



**Auction for the purchase of energy to cover losses on the
transmission system in the years
2017, 2018 and 2019**

Rules of auction

Ljubljana, 20 October 2016

ELES, Ltd. hereby publishes the following

Rules for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019

1. Article

In line with the provisions of Article 54 of the Energy Act (official consolidated text – Official Gazette of the Republic of Slovenia, no. 17/2014), ELES, Ltd. (ELES or the Buyer) is obliged to buy electricity to cover losses on the transmission system.

For this purpose ELES in cooperation with BSP Regional Energy Exchange LL C (BSP) shall conduct an auction for the purchase of energy to cover losses on the transmission system (hereinafter: auction), at which bids for the supply of electricity to cover losses shall be collected. In line with the provisions of these Rules, ELES shall select one or more bidders with whom it shall enter into a contract for the supply of electricity to cover losses on the transmission system in the years 2017, 2018 and 2019.

1 SUBJECT OF THE AUCTION

2. Article

The subject of the auction is the following product:

1. Product: 11 MW Base Load - 2017

The base product is a standardized band energy product for the physical delivery of electricity on the Slovenian transmission system, whose supply shall begin on 1st of January 2017 at 00.00 h and end on 31st of December 2017 at 24.00 h.

2. Product: 10 MW Base Load - 2018

The base product is a standardized band energy product for the physical delivery of electricity on the Slovenian transmission system, whose supply shall begin on 1st of January 2018 at 00.00 h and end on 31st of December 2018 at 24.00 h.

3. Product: 10 MW Base Load - 2019

The base product is a standardized band energy product for the physical delivery of electricity on the Slovenian transmission system, whose supply shall begin on 1st of January 2019 at 00.00 h and end on 31st of December 2019 at 24.00 h.

3. Article

The supply of electric power relates to supply in Slovenia, by which acquisition of cross-border transmission capacities is exclusively the supplier's obligation.

2 AUCTION

2.1 AUCTION PARTICIPANTS

4. Article

ELES participates in the auction as the buyer, who is responsible for covering losses on the transmission system in line with the Energy Act and implementing regulations.

5. Article

Participation in the auction is open to all legal entities and natural persons who, under the decree regulating the mode of performing the commercial public service for the organization of the electricity market in Slovenia, have concluded a balance agreement or a contract for the settlement of imbalances with the balance responsible party.

6. Article

The Buyer reserves the right to cancel the auction, if at least three (3) participants do not participate in the auction for each individual year of delivery with a complete application or bid or in any other case where the Buyer assesses that the purpose of the auction has not been achieved.

2.2 APPLICATION FOR PARTICIPATION IN THE AUCTION

7. Article

The application for participation in the auction has to include:

1. **Basic data on the participant and authorized auction representatives** (Annex No. 1).
2. **Requested evidence of fulfilled requirements** (Annex No. 2).
 - 2.1. **Regular extract from the court register or an extract from the Slovenian Business Register (AJPES)**, which includes the most recent changes (extract data should not be older than ninety (90) days). If the judicial authorities in the country where the auction participant has its registered office do not issue such certificates, the participant shall replace the said certificate with the certificate of another competent authority.
 - 2.2. **Confirmation from the judicial records** stating that the participant is not in a bankruptcy, liquidation or compulsory composition procedure (extract data should not be older than thirty (30) days).
 - 2.3. **Certificate of proof of authorisation granted** to the signatory of the application and later of the contract in cases where the signatory is not a director (authorisation date should not be older than ninety (90) days).
3. **Bid Bond** (Annex No. 3) in the value of 7.000 EUR/MW:
The Bid Bond must be valid until 16 December 2016.
The contents of the bank guarantee are to be the same as the content of Annex No. 3. It has to be issued by Slovenian Bank.
4. **Declaration** of the participant stating that, prior to signing this declaration, it was familiarized and agrees with the Rules (Annex No. 4);
5. **Sample contract** containing missing data about the participant, **initialled on** each page and certified with the participant's stamp (Annex No. 6);
6. **Sample of Performance Bond** (Annex No. 5) initialled by participant and certified with the participant's stamp.

The documents provided by the participant are to be submitted as original copies or as certified copies. The certification is to be performed by a notary public or other competent authority.

The application for participation in the auction is to be sent in the prescribed form: "**Auction Application for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019**", which was enclosed hereto as Annex No. 1.

Participants are to deliver their applications by registered mail to the following address: **ELES, Ltd., Hajdrihova ulica 2, 1000 Ljubljana, in sealed envelope with the inscription "LOSSES – DO NOT OPEN"**, or in person to the mail room on the 3rd floor of the building. An application shall be deemed duly submitted if delivered to the mail room by Monday, **7 November 2016 at 13.00 h** at the latest.

Applications that are not submitted in line with the previous paragraph shall be rejected by ELES and returned to the sender.

8. Article

In case of an incomplete application, ELES reserves the right to invite the auction participant concerned to complete the application. ELES will inform the auction participant of an incomplete application by e-mail within 24 hours after the deadline for application to the auction specified in Article 7 of these Rules. The auction participant is to complete the application within 48 hours after receiving notification of its incomplete application. ELES may request that the participant provides additional information or evidence to substantiate the application.

On the basis of a complete application, ELES shall issue to the auction participant, via e-mail within 24 hours, relevant confirmation of its inclusion in the auction. If after the invitation to complete the application the application is still not complete till the deadline mentioned in notification, ELES shall issue to the participant notice of rejection of the right of participation in the auction.

9. Article

Participation in the auction is open to all bidders whose inclusion in the auction has been confirmed (hereinafter: Auction Participants) in accordance with Article 8 of these Rules. In accordance with the recognized right to participate in the auction BSP shall send all Auction Participants the username and password for access to the trading platform.

2.3 CONDUCTING THE AUCTION

2.3.1 TIME OF AUCTION AND BIDDING

10. Article

Submission of bids in the auction is via Euro Market trading platform of BSP. Access to the platform is via an Internet browser with a valid username and password. Access is allowed only to participants who have been recognized as participants in accordance with Article 8.

11. Article

Testing of access and bidding in the platform will take place on Thursday, 10 November 2015 from 10:00 to 11:00.

12. Article

Collection of bids for the auction will take place on Wednesday, **16 November 2016 from 8:00 h till 10:00** via the BSP trading platform. The auction will be held simultaneously for all three products or years of supply. Auction participants make separate bids for each year of delivery.

Tenderers may at the time of collection of the bids submit the bids for each year of delivery in a way that they enter the bid for each delivery year with selected amount of MW and the price of EUR/MWh rounded to two (2) decimal places. Bids submitted outside the prescribed time for collection of bids are invalid.

13. Article

All valid bids received shall be entered in the book of bids. The order of bids in the book of bids shall be determined according to the »lowest price« criterion per year, where bids with lower prices per individual year are given priority.

In the event of several bids with the same price, the bid with older time stamp will have priority.

14. Article

All valid bids entered in the book of bids shall be deemed as valid until the receipt of official notice of auction results. Official notice shall be deemed as notice given by the buyer in accordance with Article 17 of these Rules. The bid of the selected participants for an individual year of delivery shall be valid until a relevant contract is signed.

15. Article

BSP South Pool monitors the entire process of execution of the auction and ensures that the process is conducted in accordance with these Rules and other relevant legislation. ELES has in the course of the auction the right to shorten or extend the duration of the auction, or temporarily or permanently suspend the auction if it considers that it is necessary for the correct execution of the auction. In the event of suspected breach of these Rules and/or other legislation ELES may eliminate individual Auction participant from the auction or cancel already accepted bids of this Auction Participant.

ELES has to inform Auction participant of such measures by e-mail as soon as possible.

Any behaviour of participant that has the purpose or effect of interference the auction process or inadmissible influence on its outcome, is considered a serious breach of these Rules, which results in the elimination of participant from this auction and cancelation of already accepted bids of this participant.

2.4 DETERMINATION AND PUBLICATION OF AUCTION RESULTS

16. Article

Selected bids are bids with the lowest price EUR/MWh for each individual year of delivery where the last partially or fully accepted bid sets the price at the auction (marginal price).

If the sum of submitted bids for individual participant exceeds the amount of the Bid Bond, the bids of this participant with the highest offered price will be erased from the book of bids one by one. The process of deletion of bids continues until fulfilment of the adequate cover criteria is fulfilled. For adequate cover criteria the 7.000 EUR for 1 MW per year is taken. From the book of bids, the individual bids for the year 2017 will be erased first. If this is not enough the individual bids for the year 2018 will be deleted next and at the end the individual bids for 2019 will be erased.

17. Article

ELES shall, at latest two (2) days after conclusion of the auction, notify the auction participants of the official results of the auction and send them confirmations of selection. The selected auction participants shall, on the basis of relevant confirmations of selection, sign contract for the purchase and supply of electricity to cover losses in selected year of delivery.

18. Article

ELES shall publish the official auction results on its web pages at latest two (2) days after the conclusion of the auction, specifying:

- the realized quantity of energy,
- the aggregate bid curve obtained on the basis of valid sales bids for each year of delivery.

19. Article

ELES has the right to cancel the auction in any phase thereof. If the auction is cancelled after conclusion of the auction, the activities applied to the cancelled part of the auction and specified in the previous two Articles of these Rules shall not be performed.

3 EXCLUSION OF LIABILITY OF AUCTION OPERATOR

20. Article

ELES shall not be held liable for any direct or indirect damage resulting from:

1. a participant's inability to participate in the auction or any failure to attend the auction,
2. late submission of a bid,
3. an auction participant's error in submitting the bid,
4. cancellation of the auction.

4 DISPUTES

21. Article

In case of any disputes arising from different interpretations of the provisions of these Rules, the Slovenian version of the document shall prevail.

5 CONTRACTUAL RELATIONSHIPS

22. Article

The selected auction participant shall, at the time of contract signature, submit a performance bond (Annex No. 6) as a condition for the validity of the contract in the amount of: 50,000.00 EUR/MW for each selected MW of base load product of an individual year of delivery, as a condition for the validity of the contract.

The minimum validity date for the bid bond shall be:

- 28 February 2018 if the Participant is the selected supplier also or only for 2017;
- 28 February 2019 if the Participant is the selected supplier also or only for 2018;
- 29 February 2020 if the Participant is the selected supplier also or only for 2019.

The selected Participant may submit the performance bond once or separately for each year of delivery. The contents of the bank guarantee are to be the same as the contents of Annex No. 6 and it has to be issued by a Bank located in Slovenia.

ELES shall in three (3) calendar days after the conclusion of the auction enter into a Contract sample (Annex no. 7) selected supplier/s in accordance with the selected bids and send it to selected supplier/s in the signature. If the selected supplier does not return signed contract and required performance bond to the Buyer in ten (10) days, ELES can exercise a Bid Bond.

Annex No. 1: Application for the auction of electricity supplier for long-term covering of losses on the transmission system in the years 2017, 2018 and 2019

Auction application for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019

The participant is hereby submitting an application to participate in the auction for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019 organized by ELES, Ltd.

The mutual relations between auction participant and the auction organizer are regulated in accordance with the Rules for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019.

BASIC DATA ON PARTICIPANT

Participant's full name	
Participant's address	
Place/postal code	
Country	
Phone number	
Fax	
E-mail	
Participant's tax number	
Participant's registration number	
Transaction account number and bank branch	
Person in charge of accession contract signature – name and surname	

AUTHORISED AUCTION REPRESENTATIVES

Name and surname	Phone number	Fax	E-mail	Signature

Annex No. 2: Required evidence of fulfilled terms

REQUIRED EVIDENCE OF FULFILLED TERMS:

- **Regular extract from the court register or an extract from the Slovenian Business Register (AJPES)**, which includes the most recent changes (extract data should not be older than ninety (90) days). If the judicial authorities in the country where the auction participant has its registered office do not issue such certificates, the participant shall replace the said certificate with the certificate of another competent authority.
- **Confirmation from the judicial records** stating that the participant is not in a bankruptcy, liquidation or compulsory composition procedure (extract data should not be older than thirty (30) days).
- **Certificate of proof of authorisation** granted to the signatory of the application and later of the contract in cases where the signatory is not a director (authorisation date should not be older than ninety (90) days).

The required evidence is to be enclosed in the original or notary-certified copy. The certification is to be performed by a notary public or other competent authority.

Annex No. 3: Bid Bond

BID BOND

Form of Demand Guarantee under URDG 758

[Guarantor Letterhead or SWIFT identifier code]

To: ELES, d.o.o., Hajdrihova 2, 1000 Ljubljana, Slovenia
Date: (Insert date of issue)

TYPE OF GUARANTEE: (Specify tender guarantee, bid bond, etc.)

GUARANTEE NO. (Insert guarantee reference number)

THE GUARANTOR: (insert name and address of Guarantor of place of issue)

THE APPLICANT: (Insert name and address)

THE BENEFICIARY: ELES, d.o.o., Hajdrihova 2, 1000 Ljubljana, Slovenia

THE UNDERLYING RELATIONSHIP: The Applicant's obligation in respect of (insert reference number or other information identifying the contract, tender conditions or other relationship between the applicant and the beneficiary on which the guarantee is based). According to the conditions of the above mentioned(insert reference number or other information identifying the contract, tender conditions or other relationship between the applicant and the beneficiary on which the guarantee is based), the Applicant should provide the Beneficiary with a (specify tender guarantee, bid bond, etc.), in the amount of (insert in figures the amount and the currency).

GUARANTEE AMOUNT AND CURRENCY:..... (insert in figures and words the maximum amount and the currency in which is payable)

ANY DOCUMENT REQUIRED IN SUPPORT OF DEMAND FOR PAYMENT, APPARENT FROM THE SUPPORTING STATEMENT THAT IS EXPLICITLY REQUIRED FROM THE TEXT BELOW: none

LANGUAGE OF ANY REQUIRED DOCUMENTS: English

FORM OF PRESENTATION: paper form with registered mail or any type of express mail

PLACE OF PRESENTATION:(Guarantor to insert address of branch where a paper presentation is to be made or, in case of an electronic presentation, an electronic address such as the Guarantor's SWIFT address. If no place of presentation is indicated in this field, the Guarantor's place of issue indicated above shall be the Place of presentation).

EXPIRY: DD.MM.YY (insert date stated in the auction documents)

THE PARTY LIABLE FOR THE PAYMENT OF ANY CHARGES:(insert the name of the Applicant)

As a Guarantor we hereby irrevocable undertake to pay the Beneficiary any amount up to the Guarantee Amount upon presentation of Beneficiary's complying demand, in the form of presentation indicated above, supported by such other documents as may be listed above and in any event by the Beneficiary's statement, whether in the demand itself or in separate signed document accompanying or identifying the demand, indicating in what respect the Applicant is in breach of its obligations under the Underlying Relationship.

Beneficiary's statement must state that the Applicant:

- has withdrawn its offer/bid during the tender period, or
- has inadmissible updated offer/bid at the time of its entry into force, or
- while it was declared the successful bidder, the Applicant did not sign the contract corresponding to its offer/bid and/or failed to provide the guarantee(s) in accordance with the terms of the auction.

Any demand for payment under this Guarantee must be received by us on or before Expiry at the place for presentation indicated above.

Any disputes concerning this guarantee shall be settled by the competent court in Ljubljana under Slovenian law.

This guarantee is subject to the Uniform Rules for demand Guarantees (URDG) 2010 revision, ICC Publication No. 758.

The Guarantor
(Signature and stamp)

Annex No. 4: Declarations

DECLARATIONS

The participant to the auction for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019 _____ (company name), hereby declares the following:

1. That, prior to signing this declaration, it was made aware of, and agrees with, the Rules for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019.
2. That all data provided in this application and in the annexes quoted therein are true and accurate, and that it fulfils all the legally prescribed conditions for performing the activities being the subject of this auction.
3. I agree that ELES, Ltd. may, whenever deemed necessary, carry out the necessary inquiries with competent bodies and acquire data from competent records. The data acquired is to be used exclusively for the needs of ELES, Ltd.
4. I agree with the contents of the enclosed sample contract, which I confirm with initials and an official stamp. In the event that I am selected, I commit myself to conclude a contract with the same contents within ten (10) days after conclusion of the auction.

Place: _____ Date: _____

Signature: _____

Stamp:

Annex No. 5: Performance Bond

PERFORMANCE BOND

Form of Demand Guarantee for performance bond under URDG 758

(Guarantor Letterhead or SWIFT identifier code)

To: ELES, d.o.o., Hajdrihova 2, 1000 Ljubljana, Slovenia

Date:*(Insert date of issue)*

TYPE OF GUARANTEE: performance bond

GUARANTEE NO.:*(Insert guarantee reference number)*

THE GUARANTOR:..... *(insert name and address of Guarantor of place of issue)*

THE APPLICANT:*(Insert name and address)*

THE BENEFICIARY: ELES, d.o.o., Hajdrihova 2, 1000 Ljubljana, Slovenia

THE UNDERLYING RELATIONSHIP: The Applicant's obligation in respect of (insert reference number or other information identifying the contract, tender conditions or other relationship between the applicant and the beneficiary on which the guarantee is based) in contract value _____ EUR. With the contract concluded on _____ (date) between the Applicant and the Beneficiary the Applicant committed to supply _____. The Applicant is obliged to provide (according to the Article ____ of the Contact) to Beneficiary a guarantee for the proper performance of contractual obligations in the amount of_____.

GUARANTEE AMOUNT AND CURRENCY (insert in figures and words the maximum amount and the currency in which is payable)

ANY DOCUMENT REQUIRED IN SUPPORT OF DEMAND FOR PAYMENT, APPARENT FROM THE SUPPORTING STATEMENT THAT IS EXPLICITLY REQUIRED FROM THE TEXT BELOW: none

LANGUAGE OF ANY REQUIRED DOCUMENTS: English

FORM OF PRESENTATION: Insert paper form with registered mail or any type of express mail

PLACE OF PRESENTATION..... (Guarantor to insert address of branch where a paper presentation is to be made or, in case of an electronic presentation, an electronic address such as the Guarantor's SWIFT address. If no place of presentation is indicated in this field, the Guarantor's place of issue indicated above shall be the Place of presentation).

EXPIRY: DD.MM.YY (insert date stated in the auction documents)

THE PARTY LIABLE FOR THE PAYMENT OF ANY CHARGES (insert the name of the Applicant)

As a Guarantor we hereby irrevocable undertake to pay the Beneficiary any amount up to the Guarantee Amount upon presentation of Beneficiary's complying demand, in the form of presentation indicated above, supported by such other documents as may be listed above and in any event by the Beneficiary's statement, whether in the demand itself or in separate signed document accompanying or identifying the demand, including in what respect the Applicant is in breach of its obligations under the Underlying Relationship.

Any request for payment under this guarantee must be received on the validity of warranty or before at the above-mentioned place of submission.

Any disputes concerning this guarantee shall be settled by the competent court in Ljubljana under Slovenian law.

This guarantee is subject to the Uniform Rules for demand Guarantees (URDG) 2010 revision, ICC Publication No. 758.

The Guarantor
(Signature and stamp)

Annex No. 6: Sample Contract for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019

CONTRACT SAMPLE

CONTRACT No. _____

for the purchase of energy to cover losses on the transmission system in the years 2017 and/or 2018 and/or 2019

concluded between:

ELES, Ltd.

Hajdrihova ulica 2
1000 Ljubljana
Slovenia

represented by CEO Aleksander Mervar.
VAT Number: SI20874731

hereinafter referred to as **ELES**, or **the Buyer**,

and

SUPPLIER

_____,
Address _____,
Place _____,
Country _____,
represented by _____,
VAT Number: _____,

hereinafter referred to as _____, or **the Supplier**,

or jointly as **the Parties**.

RECITALS

With the conclusion of the Contract for the purchase of energy to cover losses on the transmission system in the years 2017 and/or 2018 and/or 2019 (hereinafter: the Contract) the Buyer fulfils its obligations laid down by national legislation, under which the Buyer is responsible for covering losses on the transmission network.

The Supplier undertakes to deliver to the Buyer the requested quantity of electricity in the contractual period in accordance with the provisions of this Contract. The delivery of electricity relates to delivery in Slovenia.

**1. Article
Subject of Contract**

The subject of this Contract is the delivery of electricity for long-term covering of losses on the Slovenian transmission network in the period from _____. The Supplier undertakes to deliver, within the contractual period, electricity to the Buyer in the quantities defined in the Article 2 and at the price defined in the Article 3 of this Contract.

2. Article Characteristics of Delivered Electricity

The delivery of electricity shall have the following characteristics:

- a) _____ MW of base load electricity for the period from 1 January 2017 from 00:00 to 31 December 2017 until 24:00;
- b) _____ MW of base load electricity for the period from 1 January 2018 from 00:00 to 31 December 2018 until 24:00,
- c) _____ MW of base load electricity for the period from 1 January 2019 from 00:00 to 31 December 2019 until 24:00

3. Article Contract Price

- a) The price for the base load energy in the year 2017 under point a) **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereof, expressed in EUR for each MWh, is: _____ EUR/MWh for the whole contractual period,
- b) The price for the base load energy in the year 2018 under point b) **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereof, expressed in EUR for each MWh, is: _____ EUR/MWh for the whole contractual period,
- c) The price for the base load energy in the year 2019 under point b) **Napaka! Vira sklicevanja ni bilo mogoče najti.** hereof, expressed in EUR for each MWh, is: _____ EUR/MWh for the whole contractual period.

Prices do not include VAT.

4. Article Payment Terms & Conditions

The Supplier shall issue an invoice to the Buyer for the total quantity of delivered electricity until the 5th day of each month for the previous month, which corresponds to the quantities defined in Article 2 and prices defined in Article 3 of this contract.

The Buyer shall settle an invoice within thirty (30) days after the date of issue of a relevant invoice by making payment to the bank account specified in the invoice. A copy of the invoice is to be sent to Buyer by fax, and the original invoice is to be sent subsequently by post.

In case of any delay in payment, the Buyer shall pay to the Supplier default interest in an amount equal to the relevant monthly EURIBOR rate (as determined by Reuters or its equivalent on the first working day of the respective month) plus two (2) percentage points (calculated on a per-annum basis). Default interest shall be charged monthly from the date when payment was due to the date when payment is received.

5. Article Non-delivery or Non-takeover of Electricity

If the Supplier fails to deliver all or part of the contractual quantity, and such failure is not the consequence of force majeure specified in Article 8 hereof, the Buyer shall have the right to charge the Supplier a penalty for undelivered electricity in the amount of the undelivered (missing) electricity multiplied by the difference between the price of the substitute purchase (if higher) and the contractual price and multiplied by the factor

1,3. The price of the substitute purchase is equal to the price set at auction trading for the Slovenian market on the BSP Regionalna Energetska Borza d. o. o. in the corresponding day and hour.

If the Buyer fails to take all or part of the contractual quantity and such failure is not the consequence of force majeure specified in Article 8 hereof, the Supplier shall have the right to charge the Buyer a contractual penalty for the not-taken quantity of electricity in the amount of the not-taken electricity multiplied by the difference between the contractual price and the price of substitute sale (if lower) and multiplied by factor 1,3. The price of substitute sale is equal to the price set at auction trading for the Slovenian market on the BSP Regionalna Energetska Borza d. o. o. in the corresponding day and hour.

The parties shall issue an invoice for the total quantity of undelivered/not-taken-over electricity until the 5th day of each month for the previous month. The parties hereto shall make payment of any invoice issued in accordance with the provisions of this Article within thirty (30) days after the date of issue of a relevant invoice.

6. Article Performance Bond

The Supplier shall, at the time of signature of this Contract, deliver to the Buyer a Performance Bond in the value of EUR _____ (in words: _____), (in line with Article 22 of the Rules for the purchase of energy to cover losses on the transmission system in the years 2017, 2018 and 2019) with a validity date of _____, as a condition for the validity of the contract.

The Buyer shall be entitled to exercise a Performance Bond in the full amount if the Supplier fails to fulfil its obligations in the agreed quality, quantity or deadlines. An Exercised Performance Bond shall be replaced immediately by a new one by the Supplier. If this is not the case, the Buyer has the right to unilaterally terminate the Contract without incurring a penalty.

7. Article Applicable Law

The parties hereto undertake to settle any disputes arising from this Contract by mutual agreement. Any difficulties encountered by any of the parties hereto shall be communicated to the other party in writing.

If the parties hereto fail to settle a dispute by mutual agreement, the dispute shall be resolved by the competent court in Ljubljana.

Any dispute in connection with this Contract shall not release the parties hereto from the fulfilment of their contractual obligations.

Any legal relationships arising from and not defined in this Contract shall be regulated by the provisions of the Energy Act and related implementing regulations, the provisions of the Obligation Code, and other relevant Slovenian legislation.

8. Article Force Majeure

A Force Majeure event shall be deemed to include any event that could not be foreseen, avoided or prevented by the parties and results in preventing the contractual obligations of parties under this Contract.

If any of the parties hereto is prevented from fulfilling its obligations due to a force majeure situation as defined above, that party's obligations under this Contract shall be suspended until the force majeure situation is ended. If one of the parties hereto incurs expenses that are caused by the other party being in a force majeure situation, that Party shall not be entitled to the reimbursement of such expenses.

Each of the parties hereto shall duly notify the other party of the occurrence of a force majeure event, otherwise it shall bear responsibility for any non-fulfilment of the Contract.

9. Article Taxes and Charges

Any taxes, charges, duties or other costs in Slovenia will be borne by the Buyer when so demanded by the relevant authorities of Slovenia, and any taxes, charges, duties or other costs relating to the export of electricity will be borne by the Supplier according to the law of the country in which the Supplier may purchase electricity or through which electricity may be transported.

10. Article Confidentiality and anti-corruption clause

The parties hereto undertake not to disclose, either in writing, orally or in electronic form, the details of this Contract to any third party without the written consent of the other party. This restriction shall not apply to the banks and competent state bodies of both parties, which are entitled to inspect relevant data. The parties hereto undertake to act in accordance with the provisions of the REMIT regulation concerning the registration and reporting of market participants.

The contracting parties engage themselves that they shall neither give nor promise to each other, be it directly or indirectly, any presents or gifts of whatever nature, money or any other valuable object, nor shall they accept any such presents or gifts, money or objects, via any official, employee or other person, employed with the government or other state organs (service, department, agency), or via whatever political party or candidate of a political party, with the intent of bribery or of financing such political party, by which they would procure any official, employee or other employed, political party or candidate to make improper use of their function or position, or to exert influence on whatever law or decision to be made by the government or any other competent agency, with the intent to obtain, keep or direct business transactions towards the commission agent or towards whoever of his executive assistant, representative, distributor, daughter company or other affiliated enterprise.

In the event of anyone committing, or attempting to commit, an action as mentioned in the preceding paragraph, the already concluded and valid Contract shall be null and void. In case the Contract has not yet obtained validity, it shall be considered not to have been concluded at all.

In the event that anyone promises, offers or gives the Purchaser's agent any undue advantage on behalf and for the account of the other Contracting Party to:

- awarding a contract, or
 - concluding a contract under more advantageous conditions, or
 - omitting the supervision required of the implementation of the contract obligations, or
 - any other action or omission that caused injury to the Purchaser or enabling the Purchaser's agent, other Contracting Party or its representative, agent, intermediary to obtain any undue advantage;
- the Contract shall be null and void.

11. Article Notification

The contracting parties undertake to promptly notify the other party of any kind of changes that might affect the implementation of this Contract.

12. Article Other Conditions

This Contract becomes effective on the date of its signing, and is applied from _____ until _____ inclusive. The termination of this Contract does not exclude fulfilment of already occurred financial obligations arising from this Contract.

Any modifications of or amendments to this Contract shall be concluded in writing (amendment of the Contract), subject to the consent and signatures of both parties hereto.

The Contract is written in two (2) copies, each of which shall be deemed as an original copy. Each party hereto receives one signed copy of this Contract.

Ljubljana, _____

Place and date, _____

On behalf of ELES:

CEO

M.Sc. Aleksander Mervar

On behalf of the SUPPLIER:

(position of authorized person)

(Name and surname)