

A g r e e m e n t

MAVIR Hungarian Independent Transmission Operator Company Ltd.

1031 Budapest, Anikó u. 4.

Hungary

(EU Community VAT identification number: HU12550753-2-44)

-hereinafter "MAVIR"-

and

EMS AD Beograd

Kneza Miloša 11, 11000 Beograd

Serbia

(Serbian Tax identification number: SR103921661)

-hereinafter „EMS“-,

(both of which are hereinafter referred to as the "parties"),

is to evidence the following agreements and understandings:

I. Scope of Agreement

1. Due to the large demand by market participants for the year 2021, EMS and MAVIR organize transparent auction/allocation procedures for the available cross zonal capacities between the bidding zones of EMS and MAVIR in order to make these cross zonal capacities accessible for the market participants in a non-discriminatory and transparent way. The auction/allocation procedures are construed in accordance with:
 - the regulations set out by European law, in particular by the Regulation (EC) 714/2009 of the European Parliament and of the Council of 13 July 2009 as of 3 March 2011 on conditions for access to the network for cross-border exchanges in electricity (hereinafter: Regulation),
 - the Network Codes created based on the Regulation,
 - Energy Community Treaty signed on October 25, 2005,
 - Serbian and Hungarian primary legislation and
 - Serbian and Hungarian secondary regulation.
2. The auction/allocation procedures comprehend exclusively the auctions/allocations of reservations of cross zonal capacities between bidding zones EMS and MAVIR and aims at providing a transparent method of congestion management. This Agreement only covers the auction/allocation procedures for the available cross zonal capacities for the year 2021 organized by EMS and MAVIR.
3. The provisions of the auction/allocation procedures are described in the **“Allocation Rules for Forward Capacity Allocation of Cross Zonal Capacities between Bidding Zones of EMS AD Beograd („EMS”) and MAVIR ZRt. („MAVIR”) for the year 2021”** („Long Term Allocation Rules”), **“Daily Auction Rules for the Allocation of Cross Zonal Capacities between Bidding Zones of EMS AD Beograd (“EMS”) and MAVIR ZRt. (“MAVIR”) for 2021** (“Daily Auction Rules”)), **“Rules for the allocation of the Cross Zonal Intraday Capacity between bidding zones of MAVIR ZRt. (“MAVIR”) and EMS AD Beograd (“EMS”) for 2021 set in Appendix 3** which constitute an integral part of this Agreement, unless otherwise stipulated, attached as Appendix/1., Appendix/2., and Appendix/3.
4. This Agreement, including all Appendices hereto, which are an integral part of this Agreement, are approved by the relevant Regulatory Authorities in accordance with national legislation.
5. The parties agree that the Auction/Allocation Rules (long term: yearly and monthly; daily and intraday) could be changed if it is required for harmonization with procedures/deadlines of Joint Allocation Office (JAO) for Central East European Transmission System Operators.

6. The auction procedures for allocation of the yearly and monthly offered capacities in the year 2021 will be organized and executed by MAVIR in full responsibility. The auctions will be conducted on behalf of EMS and MAVIR.
7. The auction procedures for the allocation of the daily offered capacities in the year 2021 will be organized and executed by EMS in full responsibility. The auctions will be conducted on behalf of MAVIR and EMS.
8. The allocation procedures for the allocation of intraday available capacities in the year 2021 will be organized and executed by EMS in full responsibility. The allocations will be conducted on behalf of MAVIR and EMS.
9. The allocation of offered yearly, monthly, daily and available intraday cross zonal capacities will be performed by way of explicit allocation/auction.
10. The following auctions/allocations for allocation of cross zonal capacities between the bidding zones of EMS and MAVIR will be held for the year 2021:
 - One auction per year with respect to the yearly capacity for yearly electricity transports from 1st January, 2021, 00:00 (CET) until 31st December, 2021, 24:00 (CET) of the calendar year. The auction for the yearly offered capacity of the year 2021 will be started on 17th November, 2020 with the publication of provisional and final Auction Specification.
 - One auction per month with respect to the monthly capacity for monthly electricity transports from the first through the last day of each calendar month. The auctions for the monthly offered capacities of the year 2021 will start on 16th December, 2020 with the publication of provisional Auction Specification for January 2021.
 - One auction per day with respect to the daily capacity for daily electricity transports. The auctions for the offered daily capacity of the year 2021 will start on 31st December, 2020 with the publication of offered daily capacity for the 1st January, 2021.
 - Intraday allocation with respect to the intraday capacity for intraday electricity transports. The allocation for the available intraday capacity of the year 2021 will start on 31st December, 2020 with the publication of available intraday capacity for the 1st January, 2021.
11. The parties agree that the allocation/auctions for the yearly, monthly, daily and intraday capacities for year 2022 will be set out in a new agreement between MAVIR and EMS for the auction/allocation procedures. The new agreement will be prepared and signed till the end of the year 2021. The auctioning/allocation of capacities for the year 2022 is not governed by this Agreement.
12. The parties agree that all costs incurred by the party conducting the auctioning/allocation in relation to the conduction of

auctioning/allocation shall be borne by that party, and no cost (bank fees, allocation fees etc.) shall be borne by the other party in relation to the conduction of auctioning/allocation except to those costs that are specially set out in this Agreement.

II. Capacities

1. General provisions of the auction for allocation of the cross zonal capacities between the bidding zones of EMS and MAVIR

The parties will auction/allocate the offered cross zonal capacity between their bidding zones pursuant to the regulations set out by the Long Term Allocation Rules, Daily Auction Rules and Intraday Allocation Rules in responsibility as described in this Agreement and in the relevant Long Term Allocation Rules, Daily Auction Rules, Intraday Allocation Rules, which form an integral part of this Agreement.

In case of planned or unplanned disconnections of critical network components, the capacities should be modified to match the monthly, weekly and daily operational planning, as well as intraday operational conditions.

The parties agree that both EMS and MAVIR shall publish the relevant Nomination Rules for Physical Transmission Rights between Bidding Zones of EMS and MAVIR on their websites, which constitute an integral part of this Agreement, unless otherwise stipulated, attached as Appendix/10.

2. Yearly auction of the offered cross zonal capacities between the bidding zones of EMS and MAVIR

For the year 2021 the cross zonal capacity available for the trade purposes in direction of Hungary – Serbia and in direction of Serbia - Hungary is calculated and agreed by responsible group of specialists of EMS and MAVIR taking into account the planned and unplanned disconnections of critical network elements. These agreed cross zonal capacities (base load with reduction periods, if applicable) will be offered by MAVIR on behalf of EMS and MAVIR on 17th November, 2020 (date of publication of final Yearly Auction Specification) in yearly auction.

The yearly offered capacities will be auctioned by MAVIR to the Registered Participants through the auction platform operated by MAVIR ("KAPAR system") on the website <http://www.mavir.hu>.

If, for any reason, the KAPAR system and/or the website <http://www.mavir.hu> is interrupted and/or suspended, MAVIR shall act according to the fallback procedures described in Long Term Allocation Rules.

MAVIR and/or EMS shall not be liable for an uninterrupted provision of the KAPAR system and/or the website <http://www.mavir.hu>.

3. Monthly auction of the offered cross zonal capacities between the bidding zones of EMS and MAVIR

In the monthly auctions, the following capacities shall be offered:

The monthly offered capacity equals the cross zonal capacity of that month calculated considering the planned and unplanned disconnections of critical network components, deducted by the long term transmission rights allocated in yearly auction, but adding the non-used yearly allocated capacities (returned by Registered Participants or released as result of suspension or termination of a Participation Agreement).

The precise capacity of each of the monthly auctions shall be calculated and agreed between EMS and MAVIR until the deadline for agreement on monthly net transfer capacity value according to the auction calendar for 2021. In case of difference in capacity calculated by EMS and MAVIR the lower value is valid.

The monthly offered capacities will be auctioned by MAVIR to the Registered Participants through the auction platform operated by MAVIR ("KAPAR system") on the website <http://www.mavir.hu>.

If, for any reason, the KAPAR system and/or the website <http://www.mavir.hu> is interrupted and/or suspended, MAVIR shall act according to the fallback procedures described in Long Term Allocation Rules.

MAVIR and/or EMS shall not be liable for an uninterrupted provision of the KAPAR system and/or the website <http://www.mavir.hu>.

4. Daily auction of the offered cross zonal capacities between the bidding zones of EMS and MAVIR:

1. The daily offered capacity equals the cross zonal capacity of that day calculated considering the planned or unplanned disconnections of critical network components, further reduced by the daily scheduled long term deliveries covered by yearly and monthly capacity and the part of yearly and monthly capacities obtained in yearly and monthly auctions which is declared to be used for balancing purposes and increased by the long term nominations in the respective counter direction (netting effect). If there is no agreement daily auction will be canceled.
2. For purposes of the daily auction, EMS shall publish the offered capacity. This capacity shall be offered by EMS to the market participants (Registered Participants) through the auction platform ("DAMAS system") operated by EMS on the website of EMS <https://damas.ems.rs>.

3. If, for any reason, the DAMAS system and/or the website <https://damas.ems.rs> is interrupted and/or suspended, the allocation of daily available capacities will not be organized for the time period of such interruption for suspension. Bids already sent to the auction system for the daily allocation lose validity for the respective auction.
4. MAVIR and/or EMS shall not be liable for an uninterrupted provision of the DAMAS system and/or the website <https://damas.ems.rs>.

5. Intraday allocation of the available cross zonal capacities between the bidding zones of EMS and MAVIR

1. The intraday available capacity equals the cross zonal capacity of that day calculated considering the planned or unplanned disconnections of critical network components, further reduced by the scheduled deliveries covered by yearly, monthly and daily capacity and the part of yearly and monthly capacities obtained in yearly and monthly auctions which is declared to be used for balancing purposes and increased by the nominations in the respective counter direction (netting effect). If there is no agreement on the offered capacity, intraday allocation will be canceled.
2. For purposes of the intraday capacity allocation, EMS shall publish the offered capacity. This capacity shall be offered by EMS to the market participants (Registered Participants) through the auction platform operated by EMS ("DAMAS system") on the website <https://damas.ems.rs>.
3. If, for any reason, the DAMAS system and/or the website <https://damas.ems.rs> is interrupted and/or suspended, the allocation of intraday available capacities will not be organized for the time period of such disturbance.
4. MAVIR and/or EMS shall not be liable for an uninterrupted provision of the DAMAS system and/or the website <https://damas.ems.rs>.

III. Submission to the Auction/Allocation Procedures

1. The parties are willing to accept the results of the individual auction/allocation procedures held by the other party provided these procedures are consistent with the terms and conditions set out in the Long Term Allocation Rules, Daily Auction Rules and Intraday Allocation Rules and will carry out the transmission services according to the respective auction/allocation results in compliance with the legal requirements of grid access and applicable market rules.

IV. Termination of the Contract between EMS and the Registered Participant or between MAVIR and the Registered Participant

1. According to Article 70 and 71 of Appendix./1, Section 7 of Appendix./2, and Section 4 of Appendix/3 EMS and MAVIR are entitled to enforce the termination of the contract between EMS and the Registered Participant or MAVIR and the Registered Participant and hold the Registered Participant liable for the Auction Price, interests, charges and expenses, arising from the enforcing of the termination of the Contract and for the total damage resulting from the termination, such as, but not limited to fees, expenses and deficiencies caused by lower Auction Prices in the event of a re-auctioning of the capacity, if the Registered Participant does not fulfil or only partially fulfils any obligation resulting from the Contract in due time, especially if the Registered Participant does not pay the full Auction Price within the time limits set out in the Long Term Allocation Rules and Daily Auction Rules.
2. The parties agree that the party organizing the auction/allocation shall be in charge of issuing the statement of the termination of the Contract between EMS/MAVIR and the Registered Participant after consultation with the other party.

V. Execution of Yearly and Monthly Auctions

1. The provisions for the yearly and monthly auction procedures are described in the "Allocation Rules for Forward Capacity Allocation of Cross Zonal Capacities between Bidding Zones of EMS AD Beograd and MAVIR ZRt. („MAVIR") for the year 2021" („Long Term Allocation Rules"), which constitute an integral part of this Agreement, unless otherwise stipulated, attached as Appendix ./1.
2. MAVIR shall perform auctions for allocation of the yearly and monthly cross-zonal capacities using KAPAR system and available at <http://www.mavir.hu>. Its User Guide ("Information System Rules") is published on MAVIR website <http://www.mavir.hu>.
3. MAVIR shall perform a registration procedure for market participants for yearly and monthly auctions. Therewith the Registered Participant confirms that he has read, understood and accepted the present Long Term Allocation Rules and that he will follow any and all instructions given by MAVIR, in particular in case of ambiguity in these Long Term Allocation Rules or non-availability of the KAPAR system.
4. All issues concerning the yearly and monthly auctions, such as, but not limited to, the technical and operational aspects of the KAPAR system, the Information System Rules and the website <http://www.mavir.hu> are developed by MAVIR. Therefore the execution and the administration of

the yearly and monthly auctions are totally in the responsibility of MAVIR. This means that MAVIR takes full responsibility for the correct, non-discriminatory and transparent execution of the yearly and monthly auctions and for the full compliance with applicable national and EU laws and/or regulatory requirements.

5. MAVIR agrees to indemnify EMS and any other third party against any liability arising from any successful claim for performance, warranty claim or successful claims for damages, resulting from issues concerning the yearly and monthly auctions and MAVIR agrees to hold harmless and indemnify EMS and any other third party against any damages caused due to a consequential harm by a defect, or from any claims for compensation of possible damages resulting from successful third party claims.
6. MAVIR shall provide to EMS results and all relevant data of the yearly and monthly auctions through giving access to KAPAR system and also provide via e-mail Total Allocation Results Document (TARD) in ECAN and the allocation results in Excel format at the latest on the first working day following the day of respective auction.
7. MAVIR shall provide to EMS capacity rights document regarding yearly and monthly auctions till 13:00 (CET) two calendar days before respective business day.
8. MAVIR shall provide EMS with all data regarding the yearly and monthly auctions, which could be necessary for planning, statistics, modelling and handling of complaints.
9. On behalf of both Parties, MAVIR shall provide data regarding yearly and monthly capacity allocation for Serbian – Hungarian border to the Electricity Market Fundamental Information Platform (EMFIP) in accordance with Regulation (EC) No. 543/2013/EC and to the REMIT Platform in accordance with Regulation 1348/2014/EC.

VI. Execution of Daily Auctions

1. The provisions for the daily auction procedures are described in the „Daily Auction Rules for the Allocation of Cross Zonal Capacities between Bidding Zones of EMS AD Beograd (“EMS”) and MAVIR ZRt. („MAVIR”) for 2021 (“Daily Auction Rules”)”, which constitute an integral part of this Agreement, unless otherwise stipulated, attached as Appendix ./2.
2. EMS shall execute the auctions of the allocation of the daily offered capacities using DAMAS system and available at <https://damas.ems.rs>. Its User Guide will be published on EMS website <http://www.ems.rs>.

3. EMS shall perform a registration procedure for market participants for daily auctions. Therewith the Registered Participant confirms that he has read, understood and accepted the present Daily Auction Rules and that he will follow any and all instructions given by EMS, in particular in case of ambiguity in these Daily Auction Rules or non-availability of the DAMAS system.
4. All issues concerning the daily auctions, such as, but not limited to, the technical and operational aspects of the DAMAS system, the DAMAS User Guide and the website <https://damas.ems.rs>, are developed by EMS. Therefore the execution and the administration of the daily auctions are totally in the responsibility of EMS. This means, that EMS takes full responsibility for the correct, non-discriminatory and transparent execution of the daily auctions and for the full compliance with applicable national and EU laws and/or regulatory requirements.
5. EMS agrees to indemnify MAVIR and any other third party against any liability arising from any successful claim for performance, warranty claim or successful claims for damages, resulting from issues concerning the daily auctions and EMS agrees to hold harmless and indemnify MAVIR and any other third party against any damages caused due to a consequential harm by a defect, or from any claims for compensation of possible damages resulting from successful third party claims.
6. EMS shall provide to MAVIR all relevant data regarding the daily auction through giving access to capacity auction system "DAMAS". EMS shall provide to MAVIR till 10:30 (CET) of the respective day the results and capacity rights of daily auction (for both directions). EMS shall send the Total Allocation Results Document (TARD) and capacity right document via e-mail to MAVIR in daily ECAN file.
7. EMS shall provide MAVIR with all data regarding the daily auctions, which could be necessary for planning, statistics, modelling and handling of complaints.
8. On behalf of both Parties, EMS shall provide data regarding daily capacity allocation for Serbian – Hungarian border to the Electricity Market Fundamental Information Platform (EMFIP) in accordance with Regulation (EC) No. 543/2013/EC and MAVIR shall provide data to the REMIT Platform in accordance with Regulation 1348/2014/EC based on data received from EMS.
9. EMS shall provide data required by Regulation (EU) No 1227/2011 regarding daily capacity allocation for Serbian – Hungarian border to MAVIR in Total Allocation Results Document (TARD).

VII. Execution of Intraday Allocation

1. The provisions for the intraday allocation procedures are described in "Rules for the allocation of the Cross Zonal Intraday Capacity between bidding zones of MAVIR ZRt. ("MAVIR") and EMS AD Beograd for 2021 set in Appendix 3 ("Intraday Allocation Rules") which constitute an integral part of this Agreement, unless otherwise stipulated, attached as Appendix./3.
2. EMS shall perform allocation of intraday available capacities using DAMAS system available at <https://damas.ems.rs>. The DAMAS system User Guide will be published on EMS website <http://www.ems.rs>.
3. EMS shall perform a registration procedure for market participants for intraday allocations. Therewith the Registered Participant confirms that he has read, understood and accepted the present Intraday Allocation Rules and that he will follow any and all instructions given by EMS, in particular in case of ambiguity in these Intraday Allocation Rules or non-availability of the internet access.
4. All issues concerning the intraday allocations are developed by EMS. Therefore the execution and the administration of the intraday allocations are totally in the responsibility of EMS. This means, that EMS takes full responsibility for the correct, non-discriminatory and transparent execution of the intraday allocations and for the full compliance with applicable national and EU laws and/or regulatory requirements.
5. EMS agrees to indemnify MAVIR and any other third party against any liability arising from any successful claim for performance, warranty claim or successful claims for damages, resulting from issues concerning the intraday allocations and EMS agrees to hold harmless and indemnify MAVIR and any other third party against any damages caused due to a consequential harm by a defect, or from any successful claims for compensation of possible damages resulting from third party claims.
6. EMS shall provide to MAVIR all relevant data regarding the intraday allocation.

EMS shall provide to MAVIR the capacity rights document immediately after bid evaluation, but only in case that the Rights Holder obtained non-zero capacity in at least one hour of given business period.

7. EMS shall send the capacity rights via e-mail to MAVIR in ECAN format and the Total Allocation Results Document (TARD) once a day after the last allocation.

8. EMS shall provide MAVIR with all data regarding the intraday allocation, which could be necessary for planning, statistics, modelling and handling of complaints.
9. On behalf of both Parties, EMS shall provide data regarding intraday capacity allocation for Serbian – Hungarian border to the Electricity Market Fundamental Information Platform (EMFIP) in accordance with Regulation (EC) No. 543/2013/EC and MAVIR shall provide data to the REMIT Platform in accordance with Regulation 1348/2014/EC based on data received from EMS.
10. EMS shall provide data required by Regulation (EU) No 1227/2011 regarding intraday capacity allocation for Serbian – Hungarian border to MAVIR in Total Allocation Results Document (TARD).

VIII. Secondary Market of Allocated Capacities

1. According to the regulations set out in the Regulation (EC) No 714/2009 as of 3 March 2011 capacities bought in the course of an auction shall be freely tradable (transferable) if the Registered Participant has paid relevant capacity and until the Transmission System Operator is notified that the capacity bought will be used. Therefore long term transmission rights can be transferred by Registered Participants according to the regulations set out in the Long Term Allocation Rules to other interested market participants fulfilling the requirements set out in the Long Term Allocation Rules. The minimum volume of long term transmission right that may be transferred is one (1) MW over one (1) hour.
2. The transfer shall become effective in accordance with CHAPTER 6 of Appendix./1. In case the transfer does not comply with the Long Term Allocation Rules or the Registered Participant announces to transfer more transmission right than it has purchased in the course of an auction the whole transfer shall not be valid.
3. The parties agree that MAVIR registers each transfer and informs EMS about any such transfer at least no later than at 13:00 (CET) the second (2nd) day preceding the day of delivery.
4. All rights and obligations resulting from the Long Term Allocation Rules, with exception of the payment obligation of the original long term transmission right holder, shall be transferred together with the long term transmission right.
5. Long term transmission rights holder may return their long term transmission rights to MAVIR for reallocation at any subsequent auction. Returned long term transmission right shall be constant band of whole MW(s) over the specific timeframe of the subsequent auction. Long term transmission right

holders who returned long term transmission right are entitled to receive a remuneration according to Article 39 of Appendix./1.

6. Parties agree that MAVIR registers each return and informs EMS about any such return.

IX. Allocation of Costs, Payments and Risks between EMS and MAVIR concerning the yearly and monthly auctioning

1. The payment concerning the results of the yearly and monthly auction procedures will be invoiced to Registered Participants by MAVIR. Currency relevant for the invoicing is EUR.
2. MAVIR shall assume all risks in every financial, economic and legal aspect arising from the execution of the yearly and monthly auctions, especially in case the execution of the yearly and monthly auction does not comply with applicable national laws and/or regulatory requirements.
3. MAVIR fully indemnifies EMS in every economic, financial and/or legal aspect, especially in case market participants, Registered Participants and/or Regulatory Authorities and/or other third parties carry successful claims against EMS because of and resulting from the allocation of yearly and monthly capacities by MAVIR or in case of not organizing of yearly and monthly auctions. This means that against any liability arising from any successful claim for performance, warranty claim or successful claims for damages, MAVIR agrees to hold fully harmless and indemnify EMS against any damages in every economic, financial and/or legal aspect due to a consequential harm caused by a defect, or any successful claims for compensation for possible damages resulting from third party claims.
4. Furthermore MAVIR agrees to hold fully harmless and indemnify EMS in case National and/or European Regulatory Authorities impose orders and/or fines and/or penalties because of and resulting from the allocation of yearly and monthly capacities by MAVIR or in case of not organizing yearly and monthly auctions.
5. Each party shall assume the risks arising under the respectively applicable national jurisdiction (Hungary: MAVIR / Serbia: EMS) resulting from the execution of the Agreement, in case the execution of Agreement does not comply with the applicable national laws and/or regulatory requirements.
6. EMS is entitled to have the 50% of the yearly and monthly auction revenues in EUR as far as MAVIR has received these payments from the Registered Participants.

The results of yearly and monthly capacity auctions are settled financially between MAVIR and the market participants on full month settlement periods. For the purpose of the financial settlement between parties MAVIR shall send at the latest on the 5th calendar day of the respective month a Yearly/Monthly Settlement Notification (as in Appendix./5) to EMS confirming the level of EMS's share concerning the yearly and monthly auctions.

If the payment settlement between MAVIR and Registered Participant is delayed, MAVIR shall send an Outstanding Notification (as in Appendix./7) to EMS with the name and the value of uncollected amount from market participants.

Based on the Yearly and Monthly Settlement Notification and the Outstanding Notification EMS will issue an Invoice at the value belonging to EMS.

Not later than on the mature date stated on the Invoice MAVIR will transfer the due payment to EMS account stated below (if the bank account details modify the payment shall be account to the bank account number stated on the Invoice):

Account information:

Name of the bank:	Banka Intesa AD
IBAN:	RS35160005010009248145
SWIFT code:	DBDBRSBG

The maturity date of the Invoice is set up at 6 working days from the issuing date of the Invoice. The Invoice will be sent by e-mail to MAVIR on the issuing date of the Invoice, but at least 5 working days after receiving the Yearly and Monthly Settlement Notification.

Should the maturity date expire on a public holiday, Saturday, Sunday or a public holiday following a Sunday, payment should be received on the following working day.

All the bank fees in the process of the payment will be covered by the sender (including the costs of intermediary bank if applicable). The date of payment/settlement of payment is the date upon which the given amount is credited to the account of EMS, free of charge and without deduction and/or offsetting (receipt of payment at the account of EMS).

As far as the amounts are uncollected or unidentified, MAVIR will not be subject of any penalties, interest or charges from the side of EMS. As soon as the payment shall be settled between MAVIR and market participant (including invoking the collaterals in the case of payment incident) MAVIR shall send an Exceptional Notification to EMS that this outstanding amount has been paid. EMS shall then issue an Invoice at the value of 50% of this

amount and MAVIR shall credit to EMS as soon as reasonably possible, but no later than within 6 working days from the date when the payment has been credited to the account of MAVIR.

Overdue payments shall bear interest from the first day following the due date till the date of payment of unpaid amount, at a rate equal to the one month EURIBOR interest rate for 11:00 (CET) on one day after due date plus 1 percent/annum.

7. Outstanding accounts/debts shall be collected, recovered, settled, enforced and prosecuted by MAVIR on behalf of both parties.
8. In the case of curtailment of long term transmission rights MAVIR shall pay the compensation/reimbursement according to the Long Term Allocation Rules to the long term transmission right holder on behalf of both parties. MAVIR will settle financially with EMS the 50 % of the paid compensation/reimbursement. For the respective month MAVIR will send an invoice with value equal to the 50% of the paid compensation/reimbursement by MAVIR.
9. In the case of return of long term transmission rights MAVIR shall pay the remuneration according to the Long Term Allocation Rules to the long term transmission right holder on behalf of both parties. MAVIR shall send at the latest on the 5th calendar day of the respective month the results of the remuneration due to the return of Long Term Transmission Rights as a Settlement Report on remuneration due to the return of Long Term Transmission Rights (as in Appendix./8) and a detailed Excel file to EMS confirming the level of remuneration paid for returned capacities via e-mail. MAVIR will settle financially with EMS the 50 % of the paid remuneration. For the respective month MAVIR will send an invoice with value equal to the 50% of the paid remuneration by MAVIR at least 5 working days after receiving the Settlement Report on remuneration due to the return of Long Term Transmission Rights.
10. MAVIR shall pay remuneration for non-nominated long term transmission rights according to the Long Term Allocation Rules to the long term transmission rights holder on behalf of both parties. MAVIR shall send at the latest on the 10th calendar day of the following month the results of the remuneration of the resold capacities as a Settlement Report on Resale (as in Appendix./9) and a detailed Excel file to EMS confirming the level of remuneration paid for non-nominated long term transmission rights via e-mail. MAVIR will settle financially with EMS the 50 % of the paid remuneration. For the respective month MAVIR will send an invoice with value equal to the 50% of the paid remuneration by MAVIR at least 5 working days after receiving the Settlement Report on Resale.

X. Allocation of Costs, Payments and Risks between EMS and MAVIR concerning the daily auctioning

1. The payment concerning the results of the daily auction procedure taking into consideration the curtailed capacities, if applicable, will be invoiced to Registered Participants by EMS. Currency relevant for the invoicing is EUR.
2. EMS shall assume all risks in every financial, economic and legal aspect arising from the execution of the daily auctions, especially in case the execution of the daily auction does not comply with applicable national laws and/or regulatory requirements.
3. EMS fully indemnifies MAVIR in every economic, financial and/or legal aspect, especially in case market participants, Registered Participants and/or Regulatory Authorities and/or other third parties carry successful claims against MAVIR because of and resulting from the allocation of daily capacities by EMS through DAMAS system or in case of not organizing of daily auctions. This means that against any liability arising from any successful claim for performance, warranty claim or successful claims for damages, EMS agrees to hold fully harmless and indemnify MAVIR against any damages in every economic, financial and/or legal aspect due to a consequential harm caused by a defect, or any successful claims for compensation for possible damages resulting from third party claims.
4. Furthermore EMS agrees to hold fully harmless and indemnify MAVIR in case National and/or European Regulatory Authorities impose orders and/or fines and/or penalties because of and resulting from the allocation of daily capacities by EMS or in case of not organizing daily auctions.
5. Each party shall assume the risks arising under the respectively applicable national jurisdiction (Hungary: MAVIR / Serbia: EMS) resulting from the execution of the Agreement, in case the execution of Agreement does not comply with the applicable national laws and/or regulatory requirements.
6. MAVIR is entitled to have the 50% of the daily auction revenues in EUR as far as EMS has received these payments from the Registered Participants.

The results of the daily capacity auctions (taking into consideration the curtailed capacities, if applicable) are settled financially between EMS and the market participants on monthly settlement periods. For the purpose of the financial settlement between parties EMS shall send on 12th calendar day of the following month a Daily Settlement Notification (as in Appendix./6) to MAVIR confirming the level of MAVIR's share concerning the daily auction.

If the payment settlement between EMS and Registered Participant is delayed EMS shall send an Outstanding Notification to (as in Appendix./7)

MAVIR with the name and the value of uncollected amount of market participants.

Based on the Daily Settlement Notification and the Outstanding Notification MAVIR shall issue an invoice at the value belonging to MAVIR.

Not later than on the mature date stated on the invoice EMS shall transfer the payment to MAVIR account stated below (if the bank account details modify the payment shall be account to the bank account number stated on the Invoice):

Account information:

Name of the bank:	UniCredit Bank Hungary ZRt.,
Account No.:	1091 8001 0000 0024 9001 0125
IBAN	HU89 1091 8001 0000 0024 9001 1025
SWIFT code:	BACXHUHB

The maturity date of the invoice is set up at 6 working days from the issuing date of the invoice. The invoice will be sent by e-mail to EMS on the issuing date of the invoice, but at least 3 working days after receiving the Daily Settlement Notification.

Should the maturity date expire on a public holiday, Saturday, Sunday or a public holiday following a Sunday, payment should be received on the following working day.

All the bank fees in the process of the payment will be covered by the sender (including the costs of intermediary bank if applicable). The date of payment/settlement of payment is the date upon which the given amount is credited to the account of MAVIR, free of charge and without deduction and/or offsetting (receipt of payment at the account of MAVIR).

As far as the amounts are uncollected or unidentified, EMS will not be subject of any penalties, interest or charges from the side of MAVIR. As soon as the payment shall be settled between EMS and the market participant EMS shall send an Exceptional Notification to MAVIR that this outstanding amount has been paid. MAVIR shall then issue an invoice at the value of the 50% of this amount and EMS shall credit MAVIR as soon as reasonably possible, but no later than within 6 working days from the date when the payment has been credited to the account of EMS.

Overdue payments shall bear interest from the first day following the due date till the date of payment of unpaid amount, at a rate equal to the one month EURIBOR interest rate for 11:00 (CET) on one day after due date plus 1 percent/annum.

7. Outstanding accounts/debts shall be collected, recovered, settled, enforced and prosecuted by EMS on behalf of both parties.

XI. Applicable Law and Place of Performance

This Agreement, its Appendix./2, its Appendix./3 including the issue of its valid conclusion and its pre- and post-contractual effect shall be governed by the laws of Serbia, excluding provisions of Serbian private international law. Appendix./1 of this Agreement including the issue of its valid conclusion and its pre- and post-contractual effect shall be governed by the respective regulations of the Hungarian Act on Electricity (VET) and by those of the Hungarian Electricity Trade Code. In both cases the obligations according to EU Regulation 714/2009 as of 3 March 2011 shall have priority.

The place of performance of all obligations resulting from this Agreement, its Appendix./2, its Appendix./3 shall be the registered seat of EMS. The place of performance of Appendix./1 of this Agreement shall be the registered seat of MAVIR.

XII. Arbitration

All disputes between MAVIR and EMS arising out of this Agreement and its Appendix./1, its Appendix./2, its Appendix./3 or related to its violation, termination or nullity shall be resolved under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by a panel appointed in accordance with these rules. The number of arbitrators shall be three. The language to be used in the arbitral proceedings shall be English.

XIII. Severability

If any part or provision of this Agreement and/or its Appendix./1 and/or its Appendix./2 and/or its Appendix./3 are or become invalid, illegal, void or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. EMS and MAVIR hereby agree that all invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.

XIV. Notices

All notices and communications under this Agreement shall be served by e-mail, unless explicitly envisaged otherwise in this Agreement. In the event of difficulty in using e-mail, notices may be served in fax and/or writing and/or delivered in person or by courier or by post, which such service deemed effective on the date of receipt. All notices and communications shall be in writing and in the English language. The parties shall inform each other

immediately in case of a change of the e-mail or the postal addresses and/or in case of a change of telephone and fax numbers.

XV. Confidentiality

Information considered as confidential includes all commercially sensitive information, information clearly marked as "confidential" and information which by its nature must be considered or qualified as confidential. No recipient of confidential information shall use or otherwise process the confidential information obtained by it pursuant to this Agreement for any purpose except as strictly required for the performance of the obligations hereunder, or disclose any such information or the existence of the terms of this Agreement or related information to any third party other than those of its directors, employees, professional advisors and representatives, regulatory authorities, which have a strict need to know such information for the proper performance of this Agreement. EMS and MAVIR are obliged to organise their data handling in such a way as to minimize the risk of misuse or unauthorized access or the enclosure of confidential information.

XVI. Amendments

No amendment or modification of this Agreement shall take effect unless it is in writing, executed and delivered by EMS and MAVIR and approved by the Regulatory Authorities in accordance with national legislations.

XVII. Assignment of Rights and Obligations

EMS and MAVIR hereby agree, that it is prohibited to transfer (including by means of merger, split of, or transfer or contribution of universality or a branch of activity or otherwise) all or a part of its rights and obligations arising under this Agreement to a third party without the prior and express consent of the other party. This consent cannot be unreasonably withheld or delayed.

XVIII. Hardship

If there should occur any extraordinary event or circumstance, independent of the will of EMS and/or MAVIR, unforeseeable at the time the conclusion of this Agreement (including legislative changes or positions taken by the regulatory authorities or any other authority) and which fundamentally reduces the benefits and the modalities of continuing the Agreement, EMS and MAVIR shall seek to adjust the conditions of the Agreement in order to re-establish the initial contractual equilibrium while protecting the respective interests. As from the receipt of the request of the effected party (EMS or MAVIR) a period of 2 (two) months shall commence for the re-establishing of such an equilibrium. During such period EMS and MAVIR shall negotiate in good faith. The parties shall in particular consider the economic interests of EMS and MAVIR. Failing the successful completion of such negotiation, the Agreement may be

terminated by common written action of EMS and MAVIR. Upon such termination, EMS and MAVIR shall be relieved from any other further obligations under the Agreement other than payment obligations already due or accrued and any other non-performed obligations under this Agreement, which were to be performed prior to and until such termination decision.

XIX. Use of Languages

EMS and MAVIR acknowledge, that they have required the present Agreement and all notices and legal proceedings provided hereunder to be drawn up in the English language, to the extents permitted by rules of public policy relating directly or indirectly to these proceedings.

XX. Nature of the Relationship

This Agreement shall in no event be considered a partnership or joint-venture or other association between EMS und MAVIR.

XXI. Liability

EMS and MAVIR undertake to carry out the provisions set out in this Agreement and its appended Appendix./1, Appendix./2, Appendix./3 with the diligence of a careful businessman and bidding zone manager in compliance with the applicable laws and regulations in the electricity sector. EMS and MAVIR shall notify the respective other party of risks and dangers appending the performance of this Agreement recognizable to a careful businessman and bidding zone manager and provide suggestion for solution.

Claims for damages based on the breach of material contractual duties of the Agreement and its appended Appendix./1, Appendix./2, Appendix./3 are limited to the damages typical and foreseeable in the context of this Agreement, unless there has been wilful misconduct or gross negligence on behalf of EMS and MAVIR. Any claims or damages going beyond that, including claims for business interruption, for loss of business profits, or for indirect incidental, special or consequential damages are expressly excluded.

XXII. Validity

This Agreement shall be valid from the date of signing this Agreement by both parties until December 31, 2021, 24:00 (CET). Unless prolonged by the Parties, this Agreement shall terminate at the above date automatically, without any further acts by the Parties.

However, the present Agreement shall govern all capacities allocated under this Agreement as well as the handling of such capacities and the enforcement of obligations even upon termination of this Agreement.

XXIII. Waiver

No act or omission by EMS or MAVIR shall be deemed to be a waiver of any rights, if such a waiver is not declared explicitly and in writing.

XXIV. Common Understanding

The parties agree to adapt the Long Term Allocation Rules and/or Daily Auction Rules and/or Intraday Allocation Rules and/or this Agreement amicably, if necessary. However, the parties are willing to keep the Long Term Allocation Rules, Daily Auction Rules and Intraday Allocation Rules transparent and non-discriminatory.

In case there should arise any dispute between EMS and MAVIR and in case there is any discrepancy between the wording of this Agreement and of the Long Term Allocation Rules / Daily Auction rules / Intraday Allocation Rules, concerning the settlement of disputes, the wording of this Agreement shall prevail.

XXV. The Appendices

./1 Allocation Rules for Forward Capacity Allocation of Cross Zonal Capacities between Bidding Zones of EMS AD Beograd („EMS”) and MAVIR ZRt. („MAVIR”) for the year 2021 („Long Term Allocation Rules”)

constitute an integral part of this Agreement.

./2 Daily Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of EMS AD Beograd (“EMS”) and MAVIR ZRt. (“MAVIR”) for 2021 (“Daily Auction Rules”)

constitute an integral part of this Agreement.

./3.Rules for the allocation of the Cross Zonal Intraday Capacity between bidding zones MAVIR ZRt. (“MAVIR”) and EMS AD Beograd (“EMS”) for 2021 (“Intraday Allocation Rules “)

constitute an integral part of this Agreement.

./4: List of Contacts

constitutes an integral part of this Agreement.

./5: Yearly/Monthly Settlement notification - SAMPLE

constitutes an integral part of this Agreement.

./6: Daily Settlement notification - SAMPLE
constitutes an integral part of this Agreement.

./7: Outstanding Notification - SAMPLE
constitutes an integral part of this Agreement.

./8: Settlement Report on remuneration due to the return of Long Term Transmission Rights - SAMPLE
constitutes an integral part of this Agreement.

./9: Settlement Report on Resale - SAMPLE
constitutes an integral part of this Agreement.

./10: Nomination Rules for Physical Transmission Rights between Bidding Zones of EMS and MAVIR
constitutes an integral part of this Agreement.

./11: Processing of personal data
constitutes an integral part of this Agreement.

On behalf of **MAVIR Hungarian Independent Transmission Operator Company Ltd.**

TIHANYI Zoltán
Deputy CEO for System
Operation and Market
Operation
date

BALOG Richárd
Head of Long- and
Medium-Term Department
date

On behalf of **EMS AD Beograd**

Aleksandar Kurćubić
Executive Manager for
System and Market
Operation
date