

BELEKTRON d.o.o., Cvetkova ulica 25, 1000 Ljubljana, Slovenia, VAT ID: SI 13483129

Tel: +386 1 6208854

Fax: +386 1 6208855

E-mail: info@belektron.eu

Website: www.belektron.eu

GENERAL CONDITIONS OF INDIRECT ACCESS TO BIDDING AT THE AUCTIONS OF EMISSION ALLOWANCES

Article 1 (Introductory provisions)

In accordance with the authorization by the competent national authority (Securities Market Agency), The Company is authorized to bid in the primary auctions of greenhouse gas emission allowances in its own name and on behalf of others (hereinafter referred to as the »Clients«) in accordance with COMMISSION REGULATION (EU) No. 1031/2010 (hereinafter referred to as the »Regulation«) of 12th November 2010.

The Company has concluded an agreement with European Energy Exchange AG (EEX) to provide indirect auction access to eligible Clients as defined in the Regulation.

These **General Conditions of indirect access to bidding at the auctions of emission allowances** (hereinafter referred to as the »General Conditions«) are specifying operating conditions and define mutual rights and obligations of the Client and the company BELEKTRON d.o.o., Cvetkova ulica 25, 1000 Ljubljana, Slovenia (hereinafter referred to as the »Company«) in relation to the provision of services of indirect access to bidding at the auctions of following products:

- emission allowances (»EUA«);
- aviation emission allowances (»EUAA«).

In addition to these General Conditions, mutual rights and the obligations of the Company and the Client are regulated by a mutually signed agreement (hereinafter referred to as the »Agreement«).

These General Conditions form an integral part of each Agreement concluded between the Company and the Client in relation to the provision of services of indirect access to bidding at the auctions of emission allowances.

Article 2 (Auction access)

The Client is indirectly accessing the auctions through the service provided by the Company. The Client is entitled to bid in the auctions of emission allowances, if it submits required documentation (including, but not limited to the documentation, envisaged under these General Conditions and the Auction Regulation) and enters into written Agreement with the Company.

In case the Client is accessing the auctions on behalf of other parties, the Client must provide all relevant documents and evidence in accordance with Regulation and other relevant legislation.

The Company has a right to refuse signing the Agreement with Client if documentation is inadequate, including, but not limited to cases where reasonable grounds exist for the suspicion of money laundering, terrorist financing, criminal activity, market abuse or Client's ability to settle its payment obligations. In such cases, the Company is not liable for any potential damages suffered by the Client in respect of such refusal.

Article 3 (Accepting and submitting the order)

Client's authorized person sends the Company purchase order by e-mail to **auctions@belektron.eu**. The purchase order must contain all the elements in accordance with the below template:

Legal name of the Client	
The Client's emissions account number in Union registry	
Type of emission allowances (EUA or EUAA)	
Auction date	
Closure time of the auction	
Number of emission allowances	
Bid price per emission allowance (in EUR)	
Total value (in EUR)	

Minimum purchase order volume is 500 emission allowances, while each order can amount to a multiple of the minimum volume. Each emission allowance covers one ton of greenhouse gas emissions. Price of allowances should be exclusively in euros, with the eurocent value expressed. The Company only accepts purchase orders. Properly completed order sent to the Company represents a binding order of the Client.

In case the Client wants to cancel the order, the Client must send a cancellation order to the Company.

The Company accepts purchase and cancellation orders at latest until 15 (fifteen) minutes before the close of the respective auction as determined by the auction system. Purchase and cancellation orders received by the Company after that are not accepted and not submitted to the auction system. Official time of receiving purchase and cancellation orders by the Company is recorded by the local time of the Company's e-mail server.

The Company confirms its order acceptance by e-mail to the Client.

Above described process of accepting and submitting the order is valid for all the Clients and the Company provides the same conditions for all the Clients. The number of orders per Client is not limited.

The Company will submit all valid and timely received purchase orders to the auction system. Nevertheless, in case of technical difficulties within the Company, difficulties in the auction system or other objective reasons, the Company reserves the right not to submit received purchase orders and does not bear any liability resulting from orders non-execution.

The Client will be eligible to indirectly bid at the auction using Company service after the Company receives a prepayment from the Client. All prepayments shall be paid in euros to the Company's bank account:

IBAN code: NL19ABNA0461962136
 at ABN AMRO Bank, Amsterdam, Netherlands
 BIC code: ABNANL2A

Company uses this bank account solely for the purpose of receiving Clients' prepayments for the purchase of emission allowances at the auctions and settlement of these purchases with the auction system.

The Company accepts the Client's orders only up to the amount of prepayment. In case the Client has investment grade credit rating or higher issued by major global rating agencies (Moody's Baa3 or above, S&P BBB- or above, Fitch BBB- or above), the Company may agree to decrease or waive Client's prepayment obligation in the Agreement.

Article 4 (Refusal to accept order)

The Company has the right to refuse Client's orders in the following cases:

- as defined in these General Conditions;
- as per individual provisions of Regulation;
- in the case of technical problems;
- in the case of other objective reasons.

Article 5 (Price of emission allowances and purchase mark-up)

Auction settlement price is published by the auction system shortly after the auction is closed.

In case the bid price of emission allowance in accepted order is higher than the auction settlement price, the order is fully executed and Client purchases the full amount of allowances as per accepted order from the Company.

In case the bid price of emission allowance in accepted order is equal to auction settlement price, the order is fully or partially executed and the Client purchases the amount of allowances defined by an algorithm of the auction system on which the Company has no influence.

In case the bid price of emission allowance in accepted order is lower than the auction settlement price, the purchase order is not executed and is terminated.

The purchase price is defined as:

Purchase price = Auction settlement price + mark-up

Executed purchase volume is the sum of all amounts of emission allowances that a Client purchases as a result of all fully and partially executed orders per single auction. The mark-up is determined based on the executed purchase amount in accordance with the scale below.

Executed purchase volume (emission allowances)	Mark-up (EUR/emission allowance)
500 – 9,500	0.070
10,000 – 19,500	0.050
20,000 – 49,500	0.035
50,000 – 99,500	0.025
100,000 or above	0.015

The Company does not charge the Client any other fees except for the mark-up.

Article 6 (Settlement)

In case that the Client's order to purchase emission allowances is fully or partially executed by the auctioning system the Client purchases emission allowances in the amount of executed purchase volume at the Purchase price as defined in these General Conditions.

In case that the Client's order to purchase emission allowances is fully or partially executed by the auctioning system, the Company shall:

- settle the payment of the purchase of emission allowances from the prepaid funds of the Client;
- initiate the transfer of emission allowances to the Client's account in no later than 24 hours after itself has received emission allowances from the auction system. That being done the Company fulfils its obligation to deliver emission allowances according to the Agreement. For the assessment of the emission allowances delivery, the data from the Union registry is relevant;
- send an invoice for delivered emission allowances to the Client and settle the invoice from Client's prepaid funds.

In case of non-executed order or fully or partially unused prepaid funds the Client may choose to:

- keep them deposited for a new purchasing order, or
- have them returned to the Client's bank account.

The Company shall initiate a SEPA transfer on the day of receiving Client's request for return of funds if this request is received before 13.00 CET. If this request is received after 13.00 CET the Company shall initiate a SEPA transfer on the next business day. Company will only accept Client requests for return of funds on Dutch business days.

For the period when funds stay deposited on the Company's bank account, the Client is not entitled to any interest or other forms of compensation. In the case of negative interest being charged by the bank, these will be deducted from the Client's deposited funds. The Company and the Client each bear their own banking or other transaction costs.

Article 7 (Risks)

By signing the Agreement, the Client confirms that it is aware and it accepts all the risks that may affect the value change of auctioned emission allowances, and over which the Company has no influence.

The value of emission allowances might vary, inter alia, due to market risk (change in value), currency risk (change in foreign currency exchange rates) and liquidity risk (lack of supply or demand).

The Client is solely and exclusively responsible for all decisions regarding the purchase of emission allowances, and for any loss, obligation or costs arising from these decisions.

Article 8 (Liability)

The Company is not liable to the Client or a third party for any direct or indirect damages, obligation and/or loss that might be suffered by the Client or the third party in connection to the performance of services under these General Conditions and Agreement, unless the Company has acted with intent or gross negligence.

The Company shall not be liable for any damages suffered by the Client or a third party due to wrong action or failure by auction, clearing or settlement system, as defined under the Regulation, or damages resulting from objective reasons on the side of auction, clearing or settlement system.

The Company shall not be liable for damages resulting from business disruptions, which are beyond Company's control, especially in cases of force majeure or unpredictable events (such as breakdowns of communication and information systems caused by factors beyond Company's control).

The Client undertakes to compensate the Company in respect of any damages that might be suffered by the Company in relation to the performance of services under the Agreement and these General Conditions, unless such damages result from the Company acting with intent or gross negligence.

Article 9 (The Client's data)

By signing the Agreement, the Client agrees to send the Company a digital copy of required documentation, essential for the Company (i) to perform its services under this General Conditions and Agreement, (ii) to verify the Client's identity and perform KYC procedure in accordance with relevant applicable legislation and Company's bylaws, and (iii) to keep statutory record and other information, specified by relevant applicable legislation and Company's bylaws. The Client must inform the Company of any relevant change of the provided documentation and send copies of new documents by no later than 5 (five) business days after the change has occurred.

The Client is responsible for the accuracy, completeness and correctness of all submitted information and shall be liable for damages incurred to the Company arising from the submission of incorrect, incomplete, inaccurate and misleading information.

Article 10 (Conflict of Interest)

Since the Company is entitled to access to auction systems on its own behalf and as well as on behalf of its Clients the interests of the Company could arise and may influence the performance of Company's services provided to the Client. This can lead to conflicts of interest between the Company and the Client. In accordance with Regulation, the Company has taken and implemented appropriate measures to determine and prevent conflicts of interest that could harm the interests of its Clients.

The potential circumstances of conflicts of interest, procedures and measures for their prevention and management have been specified by the Company in its Conflict of interest management policy in relation to direct access to bidding at the auctions of emission allowances on behalf of the Clients.

Article 11 (Amendments to the General Conditions)

The Company shall be entitled to unilaterally amend or supplement these General Conditions. In case that the General Conditions are amended after the concluding the Agreement with the Client, the respective General Conditions that are available on the Company's website are applicable.

The Company shall inform the Client of the amendments to General Conditions via its website and via e-mail, whereby the Client by providing its e-mail address explicitly agrees to receive Company's amendments to General Conditions via Company's website and e-mail.

If the Client, after having been appropriately informed of the amendments to the General Conditions, does not object to the amendments within 8 (eight) days of the respective notification being sent through e-mail at the latest, it shall be deemed that the Client agrees to the General Conditions as amended. The objections of the Client submitted within the stipulated deadline shall be deemed as a written cancellation of the contractual relationship. The respective term of notice shall be 15 (fifteen) days from the receipt of the Client's objection.

Article 12 (Termination of the Agreement)

The term of each Agreement shall be defined by the Company and the Client in the Agreement. An Agreement concluded for an unlimited period can be terminated by the Client or the Company at any time in writing and without reason. The notice period shall be 30 (thirty) days from the receipt of notice.

The Company may terminate an Agreement with immediate effect if (i) the Client breaches provisions of the Agreement or of these General Conditions, (ii) if the Client is subject to compulsory settlement proceedings, bankruptcy proceedings or liquidation, or (iii) if other circumstances occur that could, in Company's opinion, threaten the fulfilment of Client's obligations under the Agreement or these General Conditions.

Article 13 (Communication)

Methods of communication used between the Client and the Company are as follows: in writing, by mail, by fax, by e-mail or verbally by telephone. Way of communication shall be determined in the in the Agreement.

Article 14 (Final provisions)

The Company and the Client agree that the Company keeps a record of all documentation and information acquired or created for the purpose of execution of the Agreement and General Conditions for a minimum of 10 (ten) years from the date of obtaining or creating the relevant information.

The Company shall keep all documentation and information with proper care.

These General Conditions and the Agreement are construed and governed by Slovene law.

The Client and the Company shall endeavour to settle all eventual disputes that may arise out of these General Conditions and/or the Agreement by mutual consent and in amicable manner. All disputes or claims arising out of or in connection with these General Conditions and/or the Agreement, including disputes relating to their validity, breach, termination or nullity, shall be finally settled by the competent court in Ljubljana.

General Conditions are in force since 10th of November 2016.

Ljubljana, 10th of November 2016

Boštjan Bandelj, Director