchange orders to buy on the level of the value of the Prepayment and (or) the Collateral, VAT deducted.
110. If the Participant does not extend the term of validity of the Collateral in accordance with paragraph 107, the Operator, 3 (three) weeks before the date of expiration of the Collateral, shall reduce the trading limit given to the Participant by the value of this Collateral, VAT deducted.

111. If the Participant exercises the fulfilled transactions for the purchase of products the delivery period of which matures 3 (three) weeks after the expiration of the date of validity of the Collateral provided by the Participant and the Participant does not extend the term of validity of the Collateral to the date that matures 3 (weeks) after the expiration of the delivery deadline for the products to be bought, the Operator shall issue to the Participant the Prepayment invoice for such Products bought on the Exchange and for the services rendered by the Operator in connection with the purchase of the products 3 (three) weeks before the deadline of the Collateral. The Participant shall pay up this Prepayment invoice within 9 (nine) calendar days after receiving this invoice. Otherwise the Operator shall be entitled to recourse to the organization that issued the Collateral with a request to fulfil the liabilities of the Participant.
112. After the fulfilment of the purchase transaction or the submission of the order to buy by the Participant, the trading limit and (or) the additional trading limit applied to the Participant shall be reduced by the value of the fulfilled purchase transactions and the submitted orders to buy.
113. The Prepayment paid by the Participant or the portion thereof shall be applied on the VAT invoicing date, while Collaterals shall be applied if the Participant delays to pay up the VAT invoice issued by the Operator for the product bought for 2 (two) working days.
114. If the Operator enforces the Collateral furnished by the Participant, the trading limit given to the Participant shall be reduced by the value of the Collateral enforced, VAT deducted.
115. After the completion of the settlement for the products bought and for the services rendered by the Operator, the unused Prepayment and (or) Collaterals or the portion thereof shall continue to be effective for other Participant's order to buy, while the Participant's trading limit shall be restored to the level of Prepayment and (or) Collaterals held by the Participant in accordance with the provisions of paragraph 109. On request of the Participant, Prepayment and (or) Collaterals shall be returned to the Participant.
116. The Participant may view its trading limit and (or) the additional trading limit through the ETS, and, while submitting the order to buy, the Participant must be sure that the trading limit and (or) the additional trading limit is sufficient for the fulfilment of the order.
117. The ETS shall automatically suspend the submission of the order to buy if the level of the trading limit and (or) the additional trading limit is insufficient. On this case, the Participant may only submit orders to buy upon paying the Prepayment, submitting the Collateral, and (or) paying up by the bank payment order the VAT invoices issued by the Operator for the product bought on the Exchange. Upon carrying out these actions, the Operator shall increase the trading limit in accordance with the procedure stipulated by paragraph 109 of this Regulation.
118. Upon cancelling the Participant's Contract, the Operator shall in 5 (five) working days repay the unused Prepayment and (or) Collaterals provided to the Participant if the Participant in full settled accounts with the Operator and has no pecuniary obligations.
119. The Operator shall be entitled to provide an additional trading limit that is not subject to the submission of any Collateral or Prepayment. The decision regarding the provision of the additional trading limit shall be adopted by the meeting of the Board of the Operator with due consideration of the risk level of each Participant individually, based on such criteria as the Participant's financial position, the execution of their obligations to goods or services suppliers and other circumstances, which influence the financial risk.
120. The additional trading limit shall be added to the trading limit provided to the Participant as foreseen in paragraph 109 of this Regulation. The value of the additional trading limit shall upgrade the capability of the Participant to submit orders to buy.

121. In the event foreseen in paragraph 119 of the Regulation, the Operator shall be entitled to set the term of payment of VAT invoices other than one provided for by paragraph 129 of the Regulation. However, this term of payment shall not be shorter than 2 (two) working days.

## **SECTION THREE SETTLEMENT TERMS**

122. The Participant shall pay for the services rendered by the Operator and the products bought on the Exchange according to the VAT invoice issued by the Operator.
123. The Operator shall settle accounts with the Participant for the products sold on the Exchange according to the VAT invoice issued by the Participant.
124. Unless the Participant instructs the Operator otherwise, the settlement for the products bought on the Exchange and for the services rendered by the Operator shall be effected in the following sequence:
- 124.1. Setting off the corresponding period amounts payable of the Operator for the Participant;
  - 124.2. By the Prepayment or the portion thereof;
  - 124.3. By the bank payment order executed by the Participant.
125. Every Tuesday, the Participant shall issue to the Operator the VAT invoice for the products sold for the delivery period of the previous week, specifying the volume and price of the product sold and applicable taxes. Based on an individual written agreement, the Participant and the Operator may agree that, instead of the Participant, the Operator will form VAT invoices for the products sold on the Exchange.
126. Every Tuesday, the Operator shall issue to the Participant the VAT invoice for the products bought by the Participant for the delivery period of the previous week, specifying the volume and price of the products bought and applicable taxes, and for the services rendered by the Operator according to the floating trading fee (for the volume of products bought and (or) sold on the Exchange).
127. If Tuesday is a day off, then the Participant and the Operator shall issue VAT invoices on the immediate following working day.
128. The Operator shall issue to the Participant the VAT invoice for the initial registration fee and for the annual membership fee immediately after granting the Participant's status. The VAT invoice for the annual membership fee for the next year shall be issued not later than on 10 January of that year.
129. The Participant shall pay up the VAT invoice issued by the Operator in 8 (eight) calendar days after the date of issuance of the VAT invoice, except the events stipulated in paragraph 135 of this Regulation.
130. The Operator shall pay up the VAT invoice issued by the Participant in 15 (fifteen) calendar days after the date of issuance of the VAT invoice, except the events stipulated in paragraph 135 of this Regulation.
131. If the latest date of payment due is a day off or an official holiday, then the immediate following working day shall be considered as the payment due date.
132. If the Participant delays or fails to settle accounts with the Operator within the time limits stipulated, the Operator shall charge the late payment interest in the amount of 0.05 % of the outstanding sum for each day of delay. The late payment interests shall be accrued the next

- day following the payment due date and shall be accrued as long as obligations to the Operator are fulfilled.
133. If the Operator delays or fails to settle accounts with the Participant within the time limits stipulated, the Participant shall charge the late payment interests in the amount of 0.05 % of the outstanding sum for each day of delay. The late payment interests shall be accrued the next day following the payment due date and shall be accrued as long as obligations to the Participant are fulfilled.
134. If the previous week includes the calendar days of two different months, two VAT invoices shall be issued:
- 134.1. one for the products bought or sold for the delivery period of the previous month days of that week and correspondingly for the services rendered by the Operator. This VAT invoices shall be issued on the last day of previous month.
- 134.2. the other for the products bought or sold for the delivery period of the current month days of that week and correspondingly for the services rendered by the Operator. These VAT invoices shall be issued on first Tuesday of the current month.
135. If VAT invoices are being issued according to the provisions of paragraph 134.1 of this Regulation, the term for payment is calculated from the nearest following Tuesday date after the VAT invoices issued day.
136. After the issuance of appropriate VAT invoices by the Participant and the Operator, the Operator on the same day shall submit to the Participant the payments set-off statement which is indicating the balance of amounts payable and receivable by the Participant. If the balance is positive, the Participant shall cover it by paying an appropriate amount to the bank account indicated by the Operator, if the balance is negative, it shall be covered by the Operator by paying an appropriate amount to the bank account indicated by the Participant.
137. Within 3 (three) working days from the submission of the payments set-off statement, the Participant shall inform the Operator if the Participant has any comments or adjustments regarding the accuracy of data of the payments set-off statement. If the Participant does not submit any comments or adjustments within the time limit stipulated, the payments set-off statement shall be treated as fit to both parties.
138. The Operator shall deliver VAT invoices to Participants and the Participants shall deliver VAT invoices to the Operator by e-mail.

## **CHAPTER FOUR RIGHTS, OBLIGATIONS AND RESPONSABILITIES OF PARTIES**

139. The Participant and the Representative authorized by it shall be bound by the provisions of this Regulation and legal acts indicated in paragraph 6 of the Regulation, which regulate trade in natural gas on the Exchange, shall refrain from actions which could abuse and (or) manipulate the market and (or) attempt to abuse and (or) manipulate the market.
140. If the Participant suspects the other Participant committing actions which are potentially violating the Regulation – shall immediately notify this to the Operator.
141. The Identification data given to the Participant is intended exclusively to the Participant and may not be transferred or otherwise assigned to third parties. The Participant shall be responsible for the safe keeping of Identification data and shall assume the risk of any losses caused by the undue storage and application of Identification data.

142. The Participant shall bear comprehensive responsibility for all the orders submitted by the Participant, the transactions fulfilled by the Participant and other actions carried out by the Participant on the Exchange by means of the Identification data given to the Participant.
143. The Participant within 5 (five) working days shall deliver to the Operator the information required to duly carry out the monitoring of trade in natural gas in accordance with the Supervision Rules. The Operator shall be entitled to request the information required to evaluate the financial standing of the Participant provided that this is required for the performance of the activity of the Exchange. The Operator shall keep all the confidential information submitted by the Participant in accordance with the procedure established by the legal acts.
144. The grounds of the origin and application of liability of the Operator and Participants shall be regulated by the Civil Code of the Republic of Lithuania.
145. The Operator shall not be liable for the losses or damage caused to the Participant, resulting from the Operator's activity or inactivity if the Operator's activity or inactivity was caused by:
  - 145.1. the illegal and (or) unreasonable non-fulfilment or undue fulfilment of obligations of other Participants operating on the Exchange;
  - 145.2. the suspension or disturbance of the ETS provided that these disturbances are caused by reasons beyond the will of the Operator;
  - 145.3. the undue submission of the contact data of the Participant and (or) by the undue contact data of the Participant;
  - 145.4. the actions of the Operator related to the performance of the duties stipulated by legal acts, including but not limited to market studies for revealing Participants who have a great impact on the market, commenced prejudicial inquiries regarding the breach of legal acts, the requests of competent institutions to disclose information, and other statutory cases .
146. The Operator shall reserve the right to request from the Participant to indemnify for the additional costs sustained by the Operator, related to the requests of the Participant, amendments to the order or transactions fulfilled by the Participant, or the acknowledgement of the orders or the transactions fulfilled by the Participants as null and void provided that the Participant submits such requests more frequently than once per week without using the ETS, with the exception of events when the actions of the Participant are caused by the disturbances of the ETS.
147. Upon submitting an order on the Exchange, the Participant shall ensure that the Representative of the Participant, who has submitted an order, will be accessible by means of communication facilities (by phone or by e-mail) during the Trading Session.
148. The Participant shall understand and acknowledge that the usage of e-mail may be risky and that the Operator cannot secure the confidentiality of information sent by e-mail.
149. Without prejudice to the requirement to secure the confidentiality of information, the Operator, in accordance with the procedure established by legal acts, shall have the right to submit the information and data related to the Participant's trade on the Exchange to third parties provided that this is required for the performance of the activity of the Exchange (to carry out accountancy, to form and issue invoices, to manage the reinforcement of debts, to develop and maintain the ETS, and other) and for the submission of statements to institutions supervising the Operator's activity.

## CHAPTER FIVE SUPERVISION OF TRADING ON THE EXCHANGE

150. The Operator shall carry out the day-to-day monitoring on the Exchange, shall carry out the consistent monitoring and evaluation of announcement of inside information, the usage of unpublished inside information, the application of available influence in the market, and the manipulations and other behaviour of Participants in accordance with the REMIT regulation and Supervision Rules.
151. Upon receiving the written and reasonable request of the Operator, the Participant shall submit to the Operator the mandatory information required for the Operator for the due performance of monitoring of trade in products on the Exchange. If the Participant does not fulfil the requests of the Operator, it may be imposed to the sanctions stipulated by paragraph 176 of this Regulation.
152. The Operator in accordance with the procedure set by the Council shall submit data regarding the results of monitoring.
153. Actions or inactivity by which the Participant abuses the market shall be treated as a breach on the Exchange. Upon revealing a breach on the Exchange, the Operator shall notify the events of the abuses committed and (or) the expected events of abuses to the Agency for the Cooperation of Energy Regulators (ACER) and (or) national regulatory authorities, in Lithuania: the National Energy Regulatory Council, in Latvia: the Public Utilities Commission, in Estonia: the Estonian Competition Authority, in Finland: Energy Authority and shall undertake actions in accordance with the REMIT regulation and the accompanying documents.

## CHAPTER SIX COMMUNICATION AND THE ANNOUNCEMENT OF INFORMATION

154. Communication between the Operator and the Participant shall be carried out according to the contact data delivered by means of communication facilities (the ETS, e-mail, and mail).
155. The Operator and the Participant shall indicate their contact data in the Participant's Contract, and, if contact data is amended – shall in writing notify, not later than within 2 (two) working days, the other party to the Participant's Contract.
156. Information shall be submitted in Lithuanian and (or) in English.
157. Notices and other important information shall be treated as delivered on the date of dispatch provided that it is sent in accordance with the provisions of paragraph 154 of this Regulation.
158. The Participant, in accordance with the REMIT regulation and Supervision Rules, is required to publish inside information on the Operator's website, the specialized inside information platform (hereinafter referred to as "the UMM platform") or by other means established by the REMIT regulation by sending Urgent Market Messages (hereinafter UMMs). The natural gas Market participants and Participants wishing to send UMMs on the UMM platform must sign an agreement on reporting of inside information with the Operator, which will provide the basis for access to the UMM platform. The information published on the UMM platform is visible publicly.
159. According to the contact data provided for by the Participant's Contract, the Operator may submit to the Participant information and data about trading on the Exchange and other information related to the natural gas market.

160. During the Trading Session, the Operator shall submit to the ETS the following information about trading results on a real time basis: fulfilled transactions and the orders submitted without identifying the Participants and the information about fulfilled transactions and the orders submitted by the Participant on the account of that Participant.
161. At the end of the delivery period, not later than until 08:00 a.m., the Operator shall publish on its website previous delivery period market of daily transactions results and the volume and weighted average price of the products traded for the specific delivery period.
162. At the end of the trading session on the market of monthly transactions, not later than 17:00 p.m., the Operator shall publish on its website market of monthly transactions previous trading session trading results and the volume, and the weighted average price of the products traded for the specific delivery period.
163. The Participant shall give to the Operator its consent to use the data of trading on the Exchange and to publish it provided that the anonymity of the Participant is secured. The Operator, based on the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), shall have the right to request the Participant to submit the necessary consents regarding the use of personal data when receiving notifications from the Operator and providing the Participant with other information related to the Exchange activities, and the Participant is obliged to submit such information. If the Participant fails to provide the consents necessary for the proper operation of the Exchange, the Participant's status may be restricted.
164. All the data and information of communication or conversations between the Operator and the Participant conducted by means of the ETS or other communication facilities may be recorded and kept by the Operator in compliance with the effective legal acts. As the need may be, these records may be applied for the purposes of administration of the Exchange.
165. The Operator shall treat the data submitted by the Participant and its activity on the Exchange as confidential information and take all possible actions so that this confidential information would not be disclosed to other parties, with the exception of the events stipulated by this Regulation and legal acts.

## **CHAPTER SEVEN OTHER PROVISIONS**

### **SECTION ONE FORCE MAJEURE CIRCUMSTANCES**

166. The Operator and (or) the Participant shall not be liable for the non-fulfilment of an obligation resulting from force majeure circumstances as the parties were not aware and (or) could not be aware of the existence and origin of these circumstances, could not control them, and could not prevent the origin of these circumstances and (or) the consequences caused by them.
167. The fulfilment of obligations which is impossible due to force majeure circumstances shall be postponed to the date approved by the Operator and the Participant or until the expiration of the period required to eliminate the consequences of the event.



168. The Operator and the Participant shall, not later than within 1 (one) working day, inform each other of the origin of force majeure circumstances and that the fulfilment of the obligations undertaken is impossible due to the force majeure circumstances.
169. If the force majeure circumstances arise, the Participant shall submit to the Operator the evaluation of the impact of force majeure circumstances and reasonable information regarding the scope of consequences of the event caused by force majeure circumstances and the duration of elimination thereof.
170. The Operator and the Participant shall make all efforts to avoid the consequences caused by force majeure circumstances and, if the consequences arise – to eliminate them.
171. If the force majeure circumstances continue more than 90 calendar days, the Operator and the Participant shall be entitled to terminate the Participant's Contract.

## SECTION TWO

### AMENDMENTS, CANCELLATIONS, AND WITHDRAWALS OF DOCUMENTS

172. The Regulation may be amended only provided that the Council gives its consent thereto. Trading fees cannot be higher than those approved by the Council.
173. The Operator shall publish amendments to the Regulation and (or) other documentation on the Operator's website just after the relevant decision is taken.
174. If the Participant does not give its consent to amendments to the Regulation, it shall be entitled to cancel the Participant's Contract by notifying in writing the Operator before the effective date of amendments.
175. The effective date of the Regulation and amendments thereto shall be 3 (three) working days from the date of the decision of the Council to approve the Regulation or amendments thereto and the publication of the Regulation or amendments thereto on the Operator's website.
176. For the breaches of provisions of the Regulation, the Participant's Contract and (or) the legal acts regulating trade in natural gas on the Exchange, the Operator may impose to the Participant the following sanctions:
  - 176.1. Warning regarding the suspension of the Participant's possibility to submit the orders or withdraw of the Participant's Status;
  - 176.2. To restrict the Participant's possibility to submit orders on the Exchange;
  - 176.3. To withdraw the Participant's Status by cancelling the Participant's Contract.
177. After the suspension of the Participant's possibility to submit orders or the withdrawal of the Participant's status all the orders submitted by the Participant, which have not yet been fulfilled on the Exchange shall be withdrawn.
178. The Participant, whom the status of Participant is being restricted according to the provisions of paragraph 38 and (or) the sanctions established in paragraph 176 of this Regulation are applied, except the event foreseen in paragraph 176.3 shall deliver to the Operator an explanation and all the needed documents for a discovered breach and (or) wrongful within 30 (thirty) calendar days. The Operator shall adopt a motivated decision for withdrawal of the sanctions applied to the Participant, not later than within 5 (five) working days from the date when all the documents were submitted. If the decision is to withdraw the applied sanctions, the restricted rights of the Participant shall be recovered, not later than within 5 (five) working days after the relevant decision is taken. If the Participant fails to submit a reasonable and motivated explanation satisfying the Operator within the period established, the sanctions

imposed shall remain in force or even severe sanctions shall be imposed by the decision of the Operator.

179. The Participant and the Operator shall have the right to cancel the Participant's Contract by notifying this in writing to the other party to the contract by the 30 (thirty) calendar day prior notice. Except the event foreseen in paragraph 174 of the Regulation when the Participant's Contract is cancelled the following working day after the date of receipt of a request.

## **CHAPTER EIGHT SETTLEMENT OF DISPUTES**

180. All the relationships formed amongst the Operator, Entities and (or) Participants shall be subject to the application of this Regulation and law of the Republic of Lithuania.
181. Any disputes arising amongst the Operator, Entities, and Participants shall be settled in a way of negotiations. If the parties fail to settle a dispute in a way of negotiations, the dispute shall be subject to jurisdiction courts in Vilnius of general competence of the Republic of Lithuania in accordance with the judicial procedure.
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