

**TRADING PLATFORM RULES
BALKAN GAS HUB EAD (BGH)**



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Version 1.0

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1. General principles

1.1 Introduction of the company

BALKAN GAS HUB EAD ("**BGH**") is a sole member shareholding company, registered on 18.01.2019. Bulgartransgaz EAD ("**BTG**"), subsidiary of Bulgarian Energy Holding EAD and a combined operator offering natural gas transmission and storage services, owns 100% of the shares at the time of the company's registration and the beginning of its activity.

Balkan Gas Hub EAD has become a reality as a result of the concept of building a gas distribution hub on the territory of Bulgaria, based on the idea significant quantities of natural gas from various sources to enter the gas transmission system from different real physical points for further transportation. In synergy with the physical infrastructure of the gas distribution centre and in addition to it, the company provides the necessary prerequisites for the construction of the first liquid physical and commercial gas hub in the region of Southeastern Europe based in Bulgaria.

The trading platform provides the trading environment for the organized natural gas exchange market for trade of natural gas on a bilateral basis, which reflects the needs of the natural gas markets within the Balkan Gas Hub, This aims to increase the liquidity of the natural gas market in Bulgaria and the region of Southeastern Europe.

As an EU Member State, Bulgaria applies the requirements of Commission Regulation (EU) № 312/2014 establishing a Network Code on Gas Balancing of Transmission Networks ("**NC BAL**").

BGH developed and started the operation on 15 November 2019 of a trading platform ("**BGH TP**") with spot segment for short term standardised products ("**STSP**") for the natural gas market areas of Bulgaria ("**Short-Term Segment**"). The products offered are natural gas title transfer at the virtual trading point ("**VTP**"), as well as locational, temporal and temporal locational products in line with NC Bal. Products are tradeable both at the National Gas Transmission Network ("**NGTN**") and the Gas Transmission Network for Transit Transmission ("**GTNTT**") balancing zones.

In addition to the Short-Term Segment, BGH shall develop and offer two new Market Segments ("**Market Segment**") – a segment for trade with products with a deadline of more than 7 Gas Days ("**Long-Term Segment**") and a segment implementing Gas Release Programmes ("**GRP Segment**"). Following the implementation of these new Market Segments, these Natural Gas Trading Platform Rules ("**BGH Market Rules**") will be amended accordingly and BGH will inform all interested parties via a published Market Notice on its website.

The BGH TP also provides an opportunity for the transmission system operator ("**TSO**") to balance its short-term balancing needs in accordance with Article 10 (1) of the NC Bal. Thus the transmission system operator can also trade on the Short-Term Market Segment of BGH, in certain cases also being the trading partner (user of the TP).

BGH ensures transparent compliance with Regulation (EU) № 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency ("**REMIT**"), thereby ensuring to avoid insider trading and attempts to



manipulate the market.

“BGH TP”, “BGH Organized Natural Gas Exchange Market” and “BGH Market” shall herein mean one and the same thing.

1.2. BGH Market Organization

1.2.1. Business Scope

BGH is a Natural Gas Trading Platform Operator in accordance with the Bulgarian Energy Act. BGH offers natural gas trading on continuous spot products for natural gas delivery in Bulgaria, as well as other tradeable products subject to approval by BGH in addition to the short-term standardised products required under NC Bal.

In relation to the provisions of Article 6 (1) of Regulation (EU) 1348/2014 on the implementation of art. 8, § 2 and 6 of Regulation (EU) 1227/2011 (**“REMIT IR”**) as an organized market, BGH will report information directly to ACER in its capacity as a registered reporting mechanism and will offer data reporting agreement to the market participants.

1.2.2. Operating Company

Balkan Gas Hub EAD is in charge of operating the BGH organized market. Balkan Gas Hub EAD may subcontract part of its operational tasks regarding the operation of the BGH organised market to third parties. Notwithstanding, Balkan Gas Hub EAD shall remain liable in any cases towards the Members for the operation of the organised Market, regardless whether the performance of a task has been subcontracted or not.

In case of urgency, BGH is entitled to issue any appropriate orders or measures to ensure the orderly conduct of the Trading on BGH and the settlement of the traded transactions. These orders or decisions are binding for all BGH Members.

1.2.3. Organizational Bodies

BGH has the following organizational bodies in relation to the operation of the company and control over the functioning of the Organized Natural Gas Market:



Board of Directors;



Exchange Council.

The Board of Directors and the Exchange Council are independent bodies established in order to ensure efficient and state of art governance rules.













The Exchange Council is a body elected from the representatives of the BGH Members and representatives of the shareholders. It has an advisory role in the process of decision making on the BGH Market Rules and on general decisions related to the functioning of the organised market. The Rules for functioning of the Exchange Council are published on the BGH website.

1.2.3. BGH TP Members

BGH Members are approved by BGH based on the membership applications they submit in case they meet the conditions therefor.

1.2.4. Operation of BGH TP/ BGH Market

Balkan Gas Hub EAD is the company operating the BGH Market, secured by using the TP of Balkan Gas Hub EAD. In its capacity, Balkan Gas Hub EAD:

-  defines membership criteria for the BGH Market;
-  enters Membership Agreements with Applicants who have met BGH's criteria whereby they become BGH Members;
-  defines Contracts tradeable on the BGH;
-  defines the requirements and procedures for trading Contracts;
-  provides an appropriate market place for buy and sell orders in accordance with the Market Rules;
-  establishes and publishes reference prices and marginal prices for the needs of everyday financial imbalance settlement of the TSOs;
-  transmits information about TSO's transactions for physical delivery, required for nominations and re-nominations towards TSO and the needs of allocation of quantities and balancing, more particularly by means of trade notifications in line with Article 5(4) of NC BAL;
-  where BGH considers appropriate, transmits information about transactions to a delivery or payment organisation for payment or delivery purposes
-  via the Market Surveillance Unit monitors BGH Members behaviour to guarantee the correct and reliable market functioning;
-  cooperates with BTG, other TSOs, as applicable, and the Energy and Water Regulatory Commission ("**EWRC**") in order to maintain the operation of the market and prevent market abuse and manipulation;
-  offers data reporting agreement to the BGH Members and reports data on their behalf as a registered reporting mechanism (RRM) according to Article 6 (1) of REMIT;
-  where BGH considers appropriate, and when applicable, shall transmit information about transactions to a Clearing House;

1.2.5. Official Language and Announcements

The official language of BGH Market is English. The Bulgarian translations are informative. In the event of inconsistency between the English and Bulgarian versions of the BGH Market Rules, or of any other communication, the official governing version shall be English.

Unless provided otherwise, BGH Market Notices and other announcements are transmitted electronically and respectively published on BGH's website.

1.3. Legal and Regulatory Framework

1.3.1. General Principles and Provisions of BGH

When operating on BGH Market, BGH Members shall observe and comply with all general principles and provisions of BGH, set forth in these Market Rules and/ or any other applicable documents governing the operation of the Natural Gas Exchange Market. Behaviour not compliant with these general principles and provisions calls forth appropriate consequences and sanctions.

1.3.1.1. Membership Agreement

The Membership Agreement (“**Membership Agreement**”) is signed between BGH and the BGH Member. By signing the Membership Agreement, the BGH Member agrees to comply with the BGH Market Rules at all times.

The Membership Agreement is Annex 2 to these Market Rules.

In the event of a conflict between the Membership Agreement and any provision of the effective version of these Market Rules, the provision of the Market Rules shall take precedence.

The Membership Agreement cannot be assigned or transferred in any way, in whole or part, without the prior written consent of BGH.

1.3.1.2. BGH Natural Gas Trading Platform Rules (BGH Market Rules)

The BGH Organized Natural Gas Exchange Market Rules are a set of rules governing the relationship between BGH Members and of BGH Members with BGH as the operator of the platform. The BGH is governed by the following relevant documents to ensure the orderly operation of the BGH Market:



These Natural Gas Trading Platform Rules;



Annexes 1 – 5 to the Market Rules:

- Annex 1 – Definitions;
- Annex 2 – Membership Agreement;
- Annex 2A – Registration Form;
- Annex 3 – Price list;
- Annex 4 – Short-term Segment;
- Annex 5 – BGH TP User Manual.



BGH Market Notices, announcements and all other decisions made by BGH on the basis of the general principles and provisions of these Market Rules.

1.3.1.3. Products

Products offered on the BGH Market are listed in detail in Annex 4 (Short-term Segment). All annexes hereto are an integral part of these Market Rules.

1.3.1.4. Code of Conduct

The Code of Conduct sets forth the rules of conduct and market behaviour which must be respected at all times by the BGH Members. The Code of Conduct is an integral part of

the BGH Market Rules and is laid out in Section 6: Code of Conduct.

1.3.1.5. Changes to the BGH Market Rules

BGH may supplement, amend and edit the present Market Rules and all of its present and future annexes. The formal approval of the Board of Directors is required for the decision making.

Changes to the BGH Market Rules need to be submitted to the Exchange Council, which can provide proposals on the acceptance and/ or modification of these changes. Proposals for modification may be submitted to the Exchange Council by any of its members or directly to the Executive Director of BGH EAD by any BGH Member.

The BGH Market Rules are binding upon BGH, all BGH Members and their Traders permitted to trade on BGH. BGH Market Rules are subject to approval by the Energy and Water Regulatory Commission (EWRC) in accordance with Article 21, item 42 of the Energy Act. BGH EAD may modify the current Annexes and add new ones to the Market Rules by a decision of the Board of Directors. The Annexes related to products, fees and terms for membership and their respective modifications are not subject to approval by the Energy and Water Regulatory Commission.

BGH EAD may introduce new market segments, services and products, including physical and virtual products and/ or gas derivatives that have a delivery period of more than one day and do not necessarily fulfill the requirements of Regulation (EC) № 312/2014 of the Commission establishing a Network Code on Gas Balancing of Transmission Networks.

1.3.1.6. Date of Effectiveness of Changes to the BGH Natural Gas Trading Platform Rules

Changes to BGH Market Rules become effective on the day of their publication after the EWRC's approval.

1.3.1.7. Official Market Notices

BGH electronically notifies BGH Members of changes to the Market Rules and any annexes hereto and of changes and actions that do not require approval by EWRC by Market Notices published on BGH's website, including:



BGH members admission conditions;



resignation, withdrawal and revocation of any BGH Member's admission;



suspension of a BGH Member and withdrawal of such suspension;



suspension of Contract types and withdrawal of such suspension;



special conditions of product specifications;



special conditions of risk management and credit limit handling;



applicable Trading Calendar ("**Trading Calendar**");



amendments to reference price calculation;



valid price and fee list, discounts and their respective conditions applicable to Market Makers or Liquidity Providers;



information about changes in payment handling;



operating support contact details and hours;



unavailability of the system or technical problems;



sanctioning for non-compliance with Market Rules;



information about mistrade rules and applied administrative fees;



any other activity at the discretion of BGH.

Except in cases of a justified emergency, such amendments will be announced to Members by means of the Market Notice at least 7 (seven) calendar days before such changes enter into force. Members shall be deemed to have accepted the changes when they enter into force. If a Member does not accept the changes, it can unilaterally terminate the Membership Agreement during that same period.

1.3.2. Status of BGH Market Rules

1.3.2.1. Contractual relations

Contractual relations between BGH and BGH Members are governed by the Membership Agreement. By signing the Membership Agreement, BGH Members undertake to comply with the BGH Market Rules.

If a BGH Member fails to fulfil an obligation imposed by the BGH Market Rules, BGH shall be entitled to suspend the Membership of the BGH Member or its access to a particular Market Segment, or to terminate the respective Membership Agreement with the BGH Member.

In the event of any inconsistency: (a) The Market Rules will prevail over the Membership Agreement; and (b) the Market Notices shall prevail over the Market Rules.

1.3.2.2. Members' Rights and Obligations

The services provided to BGH Members by BGH as well as BGH Members' rights and obligations regarding BGH are set forth in the BGH Market Rules.

2. Admission of BGH Members and Access to Services

2.1. BGH Membership Conditions

2.1.1. BGH Member

A BGH Member is a legal entity that signs a Membership Agreement with BGH and is thereby authorized to trade on the BGH Market.

The TSO is a member of BGH Market under a signed Interoperability and Data Exchange Agreement between BGH EAD and the TSO in its capacity as network operator.

All other BGH Members of the BGH Market should have passed a successful procedure for obtaining a right of access under article 10(a) of the Rules for granting access to gas and/or gas distribution networks and access to natural gas storage facilities (“**Rules for Access**”).

A further prerequisite for signing the BGH Membership Agreement, prior to the establishment of a clearing house, is a valid Balancing Agreement with the TSO as well as full compliance with the Natural Gas Market Balancing Rules and the Natural Gas Trading Rules. Upon introduction of a clearing house, these Market Rules will be amended accordingly and BGH will inform all interested parties via a Market Notice published on its website.

BGH EAD does not impose any limits concerning the maximum number of registered BGH Members. BGH cannot refuse to conclude a Membership Agreement, given that the conditions laid down hereinabove are satisfied and the respective compliance check is carried out successfully.

In order to satisfy the compliance check, applicants wishing to become BGH members must fulfil the following requirements:



The applicant has background in one or more of the following: gas (energy/commodity) trading, gas transmission, operation and maintenance of gas facilities, provision of gas services or any other gas and energy-related activities;



The applicant fully complies with all provisions of these Market Rules including requirements for access to the trading platform;



The applicant has obtained all necessary licenses, authorizations and consents for trading at the Virtual Trading Points, the relevant IPs and other points of the gas transmission system.



The applicant is not legally restricted in its capacity to do business, in particular due to insolvency or liquidation;

Upon written request by BGH, the applicant or the respective member shall submit all documents and/ or information proving that the prerequisites for Membership are fulfilled.

2.1.2. Trading on BGH

Trading on BGH Market shall only be carried out by BGH Members, where they can commercially engage in the business of purchasing and selling for their own account (own transactions) or in their own name for the account of a third party.

If a BGH Member intends to or will conduct transactions on behalf of a third party (a “**Third Party Client**”), then:

- (a) The BGH Member shall be liable for such Third Party Client transactions themselves;
- (b) BGH shall have no whatsoever obligations to any Third Party Clients;
- (c) The BGH Member shall on demand provide any information reasonably required by BGH pertaining to the identity or legal status of any Third Party Client; and
- (d) BGH shall be entitled to restrict or terminate such transactions on behalf of one or more



particular Third Party Clients on their request.

2.1.3. Types of BGH Members

BGH Members may include the following:



Natural Gas Traders;



Natural gas public suppliers;



Natural Gas Producers;



Gas transmission network operator ("**TSO**");



Gas distribution network operator ("**DSO**");



Natural gas storage facility operators;



LNG facility operators;



Combined operators and/ or



Customers and end suppliers of natural gas.

All BGH Members have equal rights and obligations towards BGH. Meanwhile, the TSO may trade on the trading platform with the aim of conducting balancing actions by the purchase and sale of the necessary amount of natural gas, which does not qualify as natural gas trade. This entitlement of the TSO is regulated in Article 176 (5) of the Bulgarian Energy Act.

2.1.4. Commitment to Market Making

Any of the BGH Members may offer to BGH to commit to be Market Maker ("**Market Maker**") with a view to increase the liquidity of a certain Contract admitted to trading. The assessment whether to enter into such an Agreement is at the discretion of BGH.

Market Makers take on the obligation to determine bid and ask prices for one or more products admitted to trading, on a continuous basis or at specific times at the request of BGH, in accordance with the conditions set in the Market Maker Agreement. The specific terms of the Market Maker commitment will be set out in the Market Maker Agreement, which includes at least the following:



the specification of product types;



the bidding and asking obligations;



the minimum trading quantities in MWh/day in line with the period and the agreed delivery programme;



determining bid and ask price of one or more products accepted for trade on a permanent base in line with the Trade Calendar or at a specific time upon the request of BGH or a Market Maker in line with the terms and conditions of the Market Maker

Agreement and these Rules;



the maximum spread between bid and ask prices in BGN, and



the min. time period when the commitment shall be fulfilled.

On the basis of the agreement of the parties the Market Maker Agreement might also specify discounts and reduced rates of payable fees and other benefits to which the Market Maker will be entitled to in exchange for its market making commitment, and other contractual terms and conditions which the parties may find relevant and agree upon.

As only BGH Members can become Market Makers, a requirement to sign a BGH Membership Agreement remains valid.

BGH will publish a regularly updated list of the appointed Market Makers in accordance with the conditions set out in the concluded Market Maker Agreements, but the commercial terms and conditions of the concluded Market Maker Agreements will not be disclosed, unless the relevant Market Maker has expressly agreed to it.

2.1.5. Commitment to Liquidity Providing

Any of the BGH Members may offer to BGH to commit to fulfil the Liquidity Provider (“**Liquidity Provider**” or “**LP**”) role with a view to increase the liquidity of a certain Product admitted to trade on BGH. Nevertheless, it is within the own discretion of BGH, whether to enter into a Liquidity Provider Agreement with the BGH Member offering a Liquidity Provider commitment.

The conditions upon which a Liquidity Provider shall include specific measures for increasing the liquidity of the BGH Market, including volume obligations, in accordance with a signed Liquidity Provider Agreement.

BGH has the right to select a Liquidity Provider over a given period amongst BGH Members who comply with the pre-determined conditions to the fulfilment of the Liquidity Provider’s obligations.

BGH will publish a list of the appointed Liquidity Providers but the commercial terms and conditions set out in the concluded Liquidity Provider Agreements will not be disclosed, unless the relevant Liquidity Provider has expressly agreed to it.

2.2. Admission of BGH Members

2.2.1. General Admission Requirements for BGH Members

The admission of a particular Applicant (“**Applicant**”) to become BGH Member shall be made on the basis of the following criteria:



The Applicant has satisfied BGH’s requirements in terms of experience, reliability, reputation and economic capacity of its company;



The Applicant had passed a successful access procedure in line with article 10(a) of the Bulgarian Rules for Access;



The Applicant has secured orderly settlement of TP transactions by means of a

concluded Balancing Agreement with the TSO;



The Applicant has nominated persons who act on his behalf as a Trader and has evidenced that they meet the required technical requirements to access to the commercial information system of BGH.



The Applicant has concluded a contract with the Clearing House appointed by BGH when applicable;

Based on the abovementioned preconditions and after a compliance check (see section 2.1.), BGH makes a decision whether or not to admit certain applicants as BGH Members at its own discretion.

2.2.2. Admission to BGH

BGH makes decisions with regard to the admission of Applicants to the BGH Market in compliance with the BGH Market Rules, including possible refusal of an incomplete application based on a thorough check of the submitted documents.

Once all membership requirements have been met, BGH shall sign the Membership Agreement and send an admission letter to the newly admitted BGH Member.

After receipt of the admission letter, the BGH Member will be entitled to trade on the BGH Market. The names of all newly admitted Members will be published in a Market Notice to the existing BGH Members via the BGH website.

If BGH decides not to admit an Applicant, it shall give reasons for its decision.

2.2.3. Required Documents for Admission

Membership applications must include the following elements:



duly signed Membership Agreement in 2 originals;



completed registration form;

and the following supporting documents:

- (a) copy of granted access confirmation issued by the TSO;
- (b) excerpt of concluded Balancing Agreement with the TSO;
- (c) notification of Clearing Membership with the Clearing House, where applicable after its introduction;
- (d) certification of residency;
- (e) statement whether the Applicant wishes to conclude the Data Reporting Agreement with BGH pursuant to Article 6 (1) of REMIT;
- (f) official company registration extract of the Applicant or equivalent document in line with the national legislation of the country of its registration (issued within 30 calendar days prior to its submission); and
- (g) copy of notarized specimen of signature of the authorized persons.

BGH can request any additional information to take into consideration the special

characteristics of the Applicant. The Applicant guarantees the validity of such information and substantiates it, where appropriate, by providing copies of the original documents. These documents shall be sent to BGH in English and/or Bulgarian language as per the request of BGH.

2.2.4. Authorized Representatives

BGH Members shall appoint at least one authorized representative, chosen from among the employees under their authority or acting on its behalf, who will be BGH contact for the administrative formalities undertaken in compliance with the Market Rules.

They may also appoint:



an invoicing/payment representative;



an IT representative;



a representative regarding membership issues.

Only such authorized representatives are entitled to request BGH to make changes in the areas that concern them.

2.3. Technical Access to BGH Natural Gas Trading Platform

2.3.1. Requirements for Technical Access

The technical requirements of the connection to the trading systems of BGH are met, if the BGH Member is equipped with IT-facilities, which comply with the requirements aligned in the BGH Market Rules concerning technical equipment.

The specific rules and requirements for technical access are listed in Annex 5, Section 4) and contain the necessary information about licenses, configuration, type of operational system, software access, operational and technical documentation and other specific information.

2.3.2. Trading Account

Following signature of the Membership Agreement, BGH will assign to each Trading User (admitted by the respective BGH Member) one Trading Account and a connecting password for the BGH trading system. The BGH Member can request from BGH to create additional Trading Users or to delete existing ones.

BGH creates the trading account and can make the respective changes thereto if required (including BGH Members' accounts, Traders/ Users accounts, trader numbers, passwords etc.).

2.4. Admission of Traders

2.4.1. Admission of Traders to Trade

A Trader ("**Trader**") is a person entitled to trade on behalf of a particular BGH Member on BGH TP after successfully passing a training course. A Trader can only be active and carry out trades on the TP for one BGH Member at any given time on one or more Market

Segments.

2.4.2. Trader Identification

BGH Members operate on the TP through one or more Traders acting under their authority or on their behalf. BGH Members are required to immediately notify BGH of any change to the list of their authorized Traders and/ or changes to a particular Trader's allocation to any of the Market Segments. Traders are identified on BGH and are the only persons authorized to place, modify or cancel Orders.

BGH Members cannot decline responsibility or liability for the actions of a person acting under their authority or on their behalf, regardless of whether such person has been identified as a Trader. Similarly, BGH Members cannot decline responsibility or liability for the actions of a Trader declared to be authorised as such to BGH, regardless of whether such Trader is acting under the Member's authority or on its behalf, until the BGH Member requests the suspension of the Trader's access to the BGH TP.

2.4.3. Skills

BGH Members ensure that the designated Trader has all the necessary skills and qualifications to trade on the TP. This shall include that each Trader has been given a copy of all the documents issued by BGH, including these Market Rules and all of its Annexes, and understands them, as well as:



The structure and environment of the BGH Market;



Use of BGH's trading system;



All relevant product and/ or contract specifications;



Any other at the discretion of BGH.

2.5. Rules for Procedure

2.5.1. Duration of Membership

The BGH Membership terms and conditions, validity and period of a particular Membership Agreement shall be defined in the respective Membership Agreement.

2.5.2. Communication of Information

After the granting of admission to trading, BGH Members shall still be required to notify BGH without delay of any changes of a factual or legal nature which could lead to the conditions for which admission can no longer be met, in particular:

(1) Changes to its legal situation, such as:



changes in terms of compliance with one of the Membership requirements;



termination of, suspension of, or changes to the Clearing Agreement where applicable;



material changes compared to the information provided in the documents appended to the Membership application;

- (2) Changes to the Members technical or organizational situation, insofar as such changes have an impact on access to BGH.
- (3) Changes to the legal or regulatory framework or to judicial practice that affect the Member's capacity and its compliance with the Membership requirements and these Market Rules.
- (4) For BGH Members who intervene for the account of a Third Party Client, changes in their Third Party Client' list.

A BGH Member shall inform BGH immediately in writing, if its conditions have materially changed since its original admission to BGH TP. The breach of this obligation may result in immediate suspension of a BGH Member's Membership. In case a BGH Member fails to immediately inform BGH about such changes and as a result either financially or physically a deal cannot be fulfilled or performed, a BGH Member shall be liable for any loss or damage incurred by the BGH Member or a counterparty ("CP") to a particular Contract.

2.5.3. Termination of BGH Membership

A BGH Member shall be entitled to terminate BGH Membership upon not less than 14 (fourteen) calendar days of written notice to BGH. The termination will be effective upon BGH formally informing that Member of termination of the Membership Agreement.

BGH shall be entitled to terminate the BGH Membership if at one or more times:

- (a) one of the admission requirements ceases to be satisfied by a Member at a particular date following admission;
- (b) the Member fails to make the relevant deliveries, payments and/ or to settle other charges due and payable as stipulated in the BGH Market Rules or Contracts/Agreements;
- (c) any other repeated breaches of these Market Rules.

The termination of a BGH Membership shall result in the termination of admission of the Traders who are admitted to trading on the TP acting on behalf of the relevant BGH Member.

BGH shall publish the termination of the relevant BGH Membership in the form of a Market Notice via the BGH website.

2.5.4. Consequences of Termination of BGH Membership

If a BGH Member terminates its BGH Membership or BGH Membership is terminated by BGH, the BGH Member shall be obliged to fulfil the obligations resulting from the trades executed in its name up to the date of termination even if this requires the Member to undertake certain actions after the termination date. The BGH Member shall be obliged to pay any outstanding and due amounts, to deliver or take delivery of natural gas and to cancel all Orders in the trading system.

Members' obligations under the Membership Agreement shall be terminated only after the fulfilment of the requirements provided in this paragraph. The parties should inform BGH about the fulfilment of obligations in written form.

2.5.5. Suspension of trading right

BGH is entitled to suspend the Membership Agreement if the Member does not comply with the Market Rules and in such circumstances, it shall provide an explanation for its decision. If BGH considers at its discretion that one of the conditions for admission has not been fulfilled, BGH may order the suspension of the BGH Member. The suspension of the admission of a BGH Member may also be ordered if the BGH Member is in default of the payment of any fees due or it fails to maintain the required financial guarantees, if applicable. BGH can also suspend the access of a BGH Member to the organized BGH market:

- (a) if the BGH Member fails to fulfil its obligations towards other BGH Members for the deliveries of natural gas and/ or payments in good time;
- (b) in case of material violations of the BGH Market Rules and/ or other regulatory documents
- (c) upon the request of the Clearing House, if/ when applicable.

2.5.6. Consequences of Suspension from Trading

During the period of the suspension of the right to trading of a BGH Member, the right to take part in trading on BGH shall also be suspended for its authorized Traders. All existing orders are respectively deleted and new orders cannot be initiated by the respective BGH Member.

BGH shall not be held responsible or liable to BGH Members of consequences following suspension effected following the Clearing House's request.

BGH will issue a Market Notice to all BGH Members with respect to any such suspension. At its discretion, BGH may decide not to issue such a Market Notice when it considers the suspension arose from a purely technical reason which may be resolved in a timely manner.

2.5.7. Disability of Trading Members

A BGH Member may be excluded from trading and its admission suspended, if material evidence is presented to BGH that the Member is not able to fulfil delivery regarding either the physical delivery of natural gas or the financial payment towards any of its Counterparties.

In this event, all orders of the BGH Member are automatically cancelled on the TP. BGH shall not be held responsible or liable towards any of the BGH Members for the consequences of closed or cancelled orders in the foregoing circumstances.

When a BGH Member's right to trade has been terminated, BGH shall inform the other BGH Members thereof by publishing a Market Notice.

3. Products

3.1. Product descriptions

3.1.1. Product specifications

The Products admitted to trading on BGH organized market are products for physical

delivery (injection or withdrawal) of natural gas within the Bulgarian gas transmission system, natural gas title transfer products on the VTPs and all other products set forth by BGH.

The short-term standardised products available and tradable on BGH organized market in line with the requirements of Regulation (EU) № 312/2017 have the following characteristics:

- Delivery zones:
 - National Gas Transmission Network
 - Gas Transmission Network for Transit Transmission
 - Locational Points
- Maturity:
 - Next Hour (NH)
 - Within Day (WD)
 - Day Ahead (DA)
 - Weekend (WE)
 - Individual Days
 - Holidays (according to Bulgarian calendar)
 - Temporal products
- Price tick: 0.05 BGN/MWh
- Volume tick size: 1 MWh/h

3.1.1.1. Effect of the Products

Upon a confirmation of an Order the BGH Member is fully obliged to fulfil its commitment at a set date and time:



for the buyer – to take Delivery of (withdrawal from the network or natural gas purchase on the VTP) and to settle the Underlying at the set Price;



for the seller – to ensure delivery (injection into the network or natural gas purchase on the VTP) and to receive settlement of the Underlying at the set Price.

3.1.2. Rules for listing Products

3.1.2.1. Admission of Products

BGH is entitled to decide which products may be admitted to or suspended from trading. Market notice shall be given 5 (five) working days prior to the admission or suspension of the respective product.

Only products listed in the Trading Calendar shall be tradable.

3.1.2.2. Product Specifications

BGH shall stipulate the specifications of each currently tradable Product, which are provided in Annex 4 (Short-Term Segment) to the present Market Rules.

3.1.2.3. Revocation and Suspension of the Product Trading

BGH may revoke the trading of Products or suspend trading on the TP if it considers at its discretion that orderly trading on BGH Market is jeopardized and/ or if such action appears to be necessary for any other reasonable and material reason. BGH may also suspend trading (entirely on the TP or with respect to individual Contracts) if BGH considers at its discretion it is required for technical reasons. In the case of any revocation of trading of individual Products or any suspension from trading on BGH, BGH shall issue a Market notice to inform the BGH Members without delay.

If Trading on BGH is suspended partially or entirely, no new Orders may be entered for the suspended Contracts and all existing Orders will be automatically cancelled. At its own discretion BGH may, in the event of a suspension, issue different instructions on a case-by-case basis.

3.1.2.4. Activation of a Product

BGH Market Rules of BGH may contain Products without making them available for trading until all necessary (technical, regulatory or any other relevant) conditions are secured. Only products listed in the Trading Calendar are tradable. All BGH members will be informed by Market Notice for any change in the offered products (newly added product, withdrawal/ suspension of a product, etc.)

3.2. Market Area

3.2.1. BGH Market Area

On the BGH market, contracts may be concluded concerning natural gas with physical delivery on the Bulgarian natural gas transmission system operated by BTG, including the NGTN and GTNTT, forming the respective balance areas pursuant to the terms and conditions of a signed Agreement for cooperation between BTG and BGH.

The BGH Market area may also include delivery of products in the networks of other operating TSOs, on the territory of Bulgaria and abroad, upon signing of the respective Interconnection Agreements, when prevailing market conditions allow.

3.3. Market Segments

A Market Segment consists of the tradable products, market zones, market procedures and the deadlines applicable to that segment.

At the time of entry into force of these Market Rules, the following market segments are introduced on the BGH Market:

3.3.1. Segment Offering Spot Products on BGH (Short-Term Segment)

The Short-term Segment, being the spot market segment for trading STSPs on BGH will provide for the place of delivery within the gas transmission system operated by BTG, including the relevant balance areas. STSPs set forth and tradable by BGH shall be offered on the spot market in line with the requirements of NC Bal.



The Trading Procedures and product specifications for this Market Segment are described in Annex 4 (Short-term Segment).

3.3.2. Segment Offering Long-Term Products on BGH (Long-Term Segment)

The Long-term Market Segment on BGH shall be developed in addition to the mandatory Short-term Segment pursuant to NC Bal. This segment ensures a business environment for bilateral transactions of products with a delivery term of more than 7 (seven) consecutive gas days, including but not limited to Monthly, Quarterly, Seasonally and Yearly (up to 5 consecutive years).

BGH Members are entitled to request BGH to introduce additional non-standardised products.

When a new market segment and/ or new products shall be developed and implemented by BGH upon the entry into force of these Market Rules, specific provisions of them will be amended and supplemented accordingly and submitted for approval to EWRC.

3.3.3. BGH Segment for the Gas Release Programme (GRP Segment)

The GRP Segment of BGH shall be developed in addition to the mandatory Short-term Segment. This Market Segment ensures the proper implementation of the Energy Act of Bulgaria and shall reflect the principles and price mechanisms laid down in the Gas Release Agreement, concluded between BGH and the public supplier, following the EWRC's approval.

3.4. Multilateral Trading Platform (MLTP) for short-term standardised products trade (Short-Term Segment)

3.4.1. Electronic Based Organized Market

BGH is a fully electronic organized market. The BGH TP is developed and technically operated by the Central European Gas Hub AG (CEGH) and fulfils BGH's objectives of making STSPs transactions between BGH members. All types of tradable products for all places of delivery are shown on the TP. BGH Members admitted to trading have the right to submit orders (buy/sell) and accept orders from other traders by entering into transactions with counter parties under conditions of anonymous, transparent and non-discriminatory trading.

BGH Members may send Orders via the online-interface of the MLTP. BGH is entitled to permit use of other methods of transfer and will inform BGH Members of the backup method by the most suitable means as determined by BGH. BGH is entitled to modify and upgrade MLTP to provide additional services, if deemed necessary, and/or improve the trading processes.

Read-only Users have only a view of the current order registry but cannot actively engage in trading with BGH Members.

3.4.2. MLTP Main Characteristics



Online Based Platform;



Official Language: English;



Bilateral trading between MPs including the TSO (Bulgartransgaz EAD);



Trading of STSPs only;



Anonymous trading;



24/7 Trading;



Continuous trading;



Orders are editable and executable all time;



All orders are deleted over night; 4:00 EET/EEST.

Technical Support is available 9:00 – 17:00 (EET/EEST) Monday to Friday (excl. Austrian statutory holidays. No technical support after business hours (technical issues will be handled within 2 hours from the beginning of the next working day).

3.4.3. Order Management in Case of Technical Problems

In case there is a temporary Technical Problem in relation to access to and/ or use of the TP of BGH, the BGH Members will be informed by a Market Notice, including details of the technical problem and expected timeline for repairment of the service.

In case of Technical Problems in the IT system of any BGH Member, the affected Member shall inform BGH without delay of any malfunction.

In case of technical malfunctions, BGH or the respective authorized third parties shall be bound to undertake the appropriate measures which are required to safeguard or resume proper trading/ service. For this purpose BGH or the relevant third party may:

- (a) temporarily exclude individual BGH Members or all BGH Members from trading;
- (b) suspend trading;
- (c) delete orders by individual or all BGH Members. The measures taken by BGH or by the third parties commissioned to carry out such measures shall be binding for all BGH Members.

BGH is entitled to temporarily interrupt the access to BGH trading system for any of its Market Segments for one or all of the BGH Member(s) if determined by BGH as necessary for technical reasons. The BGH members concerned shall be informed of the interruption of the access to the trading system of BGH and the end of the interruption by suitable means.

4.1. Principles

Provisions applying to trading on the BGH organized natural gas market

This section presents the common provisions that apply to the STSP Products and describes the general specifications of orders under these trading procedures, explains how these orders are matched and executed and describes the outcome-processing procedures applicable to the Spot Products.

4.1.1. Procedure for Trading on the Short-Term Segment on BGH TP

Terms and conditions related to trading on the Short-term Segment are laid down in Annex 4 (Short-term Segment). BGH will operate the Spot market on all weekdays at the hours indicated, as specified in the Trading Calendar published and regularly updated by BGH on its website.

4.2. Rules on Orders

4.2.1. Order Matching

Transactions on BGH Market are effected by selecting an order by a buyer in the case of an order for sale and by the seller in the case of an order for purchase based on the prices specified in the Orders, taking into account the credit matrix described in section 4.5.1.

4.2.2. Order Description

An Order for purchase and sale is an offer to enter into a Contract, the terms and validity of which are set forth in these Rules.

Orders sent to BGH shall include at least:



Identification of the BGH Member;



Trader Identification and the respective trading account;



Name (identification) of the Product as specified in Annex 4 (Short-term Segment);



Order type (e.g. Firm/ Withheld orders);



Volume/quantity per hour;



Price against which the order may be executed;



Direction of the order – i.e. buy or sell Order;



Expiry type;



Delivery area/point.

4.2.3. Physical Settlement

After confirmation of each deal and expiration of the cancellation period, automatic trade notifications are sent from BGH to the BTG IT system. After each trade, one trade notification with information of the CPs is sent to BTG IT system. Once the same two CP trade again a new additional trade notification is sent to BTG.

In case of cancellation of a trade outside the cancellation window, the MLTP submits an automatic trade notification to BTG's information system with the mirrored information of the initial trade (Countertrade).

Trade notifications are sent as:



Edig@s XML files (V.5.1 or higher);



Communicated via SFTP.

Trade notifications fulfil the minimum requirements according to art. 5, § 4 of NC BAL.

Once a trade is executed, post trade information is sent to both counterparties per mail and into their trade overview window (for further financial settlement). BTG will confirm the receipt of the notification to BGH and also informs both counterparties. After the trading day, the MLTP calculates the volume weighted average price of the trades of the day (settlement price). Marginal prices are calculated and published by BGH and/or BTG.

4.2.4. Order Types

The following Order Types are supported by the trading system of BGH. Orders are visible for the market, without displaying the name of the BGH member and will be eligible for selection by the counterparties if the condition pre-specified in the credit matrix is met.

Orders for purchase and orders for sales are accepted by the TP and are valid only if the price specified therein is within the reference price.

Orders may contain the following pre-defined by the TP member conditions in terms of their validity:

(a) **Firm** (active orders until filled, removed or expired);

(b) **Iceberg** (firm orders with hidden quantity);

The first Order relates to the initial quantity. The hidden quantity is then executed through a series of Orders. Each Order relates to the same quantity as the initial quantity. Each successive order is treated as a new Order in terms of priority in the Order Book.

(c) **Withheld orders** (Inactive orders).

Order expiry types



Good until cancelled: valid until deletion/execution/market hold;



Good for day: valid until end of the calendar day;



Good until date: valid until specific time.

A Trading User of a MP is willing to trade on the platform a specific product in a specific delivery area. In order to do so, two possible ways of ordering are possible:

Initiating

This type of ordering means to open an initial offer in the order book by setting specific parameters. That is done by using an individual “add order” button. After choosing to insert a new order, a trading user can set these specific parameters:



Product



Direction of the order (bid/ask)



Quantity per hour



Price per MWh



Expiry type:

Good till cancelled

Good for day

Good till date



Order type:

Firm

Inactive

Iceberg Order:

- Visible volume = quantity per hour;
- Hidden Volume
- Price change (+/-)

Aggressing

A trading user wishes to trade a specific order that is visible on screen. The execution is done via “click trading”. After that, a dealing mask opens and the user can once again check the order information and decide on the following:



Deal the whole quantity (predefined number)



Change the number to a specific, but lower amount

After that, the user has to check a check box and confirms therewith the accuracy of the aggressor order. An execution of the whole quantity results in the execution of a deal and the disappearing of the order in the order book. An execution with reduced volume results in a deal with partial execution and an updated (remaining volume) order in the order book. Orders of the same user or other orders of the same company are not able to be executed.

Order colours

By viewing the order book, trading users can see different orders and colours. The differences are:



Active own orders (colour)



Inactive own orders (colour; only visible to oneself)



Orders of another user of own company (colour)



Orders of another MP (colour)



Orders of MP without enough limit (colour)

Actions in the order book result in different colours:



New/Activating/changing order (colour)



Inactivation/deletion of order (colour)



Deal (colour)

Price/ Time priority

Initiated, visible and inactive orders are listed in the order book according specific priorities



Price Priority (best order is ranked in first position):

- Best Bid Price: Highest bidding price
- Best Ask Price: Lowest asking price

4.2.5. Deletion/ Inactivation of orders

If a trading user wishes to leave the market or to inactivate all or single orders, two possible options are available:



Delete/Inactivate directly at order by selecting order and pressing a deletion button



Delete/inactivate all orders at once by using a respective button

4.2.6. Cancellation of trades



Once a trade is confirmed as to be applicable with the cancellation rules, the trade will be cancelled without the consent of the CP (although CP will be informed);



Once both CPs agree on it, which can also happen after the cancellation period via phone call and an email to BGH.

Once a trade is concluded, the trade appears in the trade overview menu. During a period of 10 (ten) minutes (cancellation window), the trade is still shown as anonymous in an own area of the menu called “unconfirmed deals”. During that period, a cancel button in active to click next to the trade. Cancellations of trades can only be done by trading users. When clicking, a final confirmation window appears. When confirming, the trading user triggers the following actions:



Hold the automatic notification process;



Alert a person at BGH about the request for a deletion:

- Directly at MLTP BGH Administration;
- Via email to the authorized BGH User.



Automatically alerts both CPs about the possible deletion via mail;



Keeps the anonymity of the CP of the trade until the cancellation process is ended.

The authorized person at BGH shall check if the trade fulfils the requirements of a cancellation according to the cancellation rules. The cancellation rules will need to be defined and published by BGH prior to enabling the cancellation functionality on the TP. The authorized person at BGH shall either confirm or withdraw the cancellation.



Confirmation: Shall trigger the following:

- Cancellation of the trade in the system;
- Automatic mails, send to both CPs;
- In case of a cancellation outside the cancellation period a Countertrade notification is sent to BTG information system.



Withdrawal: Shall trigger the following:

- Continuing of the automatic notification process for the specific trade;
- Automatic mails, sent to both CPs, informs on the decision via mail.

In the event of a manifest error (wrong entry), BGH Members may request BGH to cancel the Order and after the 10-minute period with default cancellation if the counterparty accepts the cancellation and against payment of the fee specified in Annex 3 (Price List).

According to the Code of Conduct and fair-trade principles the following cases are considered as error:



the entered price refers to another product traded on BGH;



the price digits are shifted compared to the market price;



the digits of the price are swapped compared to the common market price;



the limit price of a sell Order is more than 15% lower than the last traded prices, if not trades for the current day, use the previous day price;



the limit price of a buy Order is more than 15% higher than the last traded prices, if not trades for the current day, use the previous day price;



the trade price differs more than 15% compared to the common market price at BGH

Cancellations are not possible for trades concluded on WD, NH, temporal products and temporal locational products. Cancellations are just possible during service times of BGH.

4.2.7. Provision of Information

For each product, the following information will be made available to the BGH Members on a real time basis through the Trading System of BGH:



the price and the quantity of all buy and sell Orders;



the specific conditions attached to those Orders;



the price, quantity, time and clearing status of recently executed Trades;



for each BGH Member, an itemized list of its own recently executed Trades; and



for each BGH Member, the status of all its own orders.

For each Contract, BGH may make the following information available to the public:

weighted average price and daily traded volume.

For each Contract a standard notification can be sent out by BGH to all BGH Members through an appropriate IT solution available to all Members.

4.3. Rules on Matching

Execution of orders on the BGH Market is performed by selecting an Order for sale by a buyer or by selecting an Order for purchase by a seller. The system enables selection of an Order by a potential counterparty only if the credit matrix condition is met, i.e. the counterparties have indicated as eligible the transactions between themselves, taking into account the volume, price and total value of the Contract.

4.4. Post Trade Process

4.4.1. Publication of Transaction Data and Data Ownership

Transactions concluded on the MLTP will appear:



In the trade overview window of the MLTP (first anonymously, then with CP information);



End-of day reports: Information about the own trades and their CP are sent to each MP (e.g. mail pdf, XML);



At the website of the BGH Market operator (BGH EAD).

BGH reserves the right to publish the outcome of concluded Trades on shall do so on its website. BGH determines the scope of the published market database and has exclusive data ownership.

4.4.2. Transmission of Trade Information to the TSO

Following each successful transaction, BGH sends at least the following information on each Contract/Product to the TSO for registration of the transaction, BGH being a party to each transaction for the purposes of the notification:



Price;



Quantity;



Counterparty



Gas day to which it refers;



Purchase or Sale;



Transaction point (VTP or other applicable point).

Following registration by the TSO, it adjusts the balance status of network users and traders accordingly.

4.4.3. Physical Execution of Concluded Transactions

BTG as a TSO provides the transmission according to the submitted transaction notifications except for the cases where one or more counterparties under a given transaction failed to buy the necessary capacities for transmission.

4.5. Financial Services and Credit Risk Management Mechanisms

4.5.1. Credit Risk Management

MLTP offers credit risk management mechanisms on transactions concluded on the BGH Market.

In order to provide risk control functionalities for trading, an individual risk management section is available, accessible only to a responsible person called Risk Management User ("**Risk Management User**") (see Annex 5, section 2.3.).

All admitted BGH Members are shown to the Risk Management User. Initially, all new Members are set to 0, which means that nobody can trade with a company yet. In order to allow trading between "market participants" (MP), a risk manager has to enable each MP for the own company. Once a MP is allowed to trade with another MP, the anonymous orders of a company are visible to the trading user of a company and can be traded.

MPs can choose with which other MPs they are willing to trade with and can set maximum levels of exposure between themselves and the other MPs using a credit matrix. Thus, MPs can choose between:



no trading allowance (initial setup);



trading allowance (no limit);



a certain monetary exposure (trading limit);

The trading limit between potential CPs can be either a total amount of exposure or a daily trading limit. The MLTP will permanently check the current exposure and allowance between the two companies and decide if the orders of the two MPs are tradeable between them. In the order book, all orders of companies that a MP is allowed to trade with and has enough remaining open Credit Limit (i.e. exposure), can be traded. Orders of companies that are restricted to trade with (e.g. no allowance and/or not enough open credit limit), are visible but cannot be executed. These orders are displayed in a different colour.

A Risk Management User can manually reduce the amount of exposure of another company against itself, once payment has been done. The specified limit applies for each accumulated gas day. Each Member has the right to change the limit for each potential CP once a day.

In the event that BGH is notified of a systematically delayed payment of a Member to its counterparties, the membership of this Member shall be terminated without any defaults or liability due to them by BGH.

4.5.2. Clearing House

BGH strives, within a reasonable timeframe, according to the development of the market short-term liquidity, to support the establishment of a Clearing House, ensuring the

physical performance and financial settlement of transactions under the terms of the Agreement for clearing services.

5. General Services Conditions

5.1. Market Activity

5.1.1. Services providers and subcontractors

BGH and any BGH Member accept that the other may engage one or more service providers or subcontractors of its choosing to perform the provisions of the BGH Market Rules.

Under all circumstances, the party that engages a subcontractor or service provider shall remain liable for the performance of its obligations and as well as for the compliance with the BGH Market Rules, particularly the clauses governing confidentiality and liability.

5.1.2. Compliance Audits

BGH Members agree that upon BGH's request, BGH, or a third party appointed by BGH, may perform onsite audits in order to ensure that the Member is contributing to and maintaining a secure and integrated trading environment on the organised natural gas market.

The audit may be done in order to confirm the Member's compliance with the BGH Market Rules and the Membership Agreement, as well as generally the financial credibility is up to standards. These audits may be performed at the facility where the Member is doing business.

The Member shall grant BGH (or the appointed third party) access to premises, information and personnel that the auditors deem necessary for verifying compliance with the BGH Market Rules and the Membership Agreement. The Member agrees to provide BGH with all necessary information.

When an audit is to be performed on the BGH Member's premises, BGH undertakes to give the Member at least 7 (seven) business days prior notice.

Following a compliance audit, BGH may forward recommendations to the Member, who agrees to examine them. Based on the audit results and conclusions, BGH may also decide to take the appropriate measures, including the possibility to suspend or terminate the Member's Membership Agreement given that the audit proves that BGH Member has failed to fulfil one or more of its obligations under the BGH Market Rules.

A BGH Member that engages a service provider or a subcontractor hereby agrees:



to introduce provisions into the agreements binding it to the service provider or subcontractor whereby the service provider or subcontractor must at all times fulfil the obligations under these Market Rules in all cases when these are applicable to their engagement with BGH-related activities.



to introduce provisions into the agreements binding it to the service provider or subcontractor whereby BGH is authorized to audit the said provider or subcontractor;



to introduce provisions into the abovementioned agreements, insofar as possible, whereby the service provider or subcontractor agrees to implement all modifications required by the BGH Member further to audit-related recommendations from BGH.

5.2. Use of Technical Systems

5.2.1. BGH Member Equipment

The BGH Member agrees to maintain a hardware and software environment that complies with the technical specifications specified in the Required Configuration of the BGH Member's Equipment in Annex 5 (BGH TP User Manual).

The BGH Member must ensure that the characteristics of its hardware and software environment will not disrupt or interfere with BGH's systems.

In the event that the BGH Member's use of services disrupts the operation of the trading systems of BGH, BGH shall contact the BGH Member in order to terminate such disruptions. If these disruptions cannot be terminated within a reasonable time period, or if they endanger the trading system of BGH, BGH reserves the right to suspend the BGH Member's access to the trading platform. Under all circumstances, the BGH Member agrees to take all necessary steps to comply with the technical specifications as defined in Annex 5.

5.2.2. BGH Member's use of the systems

The BGH Member agrees to use the services offered by BGH and the technical system insofar this is done in accordance with the BGH Market Rules and the applicable legal and regulatory framework. BGH Members shall not, in any form, make BGH services available to third parties not authorized under the BGH Market Rules.

The BGH Member agrees to seek and abide by the legal, regulatory, administrative and contractual authorizations arising from the applicable domestic or foreign laws or international law pertaining to the use of the services offered by BGH, and in particular to comply with the requirements of protection of confidential information as it is stipulated in the acting Bulgarian legislation.

5.2.3. Security Measures

BGH and the BGH Member agree to respect the physical and logical security measures intended to protect the integrity of the other party's systems. Each party retains full control, either directly or indirectly, over the design and implementation of its policy of administering authorizations for logical access to the network.

In particular, regarding to system access, each party will take personal responsibility for organizing of any internal logical and physical security measures, including restriction of access to the site in which its equipment is located, in order to protect its access codes from unauthorized third parties.

BGH EAD and BGH Members shall put in place back-up procedures for instructions, data and files.

In the event of a malfunction in the trading system that could impact a BGH Member, BGH

shall inform the respective BGH Member of the nature and probable duration of such malfunction. The alternative measures to be used by the BGH Member in the event of a prolonged service interruption are described in Section 3.4.3 of these Market Rules.

5.2.4. Internet Use and System Maintenance

Each of BGH and the BGH Member are responsible for maintaining the systems that they use and all the information transmitted between the two systems is transmitted over the Internet.

As a regard whereof, both parties agree that they are responsible for their choice of IT service providers and IT systems, in particular, their respective Internet access providers. They therefore hold one another harmless for the consequences of the acts or defaults of such providers.

BGH and BGH Members do not hold one another responsible for the absence of data transmission or for the degradation of data occurring between the time they are transmitted by the BGH Member and the time they are received by BGH and vice versa.

BGH and BGH Members are responsible for taking the appropriate measures to protect their own data, software and hardware from unauthorized third-party access and contamination by computer viruses or other damages caused by unauthorized breaches of their systems. If a party observes that the systems have been penetrated by an unauthorized third party, it shall alert the other party in an effort to seek the cause of such penetration and to take appropriate solutions.

5.2.5. Intellectual Property and License

BGH guarantees that it owns all rights and licenses necessary for using the trading and order transmission systems.

BGH and all BGH Members shall retain ownership of the documents, data and information of any sort that is transmitted to the other party under this agreement and to which either party may have access.

The BGH Member guarantees BGH that it holds the authorizations, property rights and license contracts for all the configurations, firmware and software needed for trading.

For cases where a software application used by the BGH Member to access BGH requires a license or an equivalent right, the provisions pertaining to such license or right are appended to the BGH Market Rules or are provided by BGH to the BGH Member and must be adhered to by the BGH Member.

The BGH Member undertakes to respect the intellectual property rights of BGH and of all third parties providing a system or software application needed to access BGH. To this end, the BGH Member shall take all reasonable measures as regards its staff and third parties to protect said rights and, in particular, shall refrain from altering references to property rights and copyright specified on the materials supplied by BGH. The BGH Member can neither remove nor modify references to copyright, trademarks, trade names or any other sign of intellectual property.

5.3. Use of Market Data

5.3.1. Access to Market Data

Admitted BGH Members have unlimited access to a section of MLTP where they can gain access to all historical trading data of all trading activities on daily basis.



Accumulated Volume data;



Price data (open, high, low, close, Settlement Price, Marginal Prices).

There are two ways to view the data:



Directly on screen; or



Via export (xml format).

BGH Members can use following filter criteria to view market data:



Customized Timeline;



Delivery area/point;



Product;



Counterparty.

5.3.2. Ownership

BGH is the sole owner of the Market Data resulting from Transactions on BGH Market (including but not limited to the BGH Spot reference prices). Especially, BGH is entitled to use the trading volumes generated by BGH Members for statistical purposes, inter alia. Such statistics may be made public. In this case, BGH agrees to ensure that members remain anonymous. If the BGH Member uses an external service provider in connection with its activities on BGH, it undertakes to introduce the above provision into its contractual relations with the said service provider.

5.3.3. Dissemination of Market Data

The BGH Member shall use Market Data solely for the purpose of trading on BGH and for its own requirements.

If the BGH Member wishes to disseminate Market Data to third parties, it cannot do so without having signed a special contract with BGH.

If a non BGH Member third party intends to incorporate BGH's Market Data in any manner into products or services traded on an energy exchange or equivalent facility, it shall conclude a special contract with BGH on the use of the Market Data.

5.3.4. Information Providing and Commercial references

Each party authorizes the other to quote its corporate name or trading name or display its logo or trademark as a commercial reference.

BGH agrees not to disclose information about the BGH Member's individual activity on the

market nor to disseminate such information to a third party, with the exception of entities or other institutions directly involved in performing the duties and responsibilities arising from the Market Rules (such as for instance, clearing institutions or the supervisory authorities) provided that such dissemination stems from the enforcement of the BGH Market Rules or other governing legislation. In the abovementioned cases, all information must be treated as highly confidential and must be used for the original purpose it was provided.

5.3.5. Data Protection

BGH shall imply its best efforts to protect strictly any and all personal and confidential data and to observe the applicable regulations and the EU Data Protection Regulation (EU 2016/679). BGH shall process and store personal data within the scope and solely in connection with the fulfilment of its contractual obligations in relation to the BGH Market. Legal basis for processing the data are these Market Rules and any signed Agreements thereto. BGH shall be authorized to store, process, and transfer any information and data of customers or third parties only for the proper performance of the BGH Market.

5.4. Liability and Jurisdiction

5.4.1. Principle

BGH and the BGH Member are liable for direct economic damages incurred by the other party:



in the event of negligence, wilful default or fraud by either party where the damages originate directly from the non-performance of an obligation incumbent on the party under the Market Rules and the Membership Agreement;



in the other circumstances expressly provided for in the BGH Market Rules.

5.4.2. Limitation of liability

Neither party shall seek to render the other liable for compensation for the harmful consequences of:



force majeure, where force majeure is an unforeseen or unavoidable event of extraordinary nature, having occurred after the conclusion of the contract beyond the will of the parties, which is in a causal connection with the non-performance or the delay in performance such as but not limited to natural disasters, general strikes, civil unrest, terrorism and cyber terrorism, etc;



malfunctions of a service used by the other party, attributable to circumstances beyond its control and arising in particular from the unavailability, failure or interruption of telecommunications networks or from constraints or limits imposed by telecommunications operators or other service providers;



inaccuracy, partial or total unavailability or incompleteness of technical information or data originating from third parties which is not due to limitations of systems and operations of the parties;



degradation of computerized data during transfer over the Internet, which is not due to deficiencies of the computer hardware or software or Internet speed used by BGH Member and BGH.

5.4.3. Liability of BGH Member

The BGH Member is liable for improper use of the services offered by BGH under the Membership Agreement and more particularly in the event of:



non-compliance with the provisions of the BGH Market Rules and their Annexes;



discredit to the image or reputation of BGH or the platform or any other BGH member, either directly or indirectly;



fake transactions, market manipulations, violations of the anti-monopoly legislation of Bulgaria and/or the EU which distort the respective market .

All contracts traded on BGH Market shall be balanced by the BGH Member. If the network operator is forced to restore the balance of the BGH Member and/or the Bulgarian natural gas transmission network by introducing limitations on transmission, the BGH Member responsible for the imbalance shall be liable for all commercial damages incurred and for their reimbursement.

5.4.4. Liability of BGH

BGH is obliged to provide professional services applying its best efforts. Should the liability of BGH be sought for negligence, such negligence shall be assessed in the light of all procedures provided and implemented to deal with a potential technical or market-related incident or a system defect, as well as all compliance policies in place which BGH has ensured to be in place and regulate the business processes.

BGH only accepts liability for damages resulting from the use of the BGH trading systems if and as far as this results from gross negligence or actions of intent committed by its organs or employees which should be proven by an independent party. Over and above this, BGH shall only be liable for the careful operation of the system used for trading in accordance with the BGH Market Rules.

BGH shall in no way be held liable for the harmful consequences of the following:



impossibility or difficulty for the BGH Member to access BGH's trading systems owing to access hardware or equipment for which the BGH Member or a third party is responsible;



indirect damage, such as commercial damage, loss of business, commercial disruption of any kind, loss of earnings attributable inter alia to the absence of order communication or processing, it being understood that any legal proceedings taken against the BGH Member by a third party constitute indirect damage, which does not therefore confer a right to compensation. The parties expressly agree that the BGH Member guarantees BGH against any action or complaint or legal proceedings initiated by a third party and shall hold it harmless for any judgment against it and any

compensation to be paid, regardless of the basis and nature of such action or complaint;



objection to a trade executed by the BGH Member, where such objection is raised following the cancellation period;



in the case of force majeure affecting delivery; such events include those considered as force majeure under the present Market Rules, agreements signed with BTG and legislation in force.

Whatever the circumstances, should BGH incur liability, the parties expressly agree that the total compensation shall not exceed fifty thousand euro (EUR 50,000) annually for all events in total for all BGH members BGH members expressly guarantee that they would not seek any further compensation beyond the respective proportionate share which shall be attributed to them within the above range.

5.4.5. Jurisdiction and Dispute Resolution

Any disputes arising out of or in connection with the validity, interpretation, performance, non- performance or termination of the Rules and the agreements signed, shall be settled by amicable procedure.

In the event that no agreement is being reached within 30 days after one of the parties has been informed by the other about the subject of the dispute, the last can refer it to the Arbitration court at the Bulgarian Chamber of Commerce and Industry. The place of Jurisdiction shall be Sofia, Bulgaria, and the language shall be Bulgarian, unless the Parties agree otherwise beforehand.

5.5. Miscellaneous

5.5.1. Representations and Warranties

The BGH Member acknowledges that it has taken note of:



all statutory regulatory acts, as well as the regulations and network codes in force in the EU pertaining to its business;



the contractual documents;



all other documents and or communication sent to it by BGH by whatever means.

Applicants and BGH Members give the warranties and representations provided in the Membership Agreement at the time of their application and repeat these at all times during which they are Members of the BGH.

The BGH Member agrees to share any information with BGH and pass on to BGH any document that could help BGH to identify potential infringement of the BGH Market Rules which might be detrimental for the functioning of trading and market activity.

5.5.2. Confidentiality

Any information and data obtained in the process of using the platform as a member or through performance of signed agreements, is strictly confidential and neither party shall disclose it to third parties without the prior knowledge and written consent of the other party.

In particular, each party agrees to respect trade secrets information related to the party's business, commercial policy, industrial strategy, management or organizational plans, computer applications, concepts, ideas, know-how and techniques and, in general, any information or document of a financial, economic, technical, IT-related, commercial or social nature.

However, each party is entitled to communicate:



to its service providers or subcontractors: the information received from the other party that is strictly necessary to the provisions of their services, provided they have similar clause in their contracts;



to the competent authorities: the information that such authorities may request under applicable laws or regulations or the BGH Market Rules.

The provisions of this article shall remain in force, including after termination of the Membership Agreement, for a period of five years.

5.6. Introduction of restrictive regime/temporary limitation of natural gas supply

If a restrictive regime/temporary limitation of natural gas supply is introduced, the following shall apply: the provisions of the Energy Act and the regulatory framework, and the provisions of Regulation (EC) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010. In such a case, BGH operation may be suspended and/or limited including with regard to specific physical points and/or VTP. The settlement of trade relations in such cases shall be carried out according to the procedures described in the Energy Act and the regulatory framework, as well as the provisions of Regulation (EU) 2017/1938.

6. Code of Conduct

6.1. Preamble

These rules of conduct are applicable to both BGH and BGH Members. The BGH Code of Conduct is based on the fundamental principle of the joint responsibility of BGH and its Members for establishing a fair and transparent natural gas market on top of the responsibility each single company bears.

These rules are aimed at supporting the regional natural gas trading by additional provisions, considering the market's need for a uniform and internationally harmonized control system. These rules are intended to strengthen the confidence which the market and the public have in the organized market of BGH, its pricing mechanisms and the reference character of the BGH Market prices.

6.2. Scope of Application

6.2.1. Scope of Application

The BGH Code of Conduct is applicable to the BGH itself, all BGH Members and Traders authorized to trade on BGH. It shall be binding for all the parties involved.

6.2.2. Legal Classification

The BGH Code of Conduct is an integral part of the BGH Market Rules.

The BGH Code of Conduct does not release the BGH Members from the obligation to comply with the provisions in other documents composing the BGH Market Rules and the signed agreements.

6.3. Definitions

For the purposes of this Code of Conduct the following definitions shall apply:

Insider Information means information of a precise nature which has not been made public, which has been obtained due to signed agreements and which relates, directly or indirectly, to one or more Physical natural gas contracts and which, if it were made public, would be likely to significantly affect the prices of those Contracts. Trading of insider information is seen as an unfair manipulation of the free market to give preference to specific parties. It undermines general investor confidence in the integrity of the market and can dampen economic growth.

Market Manipulation means generally the act of artificially inflating or deflating the price of a stock or commodity or otherwise influencing the behaviour of the market for personal gain. For the purpose of the present Rules, Market Manipulation means more specifically:

- a) entering into any transaction or issuing any order to trade which:
 - i. gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Physical natural gas supply contracts;
 - ii. secures or attempts to secure, by a person, or persons acting in collaboration, the price of one or several natural gas contracts at an artificial level, unless the person who executed the Transaction or issued the order to trade establishes by factual evidences that his reasons for doing so are legitimate and that that transaction or order to trade conforms to accepted market practices on BGH Market; or
 - iii. employs or attempts to employ a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals to the market regarding the supply of, demand for, or price of Physical natural gas contracts.
- b) disseminating information through the media, including the internet, or by any other means, including but not limited to sharing such information at meetings of associations or informal gatherings, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Physical natural gas contracts, including the dissemination of rumours and false or misleading news, where the disseminating person knew, or ought to have known that the information was false or misleading (**"Price Positioning Behaviour"**).

6.4. Rules of Conduct for Trading on BGH TP

When trading on the BGH TP by sending Orders for their own account or for the account of a Third Party Client, BGH Members are required to: comply with the general principles of market integrity, honesty and good conduct

comply with the rules and instructions of any competent supervisory authorities, together with the BGH Market Rules.

All Orders submitted on the BGH Market must have a due economic justification. BGH is entitled to investigate the existence of such justification by requesting explanations or supporting documents, contracts and financial statement from the beneficiary of such Orders.

6.4.1. Prohibition of Market Manipulation

6.4.1.1. Principles

Any engagement in or attempt to engage in Market Manipulation with respect to a Contract is prohibited.

This prohibition includes, without limitation:



Any kind of false or misleading behaviour;



Any kind of collusions or the collusive cooperation of BGH Members among each other or with third parties;



Any kind of Price Positioning Behaviour.

The BGH Members commit to fairness towards BGH and the other BGH Members. They shall only conclude Transactions on BGH markets in compliance with the customary trade practices and the principles and ethics of professional market traders.

6.4.1.2. Prohibition of false and misleading behaviours

BGH Members are especially forbidden to:



Enter orders without a due economic justification.



Place orders with no intention to execute.



Give false or misleading signals as to the supply of, demand for, or price of physical natural gas contracts;



Employ a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of wholesale physical natural gas contracts;



Disseminate false or misleading market information through media, including the internet or by any other means.

6.4.1.3. Prohibition of collusion or collusive cooperation

BGH Members are especially forbidden to:



Submit buy or sell orders at the same time (or nearly the same time) for the same price and quantity (i.e. pre-arranged trades).



Enter into arrangements for the sale or purchase of a wholesale physical natural gas

contract where there is either no change in beneficial interests or market risk or enter into arrangement where the transfer of beneficial interest or market risk is only between parties who are acting in concert or collusion.

6.4.1.4. Prohibition of Price Positioning Behaviours

BGH Members are especially forbidden to:



Secure the price of one or several physical natural gas supply contracts at an artificial level, unless the person who entered into the transaction or issued the order to trade establishes by factual evidences that his reasons for doing so are legitimate and that that transaction or order to trade conforms to accepted market practices on the wholesale energy market concerned;



Artificially cause prices to be at a level not justified by market forces of supply and demand, including by the actual production, availability of transportation capacity and demand.

6.4.1.5. Alternative procedures

If alternative procedures are established to determine indexes, all participants in these procedures in which the fair market value is established shall express their position at their own discretion and free from any self-interest.

6.4.2. Transparency Requirements

6.4.2.1. Prohibition of Insider Trading

BGH Members or their authorised Traders who possess inside information in relation to a Physical natural gas contracts shall be prohibited from:



using that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of a third party, either directly or indirectly, Physical natural gas contracts to which that information relates;



disclosing that information to any other person unless such disclosure is made in the normal course of the exercise of their employment, profession or duties;



recommending or inducing another person, on the basis of inside information, to acquire or dispose of physical natural gas contracts traded on BGH to which that information relates.

6.4.2.2. Transparency Commitment

The BGH Members support and comply with all current and newly introduced measures for transaction transparency and thus foster BGH in further developing a secure, non-discriminatory and transparent trade on the BGH organised market.

6.4.2.3. Qualification of Traders

The BGH Member shall ensure that the authorised traders are sufficiently qualified and enjoined to comply with the Rules and Regulation of BGH, including this BGH Code of Conduct.

6.5. Conduct of BGH Members and authorised Traders towards Third Party Clients

6.5.1. General Rules of Conduct

The provisions of this section apply to BGH Members and the respective authorised Traders who carry out Third Party Clients' orders directly or indirectly on the BGH Market.

The BGH Members are obliged to provide their services in connection with trading on BGH with the required professional care and conscientiousness in the interest of their clients at all times, and to endeavour to avoid conflicts of interests. Where conflicts of interest arise, they should be adequately resolved in accordance with the principles of fair conduct and professionalism.

All the information which BGH Member make accessible to Third party Clients has to be honest, unmistakable and such information must not be misleading or manipulative.

As a rule, any introduction of a Third party Client orders should serve entirely the interest of the client and should have the same result as if the individual order would have been directly submitted to the BGH Market for execution.

Members intervening on the account of a Third Party Client are required to communicate the Market Rules to such clients and to inform the BGH of any failure that they learn of by one of their Third Party Clients to respect the Market Rules.

In compliance with the commitments taken towards the BGH when authorised to intervene for the account of a Third Party Client, BGH Members must have adequate procedures and controls in place in order to ensure the respect of the Market Rules by its Third Party Client.

The Member who intervenes for the account of a Third Party Client must inform the BGH as soon as possible when a failure to comply with the Market Rules by one of its Third Party Clients, or as soon as it becomes aware of an activity conducted by one of its Third Party Clients which does not seem to comply with the Market Rules.

The BGH Member who intervenes for the account of a Third Party Client must ensure that it possesses adequate means of control and adequate procedures allowing it to identify any activity conducted by one of its Third Party Clients which would not comply with the Market Rules.

6.5.2. Processing of Third Party Client Orders

Upon the execution of Third Party Client orders, BGH Members shall be responsible for the following:



Third Party Client orders are executed on the BGH Market forthwith, in particular, without favour for other Third Party Client orders or own interests of the BGH Members,



Comparable Third Party Client orders are executed or forwarded in accordance with the sequence, in which they were received,



the interests of all the Third Party Clients are preserved in combining Third Party Client orders,



any misuse of information in connection with Third party Client orders which have not yet been carried out is prevented.

6.6. Instructions, Information and Penalties

6.6.1. Instructions

The BGH Member and Traders authorized to trade on BGH market are obliged to comply with the instructions and rules by the relevant supervisory authorities, as well as BGH itself and in particular the BGH Market Surveillance Unit.

In case BGH Member or Traders authorized to trade on the BGH Market violate existing provisions or fail to comply with instructions, they can be temporarily suspended from trading on BGH Market by BGH in accordance with the more detail provisions contained in the Market Rules or they can be banned from dealing with client's orders.

6.6.2. Information Rights

BGH Market Surveillance unit is entitled to request information and the submission of documents from any BGH Member and to carry out inspections as far as this is required for the performance of its tasks.

The relevant Market surveillance unit can request information from everyone including the request of submission of documents and the surrender of copies, summon and interview persons in case there are indications substantiating the assumption that provisions or instructions under laws applicable to trading on the BGH Market are violated or that there are other grievances which might affect the proper execution of trading on the BGH Market or the settlement of transactions traded on BGH or the establishment of indexes.

6.6.3. Penalties

In case BGH Member and Users authorized to trade on the BGH Market violate existing rules, fail to comply with lawful instructions by BGH or fail to respect a request for information by the BGH Market Surveillance, they can be excluded from trading on the BGH Market in accordance with the more detailed provisions in the Market Rules or can be banned from dealing with client's orders.

This provision does not exclude penalties on the grounds of other provisions.

As far as there are possibilities for further penalties for BGH on the grounds of other provisions, such shall not be restricted by this provision.

6.7. Market Surveillance

6.7.1. Market Surveillance Unit

The Market Surveillance Unit ensures fulfilment of the obligations arising therefrom Regulation (EU) № 1227/2011. BGH creates an Independent Market Surveillance Unit as part of its operational personnel.

6.7.2. Independency of Members of the Market Surveillance Unit

To the extent legally possible the members of the Market Surveillance Unit are

independent in their decisions and how they organize and perform their duties. In particular, they may reject orders from BGH in their own discretion if such orders interfere with their tasks as Markets Surveillance members, in accordance with predefined rules and algorithms.

Duties related to Market Surveillance

The Market Surveillance Unit monitors the orderly and compliant trading on the BGH Market and the orderly settlement of Transactions and ensures posteriori (on the basis of known facts or past events) that BGH Members behave in accordance with the BGH Market Rules. BGH Members undertake to supply data to the Market Surveillance Unit of BGH upon its request about any information of settlement of Transactions concluded by them on BGH market. The recipient shall treat these data as highly confidential and shall be obliged to keep confidentiality.

The Market Surveillance shall systematically and completely record and evaluate data regarding trading on BGH market and the settlement of transactions and shall conduct any necessary investigations within the scope of their competence.

If the Market Surveillance establishes facts justifying the conclusion that violations of BGH Market Rules or applicable Bulgarian or European Union law provisions, or BGH orders are occurring, or that other irregularities exist which may impair the orderly conduct of trading on BGH or the settlement of traded transactions, it shall promptly notify the Executive Director of BGH, and if it seems necessary, the Bulgarian Regulatory authority - EWRC.

Powers of the Market Surveillance Unit

For performance of its duties, the Market Surveillance Unit can conduct special investigations, and if necessary, require from BGH members and their traders:



disclosure of information and documents;



to carry out inspections;



disclosure of the economic beneficiary of the transactions.

The Market Surveillance Unit is not authorized to impose penalties. It can only inform the institutions responsible for sanctioning, e.g. the Executive Director of BGH and EWRC.

Reporting to the Exchange Council and to the Management of BGH

The BGH Market Surveillance Unit reports to the BGH Executive Director and the Exchange Council on a regular basis or upon a request.

Sharing information with the Market Surveillance Unit

BGH cooperates fully with the National Regulatory Authority (the EWRC) in order to ensure regulated, efficient and transparent trading.

According to Article 15 of Regulation (EU) № 1227/2011 of the European Parliament and of the Council, any person professionally arranging transactions in wholesale energy products who reasonably suspects that a transaction might breach the prohibition of market



manipulation shall notify the national regulatory authority without further delay. With respect to the BGH Organised Market, BGH EAD takes on the obligation to immediately inform the EWRC in cases of suspicious or prohibited behaviour of BGH Members.

The Market Surveillance Unit may transmit data with respect to the execution of transactions to the Regulatory authority, as the authority which is responsible for monitoring natural gas trading in Bulgaria and receive data from them, to the extent that this is necessary to ensure the orderly conduct of trading and the settlement of transactions.

Such data may only be transmitted to the unit if its representatives and the persons commissioned by them are bound by an obligation of confidentiality. The Regulatory authority representatives may also use the information only for that specific purpose for which it has been provided.

7. Reporting

The MLTP offers different types of reporting.

7.1. Transaction information



Trade Overview Window



Anonymous Trade information at public page



Market data section



SOAP Service

Concluded transactions at the MLTP are shown and reported via the following:



In the trade overview window of the MLTP (first anonymously, then with CP information, available for the whole time history);



Anonymous cumulated trade information for the current trading day and last 7 days at the public entry page/level of the platform;



In the market data menu where all trades of all MP are anonymously;



Via SOAP service ("Simple Object Access Protocol"); easy access for web-based file transfer.

7.2. Price Information



Marginal Prices Reporting



Settlement Price Information

The distribution/publication of prices and indexes is very important in order to send a price signal to the Bulgarian market. The most important prices such as settlement prices and marginal prices are distributed as follows:



Marginal price Information is:

- Sent to BTG on an EoGD (End of Gas Day) basis via Edig@s format
 - Edig@s XML files (V.5.1 or higher)
 - Communicated via SFTP
- Published at the public entry page/level of the platform for the last seven days on an EoD basis
- Visible in the Market Data menu and exportable
- Accessible via SOAP Service



Settlement price Information

- Published at the public entry page/level of the platform for the last seven days on an EoD basis
- Visible in the Market Data menu and exportable
- Accessible via SOAP Service

7.3. REMIT OMP Reporting



Creation of reporting file

The MLTP offers reporting under REMIT Regulation (EU) 1227/2011. The MLTP platform in its capacity of an Organized Market Place (“**OMP**”) sends automated reports to ACER’s ARIS system. These reports include all order and trade data in a standardized format as described in ACERs TRUM specification. BGH has the role of a Registered Reporting Mechanism (“**RRM**”).

The MLTP automatically generates OMP reporting files in XML format and transfers them within the timeline for reporting of standard contracts to ACERs ARIS system.

7.3.1. Reporting Functionalities of the MLTP:

MLTP will generate the reporting files and submit them to “**ARIS**”. BGH will be registered and will act as RRM type OMP. BGH won’t develop a separate reporting system to exchange data with ARIS.



MLTP must be able to generate report files in XML format based on XSD REMIT Table 1 in line with ACER TRUM requirements;



The generated report files shall be named in line with the ACER naming convention defined in the ACER Technical specification for the RRM’s;



MLTP must be able to validate the generated XML report files and ensure that the prepared reports are technically correct, compliant with the ACER REMIT schemas, free of major errors, without badly formatted fields, XSD violations, missing mandatory fields, compliant with the requirements of *REMIT Agency’s REMIT Information System Data*

Validation and REMIT Technical Specifications for Registered Reporting Mechanisms;



MLTP shall be able to encrypt and digitally sign with BGH's private key the report files that shall be submitted to ARIS;



MLTP must be connected with ACER ARIS system via SFTP interface;



The report files shall be submitted to ARIS within the timeline defined for reporting of standard contracts - no later than on the working day following the conclusion of the contract or placement of the order;



MLTP must be able to receive from ARIS via WS or SFTP interface return receipts for the relevant report files issued by ACER;



MLTP must be able to interpret the content of the return receipts and in case of technical or business rejection of a report file to generate alert for needed actions for reports rectification and resubmission;



MLTP must be able to store the encrypted and decrypted report files submitted to ARIS for a period of at least 2 years;



MLTP must be able to store the encrypted and decrypted return receipts received from ARIS for a period of at least 2 years.

7.3.2. Market Participants Registration Requirements

Each Market Participant registered on MLTP should be identified with its ACER code and EIC code. The provision of both codes at MP's registration (on MLTP) stage is a must and is in line with the requirement of Article 9 (4) of REMIT saying that each MP shall be registered at the relevant NRA before entering into transaction reportable under REMIT. Since all transactions executed on an OMP are reportable to ARIS according to Article 8 (4) (d) of REMIT and Article 6 of REMIT IAs, an MP must supply its ACER code during the registration process at MLTP in order to be allowed to participate within trades executed on the MLTP.

7.3.3. Data Reporting Details

DeliveryPointorZone attribute

For the population of the DeliveryPointor Zone attribute in the XML report files, the ACER list of acceptable EICs for REMIT Table 1 and 2 shall be respected.

The internal points for particular balancing zone shall be identified in the REMIT reports with the EIC of the relevant balancing zone, as follows:



VTP National Gas Transmission Network

- 21Y000000000026E



VTP Gas Transmission Network for Transit Transmission



- 21Y000000000027C



GMS Chiren

- 21Y000000000026E



GMS Galata

- 21Y000000000026E



GMS Dolni Dabnik

- 21Y000000000026E

The IPs shall be identified with their own EICs, as follows:



Negru voda 1/ Kardam

- 21Z000000000159I



Negru voda 2,3/ Kardam

- 21Z000000000160X



Kulata/Sidirokastro

- 21Z000000000020



Ruse/Giurgui

- 21Z0000000002798

Attributes for MPs identification

Whenever possible, the MPs shall be identified with their ACER codes in all relevant attributes within the REMIT report files.

Storage of the reported data

MLTP stores all reported REMIT data for a period of at least 2 years.

7.3.4. Access of BGH Members to the reported data

An authorized user (MP representative – trading user or back office user) should have access to REMIT data (report files and return receipts) reported by the platform (or by third-party RRM on behalf of the platform) to ARIS for the transactions in which the relevant MP enters on the trading platform.

The platform should have a functionality allowing the platform admin (BGH user) to select to which MPs (all MPs or particular MPs) access to REMIT data to be provided.

The REMIT data could be made available to all MPs or only to the MPs that have signed reporting agreement with the BGH as an OMP.

This data shall be made available for the MPs for a period of at least 2 years in decrypted format.



“REMIT data made available to an MP” means the report files submitted by MLTP or on behalf of BGH to ARIS for the particular transactions/trades with participation of the relevant MP and the relevant return receipts received from ARIS.

An MP should have access to REMIT data only for the trades in which the relevant MP took part and not to REMIT data concerning trades of other MPs not involved in transactions with the relevant entity.

Annex 1: Definitions

“ACER” or the **“Agency for the Cooperation of Energy Regulators”** was established by the Third Energy Package to further progress the completion of the internal EU energy market for both electricity and natural gas. Its role is to foster cooperation among European energy regulators, and work towards market integration and the harmonization of regulatory frameworks to achieve the EU’s energy policy objectives.

“Applicants” means legal persons who are in the process of applying with the BGH to be admitted as Members.

“ARIS” means the ACER REMIT Information System.

“Balancing Agreement” means an agreement with a TSO to provide NG required to meet short term fluctuations in NG demand or supply, where such supply is not available by way of an STSP.

“BGH Market” means the fully electronic, cleared organized market, traded on the TP, offering natural gas trading on continuous spot products for the delivery of natural gas in Bulgaria, and such other services that shall be approved by BGH in addition to the short-term standardised products under NC Bal.

“BGH Market Rules” or **“BGH Natural Gas Trading Platform Rules”** are the rules by which the BGH provides services to Members, and Members trade on the TP. The Code forms part of the Market Rules. The Market Rules take precedence over the Membership Agreement in the event of inconsistency.

“BGH Users” means authorized representatives of BGH, accessing the MLTP through BGH.

“Bulgarian Balancing Rules” means Natural Gas Market Balancing Rules adopted by the Bulgarian EWRC.

“Bulgarian Trading Rules” means the Natural Gas trading rules adopted by the EWRC.

“CEGH” means the Central European Gas Hub AG.

“Clearing House” means a financial institution formed to facilitate the exchange (that is, the clearance) of payments, securities, or derivatives transactions. It stands between two TP members with the purpose of reducing the risk of a particular member firm failing to honor its trade settlement obligations.

“Clearing Membership” means admission as a member to a Clearing House.



“Contract(s)” mean contracts for the purchase or sale of a natural gas product traded on the TP as defined under the Market Rules and Market Notices (as applicable).

“CP” means a “counterparty” to a trade on the TP (being a buyer or seller).

“DSO” or **“Distribution System Operator”** means a company holding a license for the operation and maintenance of a gas distribution network.

“EWRC” means the Bulgarian Energy and Water Regulatory Commission, a public independent administration body which has various functions including the licensing and supervision of electricity, natural gas, and water utility companies.

“Gas Day” means a period of twenty-four (24) hours, starting at 7:00 am local time on the relevant day. The current gas day is designated D. The previous gas day is designated D-1.

“Members” means legal persons who have applied as Applicants and been approved by BGH to trade on the BGH TP.

“Membership Agreements” means agreements between the BGH and Members governing access to the TP, including the requirements and procedure to trade Contracts;

“MLTP” means the BGH Multilateral Trading Platform.

“NC Bal” or **“Regulation (EU) No. 312/2014”** means the Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks).

“NGTN” means the Bulgarian national natural gas transmission network, which has the primary function of the transmission of NG to customers located within Bulgaria and connected to it, and also connected to various IPs within Bulgaria. The NGTN is owned and operated by Bulgartransgaz EAD.

“GTNTT” or **“NG Transit Transmission Network”** means the Bulgarian Natural Gas Transmission Network having the main purpose of enabling NG transit transmission from the Bulgarian-Romanian border to borders between Bulgaria and Turkey, Greece and Macedonia. It is also used for transmission of NG to customers located within Bulgaria and connected to it, and also connected to various IPs within Bulgaria. The GTNTT is owned by Bulgartransgaz EAD.

“Liquidity Provider” means a person having concluded agreement with the operator of the natural gas exchange market for demand and supply of natural gas for the purpose of providing liquidity of the natural gas exchange market.



“Locational Point” or **“LP”** means a physical interconnection point in the network, where locational products are traded.

“Market Maker” means a person having concluded agreement with the operator of the natural gas exchange market for demand and supply of natural gas quantities for the purpose of providing liquidity of the natural gas exchange market and forming price signals.

“Market Participant” or **“MP”** means a company present on the BGH Market in its capacity as a buyer or seller (or both) that enters into transactions in natural gas on a market-based principle on the BGH Market.

“OMP” or **“Organized Market Place”** means (a) a multilateral system, which brings together or facilitates the bringing together of multiple third party buying and selling interests in wholesale energy products in a way that results in a contract; (b) any other system or facility in which multiple third-party buying and selling interests in wholesale energy products are able to interact in a way that results in a contract. These include electricity and gas exchanges, brokers and other persons professionally arranging transactions, and trading venues as defined in Article 4 of Directive 2014/65/EU of the European Parliament and of the Council.

“Order” means an electronic document by which the Member submits the parameters of a product (e.g. the price and quantity) for which it seeks to make a Transaction in a Contract.

“REMIT” means Regulation (EU) No. 1227/2011 on wholesale energy market integrity and transparency, being an EU regulation designed to increase the transparency and stability of the European energy markets while combating insider trading and market manipulation. It enforces an obligation to report trades in certain circumstances.

“REMIT IR” or **“REMIT Implementing Regulation”** means Commission Implementing Regulation (EU) No. 1348/2014 of 17 December 2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency.

“RRM” or a **“Registered Reporting Mechanism”** within the REMIT compliance system means a person reporting the trade data (records of transactions and orders to trade), and/or fundamental data, on behalf of a market participant, directly to ACER and fulfilling the ACER's registration and reporting requirements.

“Rules for Access” means EWRC's Rules for granting access to gas transmission and/or gas distribution networks and access to natural gas storage facilities.

“STSP” or **“Short Term Standardized Product”** means a continuously traded short-term standardized product traded on a TP.



“TP” or “Trading Platform” means an electronic platform provided and operated by a trading platform operator by means of which trading participants may post and accept, including the right to revise and withdraw, bids and offers for natural gas required to meet short term fluctuations in natural gas demand or supply, in accordance with the terms and conditions applicable on the TP and at which the TSO trades for the purpose of undertaking Balancing Actions.

“Trader” means a person nominated by a Member to trade on the TP on their behalf and/or acting under their authority for the Member’s own account (own transactions) or in the Member’s own name for the account of a third party.

“Trading Calendar” means a calendar, published on the BGH website, identifying trading and non-trading days (including public holidays) and displaying information about the tradeable products, including starting dates and specific products to which they apply.

“TSO” or “Transmission System Operator” means a person who carries out the function of Transmission and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the NG Transmission Network in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transport of natural gas. With respect to the BGH, the TSO is Bulgartransgaz.

“VTP” or “Virtual Trading Point” means a notional point at which market participants can trade natural gas within a relevant market area, and in the context of the BGH means the NNGTN or market located within the NNGTN Balancing Zone.

Annex 2: Membership Agreement

BGH MEMBERSHIP AGREEMENT BALKAN GAS HUB EAD

AGREEMENT

This BGH Membership Agreement ("**Membership Agreement**") enters into force on upon signature of both Parties

BY AND BETWEEN

Balkan Gas Hub EAD, a company which operates a natural gas trading platform, with its principal place of business at 66 Pancho Vladigerov Blvd., Lyulin 2 District, 1336 Sofia, Bulgaria, and registered in the commercial registry in Bulgaria under UIC 205478458 , duly represented by Kiril Ravnachki – Executive Director (hereinafter called "**BGH**")

AND

_____, a
company
incorporated under

the laws of _____ ,

with its registered seat at

and

registered in the commercial registry in _____ under _____ ,

VAT identification number _____ ,
duly represented by

hereinafter called "**the Applicant**"),

hereinafter jointly referred to as "the Parties"

WHEREAS

The Applicant has requested BGH to provide it with access to the BGH Market, [Short Term Segment] [and/or] [Long Term Segment], [to participate on its own behalf] [and/or][on behalf of Third Parties] as defined in the "Balkan Gas Hub EAD Trading Platform Rules" and its

Appendices (the "**Market Rules**"), and the BGH has agreed to provide access in accordance with the terms of this Membership Agreement.

AGREED TERMS

1. The Applicant undertakes that at all times it shall act in accordance with the provisions of the Market Rules and this Membership Agreement.
2. The Parties conclude this Membership Agreement which shall incorporate the Market Rules including all of its Appendices (Version 1.0).
3. The Applicant (and when the application is successful, the BGH Member) warrants and guarantees the accuracy and truthfulness of all documentation submitted to the BGH in support of its Membership, and in connection with its compliance with the BGH Market Rules.
4. The Applicant (and the BGH Member, as applicable) gives the following warranties and representations at the time their application is submitted, and these shall be repeated at all times during which they are Members of BGH:
 - (a) they have been duly organised in accordance with the laws of their jurisdiction of incorporation;
 - (b) that the signature and performance of the Membership Agreement and the Market Rules: (i) are within their statutory powers and have been duly authorised by all the measures required under their by-laws; (ii) does not require any type of deposit to be made with a government organisation, agency or administration, or in relation to such institutions; and (iii) does not infringe or breach applicable legal or regulatory provisions or their own statutory documents or any contract, order, injunction, ruling or other legally binding procedure;
 - (c) that they are not subject to arbitration or court actions or proceedings or any administrative or other measures that could lead to an evident and substantial deterioration in their business activities, assets or financial situation or that could affect the validity or proper performance of the Membership Agreement and the BGH Market Rules;
 - (d) that they undertake to take note of, and to comply with, all communications issued as Market Notices by the BGH;
 - (e) that they undertake to immediately inform the BGH of any changes concerning the representations made above;
 - (f) that they are fit and proper to operate on the Market, and that a portion of their staff has the skills and qualifications necessary to perform in accordance with the BGH Market Rules, and to establish and manage adequate internal procedures and controls in relation to the intended business on the BGH Market. In particular, they are aware of the potentially volatile nature of the Contracts on BGH and accept the risks arising from the use thereof;
 - (g) that they enjoy the business standing suitable for admission to Membership;
 - (h) that they meet any technical requirements specified by the BGH;
 - (i) that they have sufficient resources for the role they intend to perform on the BGH;
 - (j) that they meet any other criterion, particularly of a financial nature, that may be

- specified by the BGH;
- (k) that they have conducted their own analysis of the documents that they have received, and of the benefits and risks, especially those of an economic, legal or tax-related nature, that may arise from the Market Rules and from each Contract, having the necessary knowledge and experience and the necessary skills;
5. The Applicant (and the Member, as applicable) undertakes to promptly update the BGH whenever there is a change or variation to its circumstances (or that of any Third Party Client on whose behalf it acts) which could reasonably be considered to be material to the BGH and the continuation of the Membership and its participation on the BGH, as further stipulated in the Market Rules.
6. In case of an already existing Membership Agreement between BGH and the Applicant, this Membership Agreement shall replace and override the already existing Membership Agreement.
7. In case of non-compliance of the Applicant (and the Member, as applicable), the BGH reserves its right to impose the applicable sanctions and penalties according to the provisions of the Market Rules, including without limitation suspension or termination of the Membership Agreement.
8. In witness whereof, this BGH Agreement has been concluded by duly authorized representatives of the Parties.
9. By signing this Membership Agreement, The Customer confirms that it fully understands all terms and conditions and accepts them.

Attachments: BGH Market Rules, including its Appendices (Version 1.0)

AGREED BY *[INSERT NAME OF APPLICANT]*

Signed by fully authorised signatory
For and on behalf of the Applicant

By: *[Insert name of authorised signatory]*
Title: *[Insert title of authorised signatory]*
Date: *[Insert]*

AGREED BY THE BALKAN GAS HUB
EAD

Signed by fully authorised signatory
For and on behalf of Balkan Gas Hub
EAD

By: *[Insert name of authorised signatory]*
Title: *[Insert title of authorised signatory]*
Date: *[Insert]*

Annex 2A: Registration Form

REGISTRATION FORM

Application for BGH Membership

This form is an integral part of the BGH membership documents and has to be filled out by the Applicant completely. Please note that all fields marked with an asterisk (*) are **mandatory**.

1. Company details

Company name (legal entity) *	
EIC*	
ACER Code	
Website	
Address of registration*	
Street*	
Town*	
ZIP Code*	
Country*	
General Contact Name*	
Tel.*	
Email*	
Fax	

2. Branch details (if applicable**)

Branch name	
Website	
Address of registration	
Street*	
Town	
ZIP Code	
Country	
General Contact Name	
Tel.	
Email	
Fax	

**Please fill in these boxes, if the operations in connection with the BGH Membership shall be performed by the branch office of the registered company.

3. Operational details

Dispatching (24/7)*	Name*	
Contact	Tel.*	



	Mobile*	
	Email*	
Trading/Front Office Contact	Name	
	Tel.	
	Mobile	
	Email	
Operational Contact	Name	
	Tel.	
	Mobile	
	Email	
Operational Contact	Name	
	Tel.	
	Mobile	
	Email	
Optional Shipper code (if available)		
Optional Shipper code (alternative)		

4. Trading details

Authorized Trader(s)* (Name/ Contact Details)	
Shareholders/ Beneficial owners*	
Applicant wishes to participate in the following Market Segment(s)*: (i) Short Term Segment; (ii) Long-Term Segment; and/or (iii) GRP	
The Applicant wishes to participate*: (i) in its own name and for its own account; or (ii) on behalf of third party:	

5. Financial details

Company name*	
Address for invoice mailings*	



Street*	
Town*	
ZIP Code*	
Country*	
General Email	Email*
	Fax

Back Office*	Name*
Contact	Tel.*
	Email
	Fax

Back Office	Name
Contact	Tel.
	Email
	Fax

VAT Number*	
Registered at*	
Register of Companies No.*	

6. Bank information

Name of bank* Address	
ZIP Code	
Town	
Country	
Account No.	
Bank code	
IBAN*	
SWIFT Code*	

7. Mandatory supplementary documents

- **Current, notarized Extract from the Commercial Register** (original, not older than 30 calendar days, plus English or Bulgarian translation if required).
- **Certificate of Good Standing** from the local tax authority (plus English or Bulgarian translation if required), confirming that the registering company has no open tax balance.
- **Certificate of Residence** from the local tax authority (VAT administration) if applicable.
- Upon request by BGH: Balance Sheets of the last 3 fiscal years

BGH reserves the right to request additional documentation and evidence at its own discretion.

Note: Please make sure that your application is complete and complies with the

specifications of this Form. Incomplete or non-complying applications cannot be processed.

The Applicant company herewith confirms that the information contained in the present Registration Form is complete and true and that, apart from the information disclosed herein, there are no agreements, collateral agreements or other relevant facts that might influence the evaluation of the application submitted.

The BGH Registration Form was completed:

on: _____

by: _____

On behalf of the Applicant

Legally binding signature

(Name in print)

Annex 3: Price List

1. Annual fees and transaction fees

The BGH Member shall be liable for payment to BGH of the below fixed and/or variable fees and expenses.

Fixed fees		
Fee type	Classic	Basic
One-off registration fee	5 000 BGN	5 000 BGN
Monthly fee	1 000 BGN/ month	0
Additional user monthly fee	500 BGN/ month	0
Non-standard product initiation fee	1 000 BGN	1 000 BGN
Training fee	500 BGN	500 BGN
Transaction fees		
Fee type	Classic	Basic
Transaction fee for the Within-Day product and Day-Ahead product	0,04 BGN / MWh	0,50 BGN / MWh
Cancellation fee	1 000 BGN	1 000 BGN

All fees exclude VAT.

Classic fee = Applicable to BGH members who have subscribed to the annual fee plan.

Basic fee = Applicable to BGH members who have not subscribed to the annual fee plan.

If a BHG Member decides to switch a plan, the following terms and conditions shall apply:

- ✓ The switch from basic to classic plan can be carried out at any time and it is not necessary to wait until the beginning of the next calendar month. In this case the BGH Member shall pay the applicable fee for the entire current month,
- ✓ The switch from classic to basic plan can be carried out in the beginning of the next calendar month.

2. Payment of fees

Monthly fees are payable until the fifth day of the calendar month excluding Membership Agreements concluded after the fifth day of the calendar month and in this case a full monthly fee is due which shall be paid until 3 business days as of the date of the signing the Membership Agreement. In case of Agreement termination within the month, the entire current month is charged.

Transaction fees are assessed and invoiced per calendar month. In case of fines or other fees, they shall be assessed and invoiced after the effective rendering of the services.

After the deadline for payment, BGH shall charge late-payment interest at one and a half times the legal rate.

Market Notice regarding prices and discounts may specify different payment conditions than the above stated.

3. Terms of Payment

Invoices shall be sent via e-mail (e-invoice). Invoices may be issued to a hardcopy and send via regular mail upon a request of a BGH Member and the respective Member shall take the transport and courier costs. The invoice payment due date is fifteen (15) calendar days from the date of the invoice. Fees shall be collected by BGH.

All amounts are in Bulgarian lev /BGN/. They can be reviewed by BGH EAD and the price list will be updated accordingly, after which BGH will duly inform all BGH Members about the new schedule of fees. The new schedule of fees shall be sent to the market participants as a market notice published on the BGH website. The date of validity of such change is the beginning of the next calendar month, with the corresponding change being disclosed at least 7 calendar days in advance.

Annex 4: Short-Term Segment

1. Eligible products

1.1. Product Specification

On BGH Market, Short-Term Segment, STSPs are offered pursuant to the requirements of Commission Regulation EU 312/2014 establishing a Network Code on Gas Balancing of Transmission Networks (NC BAL), as follows:

1.1.1. Next Hour (NH)

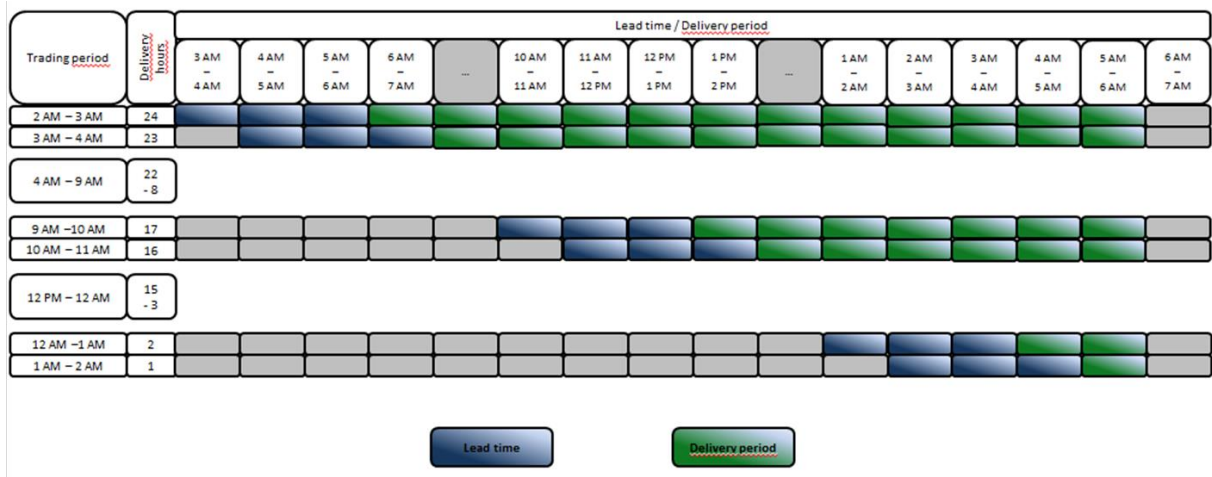
The next hour (NH) product is classified as a short-term intra-day product. Unless the classical rest of day product, it only allows delivery in one single hour. The parameters of the NH product are:

- ✓ Lead time: 3 hours from the next full hour after the trade
- ✓ Delivery time: 1 hour (according to lead time and maturity)
- ✓ Load Type: Base Load
- ✓ Price Unit: BGN/MWh
- ✓ Trade Mode: Continuous trading
- ✓ Minimum trade size: 1 MWh/h
- ✓ Trading hours: 24/7
- ✓ Price tick size: 0,05 BGN/MWh
- ✓ Maturity: next single 24 hours
- ✓ Delivery Points
 - VTP National Gas Transmission Network
 - VTP Gas Transmission Network for Transit Transmission
 - Each Locational Point (BTG initiator only)
- ✓ Contract size: hourly volume

1.1.2. Within-Day (WD)

This product is classified as a classical short-term intra-day product. It can also be called as a rest of day product. The delivery period lasts until the end of the current gas day. The parameters of the Within-Day (WD) product are shown as follows:

- ✓ Lead time: 3 hours from the next full hour after the trade
- ✓ Delivery time: remaining hours according to lead time until end of current gas day
- ✓ Load Type: Base Load
- ✓ Price Unit: BGN/MWh
- ✓ Trade Mode: Continuous trading
- ✓ Minimum trade size: 1 MWh/h
- ✓ Trading hours: 24/7
- ✓ Price tick size: 0,05 BGN/MWh
- ✓ Maturity: next single 24 hours
- ✓ Delivery Points
 - VTP National Gas Transmission Network
 - VTP Gas Transmission Network for Transit Transmission
 - Each Locational Point (Only TSO is as initiator)
- ✓ Contract size: hourly volume * remaining hours until end of gas day according to lead time



1.1.3. Day Ahead / Weekend / Individual Day / Holiday

The classical Day Ahead (DA) product is a short-term product with a delivery of 24 hours at the next working day. The difference to Weekend (WE), Individual Day (ID) and Bank Holiday (BH) products is a different delivery period. The parameters remain the same. These are:

Delivery time:

DA: Next working day from 07:00 a.m. EET/EEST (d+x) to 07:00 a.m. EET/EEST ((d+x)+1)

WE: Tradeable according to trading calendar usually on Fridays with delivery from 07:00 a.m. EET/EEST (d+1) to 07:00 a.m. (d+3) EET/EEST

Holidays next to a weekend (Mondays & Fridays) are included in WE product

ID:

offered according to trading calendar usually on Fridays:

Saturday: from 07:00 a.m. EET/EEST (d+1) to 07:00 a.m. EET/EEST (d+3)

Sunday: from 07:00 a.m. EET/EEST (d+2) to 07:00 a.m. EET/EEST (d+3)

For groups of foreign traders:

ID: from 07:00 a.m. EET/EEST (d+x) to 07:00 a.m. EET/EEST ((d+x)+1)

BH: from 07:00 a.m. EET/EEST (d+x) to 07:00 a.m. EET/EEST ((d+x)+1)

- ✓ Load Type: Base Load
- ✓ Price Unit: BGN/MWh
- ✓ Trade Mode: Continuous trading
- ✓ Minimum trade size: 1 MWh/h
- ✓ Trading hours: 24/7
- ✓ Price tick size: 0,05 BGN/MWh
- ✓ Delivery Points
 - VTP National Gas Transmission Network
 - VTP Gas Transmission Network for Transit Transmission
 - Each Locational Point (BTG initiator only)
- ✓ Contract size:

DA/ID/BH: hourly volume * 24 h

WE: hourly volume * 48 h (* 72 or 96 h when BH are included in WE)

The DA contract is listed as a rolling contract. That means that the DA product automatically switches the delivery time at a defined point of the day (04 a.m. D) EET/EEST (except Saturday, Sunday and connected HD) and changes to delivery at the next working day. The visible name of the product will always show "DA" and not the specific delivery date. This methodology is common standard throughout Western Europe and allows a better compatibility of trading at a later stage.

The products are shown in the order book as follows:

- ✓ Next hour: "Hourly"
- ✓ Within Day: "WD"
- ✓ Day Ahead: "DA"
- ✓ Weekend: "WE"
- ✓ Saturday: "Saturday"
- ✓ Sunday: "Sunday"
- ✓ Individual Days: "xxx DD/MM/YYYY" e.g. "Tue 30/04/2019"
- ✓ Bank holidays: written out name: e.g. "Labour Day" (Official holidays and weekends)

The DA/WE/ID/HO products are to be predefined in a yearly Trading Calendar and published on the website of the platform. BGH is to inform the MP prior to any upcoming ID and BH about the set of the available products and their delivery and trading periods.

1.1.4. Temporal Product

Temporal products are understood as standardized spot products that allow the individual setting of a delivery period within a gas day. These products are only to be used by the TSO for balancing purposes. By that means, Bulgartransgaz is initiator only, and admitted MPs are aggressors only.

- ✓ Lead time: 3 hours from the next full hour after the trade
- ✓ Delivery time: according to lead time from XX:XX x.m. (d) to XX:XX x.m. (d+X) within the current gas day
- ✓ Load Type: Base Load
- ✓ Price Unit: BGN/MWh
- ✓ Trade Mode: Continuous trading
- ✓ Minimum trade size: 1 MWh/h
- ✓ Trading hours: 24/7
- ✓ Price tick size: 0,05 BGN/MWh
- ✓ Delivery Points
 - VTP National Gas Transmission Network
 - VTP Gas Transmission Network for Transit Transmission
 - Each Locational Point
- ✓ Contract size: hourly volume * individual set of delivery hours

1.1.5. Available Delivery Areas

The above-mentioned products are available for the following delivery areas respectively locational points:

a) Virtual trading Points VTPs (Balancing Zones)

Each admitted trading user is allowed to initiate bid/ask orders and execute already visible

orders at both VTPs.



VTP National Gas Transmission Network

- 58Z--VTPN-NAT--1 21Y000000000026E



VTP Gas Transmission Network for Transit Transmission

- 58Z--VTPT-TRA--J 21Y000000000027C

b) Locational Points (LPs)

The access to LPs is restricted to shippers only. Paper traders are not allowed to participate since a shipping agreement between the MP and Bulgartransgaz needs to be in place.

Initiating at a LP is restricted to BTG only. Every admitted shipper is only allowed to aggress existing orders. In that means, LP are only available for balancing purposes of Bulgartransgaz. The following LPs are available:



Negru voda 1/ Kardam

- 21Z000000000159I



Negru voda 2,3/ Kardam

- 21Z000000000160X



Kulata/Sidirokastro

- 21Z000000000020C



Ruse/Giurgui

- 21Z0000000002798



GMS Chiren

- 21Z000000000349D



GMS Galata

- 21Z000000000375C



GMS Dolni Dabnik

21Z000000000374E

Annex 5: BGH TP User Manual

1. Trade Overview

This section of the MLTP is used for the identification of the own trades of a BGH Member. The BGH Member can identify the CP of each trade and also has the possibility to notify BGH about a cancelation of a trade. All trades of MPs are visible in their Trade Overview window. After the expiry of the cancelation window, the trade information is not anonymous anymore and a MP can see all CP information. It is possible to export the complete trade history of the own company in xml format.

The structure of that section is the following:



Unconfirmed trades (trades still possible to cancel; anonymous);



Confirmed trades (with CP information);



Cancelled trades.

Once a trade is concluded in the trading section, it is shown in the area for unconfirmed trades. No CP information is shown yet. After the expiry of the deletion time, a trade is automatically moved into the area for confirmed trades and CP information is available.

In that area for confirmed trades it is possible to have a customized selection of following criteria:



Timeline;



Delivery Area/Point;



Product;



Counterparty;

All trades can be exported into xml and pdf format.

1.2. Order Book

The order book is the place of trading and is situated in the trading platform menu that is only accessible by trading users. The order book is generally built up as a matrix where columns represent the delivery area and lines represent the deliverable products (as shown in the example below).

Columns

The columns always display the respective delivery areas. A further separation inside the column is needed for the purpose of trading.



Bid Section (MPs offer their willingness to buy natural gas):

- Bid Volume: The hourly volume of the bid order
- Bid Price: The price per MWh at which the MP is willing to buy



Ask Section (MP offer their willingness to sell natural gas):

- Ask Volume: The hourly volume of the ask order
- Ask Price: The price per MWh at which the MP is willing to sell



Trade information Section:

- Last Price: The price of the latest trade in the respective product.
 - Open Price: The price of the first trade of the current trading day
 - High Price: The highest price of a trade during the current trading day
 - Low Price: The lowest price of a trade during the current trading day
 - Total Quantity: The cum. traded volume of the current trading day
- In order to see the trade information section, a click on a symbol will make the above-mentioned information visible.

Lines

The lines always show the products and the respective orders. The order of products is classically from the earliest to the latest product, including a priority and liquidity of products. The order of products in the order book is as follows:



Next hours



Within Day



Day Ahead



Weekend



Individual Day



Bank Holiday

For better visibility and overview, only the best bid/ask orders are shown permanently at the screen. If a trading user wishes to see the whole market depth (all orders available), a click on a symbol makes all orders visible and available for trading.

Example of an order book

	Delivery Area							
	Bid Qty	Bid	Ask	Ask Qty	Last	Open	High	Low
NH								
WD	500	40,00	43,00	150	40,05	38,95	40,05	38,85
DA	60	41,00	41,02	120	41,01	42,00	42,00	41,01
	22	40,95	41,05	60				
	37	40,80	41,20	30				

W E								
--------	--	--	--	--	--	--	--	--

The Order Book and Transactions are anonymous.

2. User Role Types

The MLTP gives access to several user types that have access to different sections and different functionalities (access permissions). Access permissions are given via a role model that can be adjusted accordingly.

2.1. BGH User (BGH Administration)

Users from BGH ("**BGH Users**") have a special view that supports them in monitoring the functionality of the MLTP. BGH Users can see all (un)confirmed trades and with the use of a traffic sign system, they can monitor the status of a trade. A BGH User is an authorized representative of BGH and is able to see trade information and overview of trading activity on the TP.

This role is introduced for administration and surveillance purposes and has the following available sections:

- ✓ Trading platform as read-only company view possible;
- ✓ Risk Management as read only (can have the permission to manually change the limits and permissions on behalf of the customer);
- ✓ Market Data;
- ✓ Trading Overview with special view for monitoring the status of trades;
- ✓ Access to the REMIT data – all report files generated by the platform and submitted to ARIS and all return receipts provided by ARIS;
- ✓ MLTP has a functionality that allows the platform administrator (being a BGH User) to select to which MPs (all MPs or particular MPs) REMIT data to be provided.

2.2. Trading User – authorized representative of a registered trading partner/MP

This type of user mainly has access to the TP and Trade Overview section. Trading Users are the only users allowed to cancel trades in the trade overview sections.

There are three different roles for Trading Users:

- ✓ VTP User: This role allows to access both VTPs and trade (initiate/aggress) in all products except for the temporal products (aggressor only). This type of role can be used by every MP incl. shippers, but is the only possibility for paper traders to access the MLTP.
- ✓ Locational Point User: This role allows to access and trade at all Locational Points ("**LP**") as aggressor only. Accessing LP requires an existing shipper agreement with BTG. No paper traders are allowed for that role.
- ✓ TSO user: This user is allowed to access every VTP and all LPs as initiator and aggressor. It is also the only user role to initiate temporal products at every delivery area/point. That role is only used for BTG in their role as TSO.

2.3. Risk Management User – authorized representative of a registered trading partner/MP

This role is permitted to set risk control measures on the MLTP. The Risk Management User is exclusively entitled to access the risk management section (the only other user type entitled to access this section is the BGH User).

2.4. Read Only user – authorized representative of a potential or existing trading partner

Market Participants that are not yet admitted for trading at the MLTP have the possibility to have a first insight into the trading platform section. This role is also used to give persons of an admitted MP the possibility to simply view the screen and activity in the market. The read only role allows access to the Trading platform.

2.5. Back Office user – authorized representative of a registered trading partner/MP

This type of role is used for users of admitted market participants to access the trades executed by its own company for further financial settlement. Furthermore, market data is available for that role type. This role has access to the following sections of the MLTP:

- ✓ Trade Overview section without deletion possibility
- ✓ Market Data section
- ✓ Access to REMIT data (submitted to ARIS) for the transactions in which the relevant MP took part.

3. Registration on MLTP

3.1 Registration on MLTP for MPs

The information required for MP registration on MLTP are listed below:

- ✓ Company name;
- ✓ ACER code;
- ✓ EIC code;
- ✓ VAT code;
- ✓ Uniform ID code;
- ✓ Head office address (city, post code, street, country);
- ✓ Company representative name;
- ✓ Company representative email;
- ✓ Company representative telephone;
- ✓ Contact person name;
- ✓ Contact person representative email;
- ✓ Contact person representative telephone;
- ✓ Bank account data (account keeping financial institution, IBAN, SWIFT code);
- ✓ Role at MLTP (VTP User, Locational Point User, TSO User or Read only User).

3.2. Users Registration on MLTP for All User Types

The information required for Users registration on MLTP are listed below:

- ✓ Name;
- ✓ Position;
- ✓ Office telephone number;
- ✓ Mobile phone number;
- ✓ Correspondence address;
- ✓ User Role (Trading user, Risk management user, Back office user or Read-only user).

4. Technical Access Rules

4.1. Configuration, licenses and support

4.1.1. Minimum Required Configuration of the BGH Member's Equipment

BGH Members shall have the following hardware and software.



Operational System One of the followings:

- Microsoft Windows Vista Business;
- Microsoft Windows 7.



Processor: 2 GHz Pentium class Intel Dual Core or equivalent processor



Memory: at least 2 GB RAM, 100 MB of free Hard Disk space



Software: Internet Explorer version 6 or higher



MS Excel 2007, 2010, 2013 (MS Excel Viewer is not supported)



Network requirements:

- Stable Internet connection
- Minimum connection speed of 256 Kbit/s or higher recommended
- All traffic is encrypted

4.1.2. Operational and technical documentation

BGH shall provide BGH Members with the User Guide documenting the use of BGH's trading platform Web Access in detail. Updates to the User Guide are published by BGH on its website when necessary.

4.1.3. Operational support

To facilitate such communication and meet BGH Member demands, BGH provides an operational support service that may be reached by telephone. The phone number and the availability hours are communicated via a Market Notice.

4.2. Communications

4.2.1. Normal procedure

	Transmission of Orders	Publication of Transactions
Schedule	Every business day	Continuously
Sender	Members	BGH
Receiver	BGH	Members
Information sent	Price	Reference Prices
	Contracts	Volumes
	Quantity	Open interest / Traded volume
Primary system used	Trading platform	Trading platform
Secondary system used	E-mail	E-mail

4.2.2. Fallback procedures

Upon the occurrence of technical problems:



The BGH Member(s) affected shall immediately notify BGH according to modalities specified in a Market Notice of problems entering, sending or receiving data from the trading system;



Conversely, BGH shall notify its Members of any general disruption of its systems according to modalities specified in the corresponding Market Notice.

If the trading system is not available:



Orders can be sent by email, if the email is received by BGH as set forth in the Market Notice 10 minutes before the end of the Open Trading Session. Such orders will be entered into the system after identification of the Trader concerned;



In such cases, and if BGH decides to maintain the Trading, Orders will then be entered manually, on behalf of the BGH Members, by BGH. Such Orders shall be binding for the BGH Members. BGH shall not be liable for mistakes in such cases except if they are intentional or the result of gross negligence.

5. Prices

5.1. Reference Prices

The reference price will be published for all products. The system will automatically signal the Market Surveillance Unit in case of transactions at a price below or above the reference price for the relevant day + - a BGH rate set in the range of 5 to 15% in view of preventing possible market manipulations and errors.

The minimum, maximum and last traded prices will be published on a continuous basis.

5.2. Methodology of Reference Price Determination

BGH publishes End of Day (EOD) type reference prices. The method for establishing BGH reference prices is described in the relevant Market Notice published by BGH.

5.3. Marginal Prices

The marginal prices for the respective gas day are calculated as a combination of all title products of both Virtual Trading Points:

- ✓ National Gas Transmission Network
- ✓ Gas Transmission Network for Transit Transmission

There are always two marginal prices calculated:

- ✓ Natural gas price from balancing in case of positive imbalance P_{NGB}^P
- ✓ Natural gas price for balancing in case of negative imbalance P_{NGB}^N

The Marginal prices are always calculated of all trades in all title products at both VTPs concerning a gas day. That means that the marginal price could be first created from the DA/Weekend product and can change via time with trades at the WD and NH product until final marginal prices are found.

The marginal prices are calculated as follows:

Natural gas price from balancing in case of positive imbalance P_{NGB}^P of the day D is equal to the lower of the following values:

- the lowest price of all trades where the TSO is a party for the relevant gas day
- the value generated according to the formula (min. of 3 trades):

$$\frac{\sum_i^n P_i \cdot V_i}{\sum_i^n V_i} - SA \cdot \frac{\sum_i^n P_i \cdot V_i}{\sum_i^n V_i}$$

where:

P_i – price reported as per the i^{th} trade for the day BGN/MWh

V_i - volume reported of the i^{th} trade for the day MWh

SA – small adjustment (currently 8%, parameter is changeable at the platform by BGH user, setting the % and time period)

Natural gas price for balancing in case of negative imbalance P_{NGB}^N for the day D is equal to the higher of the following values:

- the highest price of all trades where the operator is a party for the relevant gas day
- the value generated according to the formula (min. 3 trades):

$$\frac{\sum_i^n P_i \cdot V_i}{\sum_i^n V_i} + SA \cdot \frac{\sum_i^n P_i \cdot V_i}{\sum_i^n V_i}$$

where:

P_i – price reported as per the i^{th} trade for the day BGN/MWh

V_i - volume reported of the i^{th} trade for the day MWh

SA – small adjustment (currently 8%, parameter is changeable at the platform by BGH user,

setting the % and time period)

In case of non-performance of 3 transactions with cumulative volume no less than 300 MWh and the TSO has not concluded any transactions, the BAL NC Article 22, paragraph 4 applies and the prices shall be determined as follows:

- Natural gas price for balancing in case of positive imbalance

$$P_{NGB}^P = P_{pp} - SA \cdot P_{pp}$$

- Natural gas price for balancing in case of negative imbalance

$$P_{NGB}^N = P_{pp} + SA \cdot P_{pp}$$

where:

P_{pp} – natural gas selling price as approved to the public provider to sell natural gas to end suppliers and clients, connected to the gas transmission network, applicable for the relevant day, where the capacity and commodity price is not included. P_{pp} fixed price by NRA, changeable by BGH with a certain time period.

SA – small adjustment (currently 8%, parameter is changeable at the platform by BGH user, setting the % and time period)

5.4. Settlement Prices

The daily spot settlement price is calculated as a combination of both Virtual Trading Points:



National Gas Transmission Network



Gas Transmission Network for Transit Transmission

The settlement price is calculated on the respective trades executed on the DA and WE products during the trading window on both VTPs. There shall be the following approach to calculate daily settlement prices:

Calculation when 3 or more trades were concluded:

If three or more trades were concluded for the respective product during the trading window, the “volume weighted average price” (VWAP) of these transactions will be defined as the settlement price. Cancelled trades are not taken into consideration.

$$SP = \frac{\sum_{i=1}^z (Close_i * Volume_i)}{\sum_{i=1}^z Volume_i}$$

SP	...	Settlement Price	[BGN/MWh]
Close	...	price of a trade	[BGN/MWh]
Volume	...	volume of a trade	[MWh]
z	...	number of trades	

Calculation when fewer than 3 trades were concluded:

DA Settlement Price = EoD Marginal Price (on DA basis)

5.5. Rules of establishing the Daily Imbalance Charge

Based on the transactions conducted with the aim of balancing, Imbalance Charges are established for each gas day.

BTG publishes the established imbalance charges in accordance with NC Bal Chapter V. and the relations between BGH Members and BTG are governed by conclusion of a Balancing contract and VTP participation contract, proposed by BTG according to the applicable TSO rules, the national and European legislations.

5.6. Application of Pricing Rules

BGH cannot be held liable for any loss resulting from applying the Pricing Rules, any inaccuracy in the published Reference Prices, or the adjustments or changes or any other act or omission to act. BGH will be the sole proprietor of all rights relating to the composition and method of computation of the Reference Prices.

BGH forwards information to BTG only to the extent necessary for the calculation of the Daily Imbalance Charge while maintaining anonymity and keeping business secrets confidential. BTG is not allowed to communicate the forwarded information to third parties without the prior written approval of BGH. BGH cannot be held liable for any loss resulting from the Daily Imbalance Charges.

BGH cannot be held liable for any loss resulting from applying the Pricing Rules, any inaccuracy in the published reference prices, or the actual adjustments or changes or any other act or omission to act.