

Day-Ahead Framework Contract

On Procurement of Electricity for the Requirements of Households and Small Consumers Supplied by the Universal Supplier on the Day-Ahead Market

By and between:

by _____, seated at _____, with TIN _____, CIN _____, depositor's bank _____, giro account: _____, represented by _____, Manager (hereinafter referred to as: **Qualified Bidder**)

and

EVN Home DOO Skopje, seated at ul. Lazar Lichenoski no. 11, 1000 Skopje, Republic of North Macedonia, with CIN 7345216, TIN 4080019580790, represented by Dipl. Ing. (MBA) Stefan Peter, Manager, and Mag. Roland Ziegler, Manager (hereinafter referred to as: **Universal Supplier** or **US**).

Hereinafter referred to as: **Contracting Parties** or **Parties**.

Definitions

(1) Terms used in this contract shall stand for the following:

Framework Contract (FC)	An agreement concluded between the Qualified Bidder and the US. (This document.)
Bidder	Generators, suppliers and/or traders with electricity from the Republic of North Macedonia registered in compliance with the legal regulations of the Republic of North Macedonia and/or aboard and holders of appropriate licenses issued by the Energy Regulatory and Water Services Commission of the Republic of North Macedonia, as well as an EIC code issued by AD MEPSO or aboard.
Qualified Bidder	Bidder that has concluded a Framework Contract with the US.
Selected Bidder	Qualified Bidder selected as the most advantageous bidder in the procedure for day-ahead electricity procurement, invited to conclude a Day-Ahead Individual Contract with the US for the purposes of day-ahead procurement.
Public Call for Accepting Bidders into the QS	Public Call for Accepting Bidders into the Qualification System published through a web-based platform in compliance with the Rules of Electricity Procurement for the Requirements of the Universal Supplier, available at www.evn.mk .
Day-Ahead Electricity Procurement	Procedure conducted by the US in compliance with the Rules of Electricity Procurement for the Requirements of the Universal Supplier.
Day-Ahead Individual Contract on Electricity Procurement	Purchase Contract between a qualified bidder and the US, defining the commercial terms for electricity purchase on the day-ahead market.

Bid	Offer for a Service Trading Fee for the requested day-ahead quantity, submitted by a qualified bidder.
Request for Bids for Day-Ahead Electricity Procurement Issued to Qualified Bidders (RBS)	Electronic document sent by the US to all qualified bidders via e-mail and/or web-based platform, defining precisely the terms of conducting the process of electricity procurement on the day-ahead market.
Procedure for Selection of the Most Advantageous Bid for a Day-Ahead Service Trading Fee	Schedule of events related to electricity procurement starting by issuing of an RB by the US, delivery of bids by qualified bidders, evaluation and selection of the most advantageous bidder and conclusion of a Day-Ahead Individual Contract with the selected bidders or delivery of notice that no bidder has been selected for the conclusion of a Day-Ahead Individual Contract.
Daily Day-Ahead Electricity and Electric Power Delivery Schedule	Daily Day-Ahead Electricity and Electric Power Delivery Schedule (MW) for each hour over a 24-hour delivery period, CET, i.e. 23 or 25 hour-period for the days of daylight saving change.

(2) The abbreviations used in this Contract shall stand for:

US	Universal Supplier of Electricity providing electricity supply as a universal service, as well as electricity supply of last resort (name of legal entity).
ERC	Energy Regulatory and Water Services Commission of the Republic of North Macedonia
FC	Day-Ahead Framework Contract
ID	Day-Ahead Individual Contract
RB	Request for bids for day-ahead electricity procurement issued to qualified bidders
QS	Qualification System
DDS	Daily Day-Ahead Electricity and Electric Power Delivery Schedule

I. SUBJECT OF THE CONTRACT

Article 1

- (1) This Contract lays down the manner and terms of concluding a Framework Contract on Electricity Procurement for the Requirements of Households and Small Consumers supplied by the Universal Supplier in compliance with Article 101 of the Law on Energy.
- (2) This FC regulates all transactions performed by the Parties for the purposes of purchase, sale, delivery and acquisition of electricity. Details about each transaction shall be specified in each IC and DDS.
- (3) All Individual Contracts and this FC shall constitute a single Contract between the Parties (jointly referred to as the Contract). The provisions of this FC apply to each IC and are considered its integral part.

Article 2

- (1) Qualified Bidders that concluded an FC with the US are qualified to participate in each individual procedure for electricity procurement on the organized day-ahead market for the requirements of the households and small consumers supplied by US.

- (2) The Qualified Bidder shall be invited by the US to participate in the procedure for electricity procurement on the organized day-ahead market and submit offers by means of RB submission. The bids submitted by the Qualified Bidders shall be evaluated and the most advantageous bids determined in compliance with the selection criteria defined in each RB.
- (3) The US has the right to completely or partially accept or reject the most advantageous bids depending on the decision of the legal representatives of the US. The Bidder, i.e. the Qualified Bidder is not entitled to any kind of compensation by the US if the submitted bid is not selected as most advantageous or the procurement has been annulled or canceled.

Article 3

- (1) In accordance with the requirements outlined in the RB by the US, the Qualified Bidder shall submit an electricity supply bid, responding only to the requirements of the Universal Supplier, as defined in Article 1 of this Contract.
- (2) The US does not guarantee the Qualified Bidder the supply of particular quantity of electricity or a particular number of concluded ICs.
- (3) The US retains the right to determine the time periods and quantities of supply and delivery in accordance with its needs.

II. REQUEST FOR BIDS FOR DAY-AHEAD ELECTRICITY PROCUREMENT (RBS)

Article 4

- (1) In compliance with its plans and requirements, including time intervals, the US shall issue and submit an RB to the Qualified Bidder via email or the web-based platform.
- (2) Each RB shall include at the very least:
 - date, time and manner of bid submission,
 - documents attached to the bid,
 - bid submission deadline,
 - language of use in the bid and procedure,
 - delivery period for electricity and electric power,
 - place of delivery,
 - requested electric power,
 - type of product, invoicing and payment terms,
 - bid currency,
 - criteria for evaluating bids,
 - start and duration of electronic auction,
 - notice of selection of the most advantageous bid,
 - special terms,
 - bid guarantee in the form of a bank guarantee or a deposit not exceeding the value of the offered electricity by more than 3%.
 - the amount of bid guarantee for timely and quality execution of the Contract not exceeding the total contract value of electricity procurement by more than 10%,
- (3) US may extend the deadline for bid submission, evaluation and selection of the most advantageous bid if it corresponds with the requirements and terms of competition and its personal needs and shall not be liable for any type of losses, expenses or damages incurred to the other party.

- (4) In line with its requirements, the US has the right to withdraw the RB at any time, without being obligated to reveal the reasons for termination of the procedure or assume liability for any type of losses, expenses and damages caused to the other party. The Qualified Bidder shall notify the bidder of the RB withdrawal.
- (5) The Qualified Bidder shall act upon and observe all instructions issued by the US and outlined in the RB.

III. EVALUATION OF BIDS

Article 5

- (1) Only bids received within the deadline foreseen with the RB shall be taken into account for the evaluation based on the Lowest Service Trading Fee criterion for the requested electricity quantity on the day-ahead market.
- (2) Based on the RB referred to in paragraph (1) of this Article, the US shall conclude an IC with a Qualified Bidder that meets the criteria outlined in the RB and offers the lowest Service Trading Fee for day-ahead procurement.
- (3) The selection of the most advantageous bidder shall be conducted by preparing a Merit Order List of the qualified bidders that submitted bids by US authorized persons through bid evaluation using the Merit Order List.

The evaluation shall be carried out in the following way:

- the bids shall be arranged in a Merit Order List from the lowest to the highest Service Trading Fee;
 - bids short of the necessary elements (documents) referred to in the RB shall be considered incomplete and unacceptable and shall not be subject to evaluation.
 - bids short of valid and complete bank guarantees or deposit values shall be evaluated as incomplete and unacceptable and shall not be subject to evaluation.
- (4) The US has the right to procure electricity by means of an appropriate (software) application/web-platform, observing the guidelines defined in the RB and the "Instructions on Using the Application/Web-Platform" Appendix.
 - (5) If conducting electricity procurement by means of an appropriate (software) application/web-platform, the US shall familiarize the Qualified Bidder with the manner of using the application/web-platform in the electricity procurement procedure and shall invite qualified bidders to use it when submitting their bids.
 - (6) The US retains the right to select more than one qualified bidder, accept partially or fully any bid submitted by qualified bidders or reject any bid in compliance with the guidelines or criteria outlined in the RB.
 - (7) The procedure for procurement of electricity for the requirements of the Universal Supplier ends by signing an IC with one or several bidders or by issuing a notice that no bidder was selected for the conclusion of an IC.

IV. PRICES AND AMOUNTS

Article 6

- (1) The Service Trading Fee shall be considered the sole criterion for selection of the most advantageous bid. The receipt time of the bids shall be considered a secondary criterion only if two or more bids offer the same Service Trading Fee. In this instance, the bid recorded as submitted the earliest shall take precedence. The selection of the most advantageous bidder shall be carried out by legal representatives of the US, taking into consideration the ranking of the most advantageous bidders in line with the criteria of this Public Call.

(2) The Service Trading Fee for the delivered electricity shall be part of the price (P_{h1}) at which the US shall purchase the electricity delivered in the MEPSO grid on a daily basis from the selected bidder. The hourly price (P_{h1}) shall be the sum of the electricity prices fetched at:

- the daily market of the Hungarian Power Exchange (HUPX DAM_h(HU)) for the relevant hour
- the Service Trading Fee

$$P_{h1} = \text{HUPX}_{\text{DAMh(HU)}} + \text{Service Trading Fee}$$

where:

HUPX_{DAMh(HU)} - Electricity price on the daily day-ahead market (DAM) of the Hungarian Power Exchange (HUPX) at each hour, published at www.hupx.hu as „Hourly prices and and volumes”,

Service Trading Fee – Trading service, subject to this Request, expressed in EUR/MWh.

(3) For optimization purposes, the US may request the sale of the energy surplus that might arise in the MEPSO grid on the day-ahead market from the selected bidder that concludes the IC on day-ahead procurement of electricity for the requirements of the US.

(4) The price (P_{h2}) at which the electricity of the selected bidder will be sold shall be the energy price fetched on the daily market (HUPX_{DAMh(HU)}) of the Hungarian Power Exchange (HUPX) at the relevant hour, reduced by the Service Trading Fee.

→ the daily market of the Hungarian Power Exchange (HUPX_{DAMh(HU)}) at the relevant hour, HUPX_{DAMh(HU)},

→ the Service Trading Fee

$$P_{h2} = \text{HUPX}_{\text{DAMh(HU)}} - \text{Service Trading Fee}$$

All additional expenses arising in relation to the electricity delivered/purchased from the bidder should be included in the Service Trading Fee and borne by the bidder.

The sum at hourly level (EUR) for the delivered electricity shall be the product of the delivered electricity quantity and the hourly price (P_{h1}), while the sum at hourly level (EUR) for the sold energy surplus shall be the product of the sold electricity quantity and the price at hourly level (P_{h2}).

The monthly sum (EUR) for the delivered electricity shall be the sum of all the hourly sums for electricity delivered during the respective month of delivery, while the monthly sum (EUR) for the sold energy surplus shall be the sum of all the hourly sums for electricity sold during the respective month of delivery.

V. INDIVIDUAL CONTRACT

Article 7

(1) Before passing an electricity procurement decision in accordance with the Merit Order List, the US shall, before expiration of bid validity, notify the Qualified Bidder via email whether their bid has been accepted. The US shall submit an IC to the qualified bidder only if their bid has been accepted in the electricity procurement procedure.

(2) The IC on electricity purchase shall include the following:

- information about the selected bidder and responsible contact persons,
- delivery period,

- contract power in MW,
 - contract product type,
 - contract electricity Service Trading Fee, expressed in EUR/MWh, net of VAT,
 - delivery point,
 - payment terms,
 - bid guarantee for timely and quality execution of the contract,
 - other terms.
- (3) IC shall be accepted and signed by the selected bidder without further negotiations.
 - (4) IC shall come into effect on the day of signing by both parties and shall be valid until the meeting of all obligations outlined therein.
 - (5) If the Qualified Bidder does not sign the IC, fails to submit a bank guarantee for timely and quality execution of the IC, or withdraws the bid before expiration of bid validity, the US shall activate the bid guarantee or retain the deposit submitted as bid security.
 - (6) ICs shall only be concluded by the authorized persons of both parties.
 - (7) Following IC conclusion, the selected bidder agrees to sell electricity to the US and the US agrees to acquire and pay for the delivered electricity, the quantity and the manner of delivery of which is outlined in the FC, the respective IC, as well as the Daily Day-Ahead Electricity and Electric Power Delivery Schedule (DDS).
 - (8) The bank guarantee presented by the selected bidder upon conclusion of the Day-Ahead IC on Electricity Purchase shall serve as a security of the selected bidder for meeting the obligation for delivery/purchase of electricity in accordance with the DDS.
 - (9) As a security for meeting the obligations regarding electricity purchase in accordance with the DDS and meeting financial obligations towards the bidder, EVN Home shall obtain a Parental Company Guarantee from EVN AD, Skopje in the amount defined in the RB and present it upon IC conclusion.
 - (10) If for optimization purposes, the US requests the sale of the energy surplus that might arise on the day-ahead market from the selected bidder, the selected bidder agrees to purchase the electricity from the US and compensate the US in the manner defined in Article 6 of this RB and the respective IC, as well as the Daily Day-Ahead Electricity and Electric Power Delivery Schedule (DDS).
 - (11) In case of differences between the FC and IC, the IC shall prevail.
 - (12) The IC may be terminated before the end of its term if obligations defined therein are not fulfilled as per Article 11 of this FC.

Article 8

- (1) Original documents shall be exchanged via post only with the selected bidders.

Article 9

Notice of Daily Electricity and Electric Power Delivery Schedule

- (1) Depending on the needs for electricity supply of households and small consumers, the US shall submit a notice of Daily Delivery Schedule (DDS) to the qualified bidder that has concluded a Day-Ahead IC on Electricity Purchase.

The notice of Daily Delivery Schedule referred to in paragraph (1) of this Article shall include the following:

- Electricity and power delivery/purchase period,
- The requested power (MW) and electricity (MWh) for each hour over a 24-hour delivery/purchase period, CET, i.e. 23 or 25 hour-period for the days of daylight saving change,

- The notice of the final DDS shall be delivered to the Qualified Bidder by the US via e-mail no later than 08:45 (CET) each day for procuring electricity for the next day (D+1), i.e. no later than 13:00 (CET) for procuring electricity for the following day, i.e. (D+2).
- The Qualified Bidder shall send a Notification of Acceptance to US within one hour of receiving the Notice (DDS) at the latest.
- If the selected bidder does not notify the US within one hour of receipt of the DDS notice, the requested DDS shall be considered to be fully accepted by the selected bidder.
- If the selected bidder submits a different DDS than the one that has been requested by US to ETSO (Electricity Transmission System Operator – MEPSO), the US shall consider this a breach of the obligations for electricity delivery/purchase and a basis for activating the bank guarantee.

Article 10

Signing of Monthly Confirmation for Day-Ahead Purchase of Electricity

- (1) Within two days of the end of the delivery period, the selected bidder shall submit to the US a monthly confirmation of the quantities of delivered/purchased electricity and the procurement prices valid for the delivery period defined in this Contract.
- (2) The US shall confirm and return to the selected bidder via email the monthly confirmation within three days of its receipt if no errors have been identified.
- (3) In case of disagreement between the contracting parties with regard to the quantity of delivered electricity, valid shall be the information taken into consideration by the ETSO of RNM (MEPSO).
- (4) In case of disagreement between the contracting parties with regard to the electricity prices, the information published on the website referred to in Article 6 shall prevail.
- (5) Electricity invoicing shall be carried out on a monthly basis.

Article 11

Liability for Unfulfilled Contractual Obligations Outlined in a Day-Ahead Contract on Electricity Purchase

- (1) The Bidder selected as the most advantageous shall be liable for meeting completely the obligations for delivery/purchase of agreed power and electricity quantity in the power distribution grid in accordance with the DDS.
- (2) If the selected bidder fails to meet the responsibilities defined by paragraph (1) of this Article, they shall be responsible for covering the expenses caused to the US incurred as a result of the incomplete delivery/purchase of electricity in compliance with the DDS, determined and calculated by the US.
- (3) If the selected bidder fails to meet the responsibilities defined by paragraph (2) of this Article, the US is fully entitled to activate the bank guarantee and terminate the concluded IC.
- (4) In the event of activating the bank guarantee for repeated participation of bidders in the day-ahead electricity procurement process, a new bank guarantee is to be submitted.
- (5) The bank guarantee shall also be retained by the US in case of other breach of the obligations of the bidder, outlined by the IC.

VI. RIGHTS AND OBLIGATIONS

Article 12

Rights and Obligations of the Qualified Bidder

- (1) In order to participate in the electricity procurement procedure conducted by the US, the Qualified Bidder agrees to submit a bid for a day-ahead Service Trading Fee in accordance with the terms defined in the particular RB. All expenses/commissions for submission of the guarantee/deposit shall be borne by the qualified bidder.
- (2) The submission of the bid by the Qualified Bidder shall mean that all terms laid down in the RB have been accepted. If the bid has been accepted, the terms shall be binding for the Qualified Bidder.
- (3) If requested in the RB, the Qualified Bidder agrees to submit a bid guarantee or pay a deposit in order to secure its participation in the electricity procurement procedure conducted by the US.
- (4) The Qualified Bidder agrees to the activation of the bid guarantee or paid deposit by the US in the manner described in, paragraph 7 in this Article , Article 19 and Article 20 of this FC.
- (5) In compliance with the IC, the selected bidder shall deliver/purchase the agreed quantities of electricity or power at the delivery point in accordance with the requested DDS for the purposes of the US for a particular time period.
- (6) The selected bidder shall take all risks and assume liability for all the expenses and compensations incurred in relation to the delivery/purchase of the contract electricity quantity to the delivery point in accordance with the RB.
- (7) If the selected bidder fails to deliver/purchase electricity and power in compliance with the IC or the DDS for the requirements of the US for a particular time period, the selected bidder confirms that the US may activate the bank guarantee for timely and quality execution of the IC and act in accordance with Article 19.
- (8) The selected bidder may acquire and compensate the US for the energy and power surplus that may occur on the day-ahead market in accordance with IC and the monthly confirmation of day-ahead electricity procurement.

Article 13

Rights and Obligations of US

- (1) The US defines the terms and guidelines in each RB it initiates.
- (2) The US sends an RB to all Qualified Bidders via email or a web-based platform every time it initiates a procedure for day-ahead electricity procurement and IC conclusion.
- (3) The US shall ask the qualified bidder for a bid guarantee or a deposit to secure its participation in the day-ahead electricity procurement procedure.
- (4) The US may exclude the Qualified Bidder from the electricity procurement procedure and activate the bid guarantee, i.e. keep the paid deposit if the Qualified Bidder does not observe the instructions defined and specified by the US in the RB.
- (5) The US may activate the bid guarantee, i.e. keep the paid bid deposit if the qualified bidder does not conclude an IC within the foreseen deadline, in accordance with Article 7 of this FC, or breaches some of the provisions of the FC and IC.
- (6) The US may cancel the electricity procurement procedure any time up to the point of IC conclusion, while the Qualified Bidder may not seek compensation.
- (7) The US shall ask from the qualified bidder for the delivery of electricity and power in accordance with the DDS.
- (8) The US shall acquire and compensate the selected bidder for the delivered electricity and power in accordance with the IC and the monthly confirmation of procured electricity on the day-ahead market.
- (9) The US shall acquire and compensate the selected bidder for the acquired electricity and power in accordance with the IC and the monthly confirmation of procured electricity on the day-ahead market.

VII. PAYMENT TERMS AND INVOICING

Article 14

- (1) Delivered electricity shall be invoiced by the Qualified Bidder within 5 days of the end of the month during which electricity was delivered in accordance with the agreed monthly confirmation document, calculated in accordance with Article 6. The invoice shall be dated on the last day of the month, with VAT included. If the selected bidder is not a legal person registered in the Republic of North Macedonia, the invoice shall be issued in euros (EUR).
- (2) The Qualified Bidder shall prepare a monthly invoice for the delivered quantity in denars (MKD) according to the official average euro exchange rate (EUR) of the National Bank of the Republic of North Macedonia valid on the day of invoicing, in accordance with the calculated monthly amount defined by Article 6 of this IC.
- (3) In the event of energy surplus in accordance with the DDS submitted by the US for the day-ahead procurement, the US is entitled to issue an invoice to the selected bidder based on the price and compensation defined by Article 6. Invoicing by the US shall be performed by issuing an invoice within 5 days of the end of the month of electricity delivery based on the agreed upon monthly confirmation document.

Article 15

- (1) Payment shall be completed within 20 days of receipt of the original invoice by the Archives of the US.
- (2) The US shall pay for the acquired electricity in denars (MKD) according to the official average euro exchange rate (EUR) of the National Bank of the Republic of North Macedonia, valid on the day of invoicing. If the selected bidder is not a legal entity registered in the Republic of North Macedonia, the invoice shall be issued in euros (EUR), in compliance with the received invoice, with split costs.
- (3) The US shall render payment of the invoice in denars (MKD) to the giro account of the selected bidder in compliance with the instructions specified in the invoice by referencing the invoice number.
- (4) In the event of energy surplus in accordance with the DDS submitted by the US regarding day-ahead procurement, the selected bidder shall pay the energy surplus invoice in compliance with the instructions laid down in the invoice within 20 days of receipt of the original invoice by the Archives of the selected bidder.
- (5) The US shall secure a Parental Company Guarantee from EVN Makedonija AD, Skopje in the amount of EUR XXX XXX and submit it at the time of IC conclusion.
- (6) For late payment of the invoice referred to in Article 14 of this FC, US shall pay the selected bidder legal penalty interest valid in the country of the US.

VIII. BANK GUARANTEE FOR TIMELY AND QUALITY EXECUTION OF THE CONTRACT

Article 16

- (1) In order to sign the IC, the selected bidder shall submit a bank guarantee for timely and quality execution of the contract written in Macedonian or business English, issued by a renowned bank in the manner and with the duration defined in the RB, in compliance with Article 11 of the Rules on Electricity Procurement for the Universal Supplier, adopted by the ERC. All expenses and commissions for submission of the guarantee shall be borne by the selected bidder.
- (2) If the selected bidder fails to conclude an IC or submit a bank guarantee for timely and quality execution of the contract within the deadline defined in the RB, the US shall collect the bid guarantee or retain the bid deposit.

- (3) The selected bidder agrees to the activation of the bid guarantee for timely and quality execution by the US in the event of failure to meet the obligations outlined in the FC and/or the respective IC in the amount calculated according to Article 19, paragraph 2 of this FC.
- (4) If the bank guarantee for timely and quality execution of the contract has been activated and paid fully or partially by the US in compliance with paragraph 3 of this Article, the selected bidder shall submit a new bid guarantee for timely and quality execution of the IC within 5 (five) days.

Article 17

- (1) The US shall return the bid guarantee or paid deposit as soon as the day-ahead electricity procurement procedure has been completed if:
 - a) The selected bidder has not been selected as the most advantageous bidder, or
 - b) The selected bidder selected as the most advantageous bidder has submitted a bank guarantee for timely and quality execution of the IC in a timely fashion.

IX. CONFIDENTIALITY

Article 18

- (1) The terms laid down in the IC shall be considered confidential information and neither contracting party shall reveal it to a third party.
- (2) Information shall not be considered confidential if:
 - a) published with prior written consent of the other party,
 - b) revealed in compliance with laws and bylaws, the Energy Regulatory and Water Services Commission of the Republic of North Macedonia or in relation to a judicial or regulatory procedure, each contracting party putting their best effort, as practically permitted by the respective law or regulation, to prevent or limit the disclosure of information and immediately notify the other contracting party,
 - b) considered public information, or
 - r) revealed due to statistical reasons by taking efforts to exclude the identity of the other contracting party.

The contracting parties are obligated to observe the confidentiality obligations two (2) years from expiration of the respective IC.

X. LIABILITY FOR UNFULFILLED CONTRACTUAL OBLIGATIONS, COMPENSATION OF EXPENSES

Article 19

- (1) If the qualified bidder or the selected bidder fails to act in accordance with this Contract, the IC or RB, the US has the right to terminate the Contract and activate the bank guarantee.
- (2) If the selected bidder fails to deliver/purchase the contract quantity and electric power completely or partially in accordance with the terms of the IC and/or the DDS for the requirements of the US and if the failure to deliver/purchase electricity is not caused by force majeure defined in Article 22 and Article 23 of this Contract, or by failure to acquire electricity by the US, the selected bidder shall pay the US an "S" amount (EUR), defined according to the following equation:

$S = \sum(Q_i * P_i)$, which is calculated as:

- a) sum "Σ" from the product between
 - i) quantity Q_i (MWh) of undelivered/unpurchased electricity by the selected bidder at the appropriate hour "i" in compliance with the Schedule submitted by the US, and

- ii) price for undelivered/unpurchased electricity "Pi" (EUR/MWh) calculated as received share reference price calculated according to the following equation:

$$P_i = 1,5 * HUPX_i(HU)$$

where:

"i"(h) is the hour of undelivered quantity by the selected bidder;

"HUPXi(HU)" (EUR/MWh) is the electricity price on the day-ahead market at the HUPX Hungarian exchange at the appropriate hour i

- (3) For the calculations, zero value shall be used for the hour at which the price of the HUPX Hungarian exchange has a negative value.

This amount shall increase by all the remaining and confirmed expenses incurred for the US as a result of the undelivered electricity and electric power by the selected bidder.

- (4) The US shall submit to the bidder an invoice of unsettled contractual obligations and the bidder shall settle the invoice within 10 days of receipt. If the bidder does not pay the invoice within the defined deadline, the US may activate the bank guarantee in the amount of "S".

Article 20

- (1) The selected bidder may not offer, deliver or nominate a different DDS from the schedule delivered by the US in accordance with Article 9, paragraph (2) of this Contract.
- (2) If the selected bidder delivers and nominates to the ETS (Electricity Transmission Operator – MEPSO) a different DDS than the schedule requested by the US, it shall be considered grounds for activating the bank guarantee.

Article 21

- (1) The contracting parties agree that in the event of damages caused by violating the provisions of this FC and/or each IC, the party that caused the damage shall compensate the other party in compliance with the provisions of the valid laws and bylaws in the Republic of North Macedonia.

XI. FORCE MAJEURE

Article 22

- (1) Force majeure absolves the selected bidder from the responsibility to deliver/purchase electricity and the US to acquire/export electricity in accordance with this FC.
- (2) The US and the selected bidder shall consider as force majeure all unpredictable natural events relating to natural disasters (floods, earthquakes, fires, etc.), as well as events and circumstances occurring after the conclusion of this FC that prevent the fulfillment of contractual obligations and such that cannot be prevented, eliminated or avoided by neither party. These events shall be acts by state authorities and the transmission system operator of the Republic of North Macedonia adopted in compliance with the operational rules of the transmission system operator in order to secure stability of the power system of the Republic of North Macedonia. The party affected by force majeure shall notify the other party of the beginning and end of the force majeure and undertake all reasonable measures necessary for mitigating the consequences.
- (3) Force majeure in the sense of this Contract shall stand for, without limitations, one or more of the following circumstances:
- unpredictable natural events relating to natural disasters (floods, earthquakes, fires, etc.) announced officially by competent institutions of the Republic of North Macedonia, or
 - actions by state institutions of the Republic of North Macedonia and/or the transmission system operator and/or the distribution system operator conducted in compliance with the rules of operation of the respective operators of the Republic of North Macedonia for the purposes of

securing a safe power system of the Republic of North Macedonia, officially published by said institutions, or

- defects of communication or computer systems of the relevant telecommunication operator/s of the Republic of North Macedonia preventing the requesting party to fulfill its obligations for delivery or acquisition of energy, officially published by said institutions, or
- implementation or adherence to laws, agreements, regulations, decrees, judgments, orders, valid resolutions or requests made by state authorities of the Republic of North Macedonia, except requests involving payment,
- wars, war threats, explosions, announced officially by competent institutions of the Republic of North Macedonia.

Article 23

- (1) If, due to force majeure, one of the parties is unable to partially or fully carry out some of its responsibilities for delivery or receipt of power outlined in one or more ICs, and if said party meets the requirements defined in Articles 19 and 20, contractual obligations shall not be considered breached or unfulfilled by the requesting party, freeing it from the responsibilities (instead of suspending them temporarily) subject to force majeure for the time period and to the extent to which the party is prevented or unable to carry out its contractual obligations. The requesting party shall not assume any kind of liability for compensation with regard to the quantities that were not delivered or received.
- (2) As soon as the requesting party becomes aware of the force majeure, it notifies the other party in writing of the beginning of the force majeure and its nature, and provides, if possible, unbinding projection of the scope and expected duration of its inability to carry out its obligations. The requesting party shall put all its commercially reasonable efforts into rectifying the situation and removing, as much as possible, the reason for its inability to carry out its responsibilities, thus mitigating the consequences of the force majeure, and during the extended course of duration of the force majeure provide the other party, if and when possible, with reasonable current information about the scope and expected duration of its inability to carry out its obligations, provided, additionally, that strike resolution, interruptions of work and other labour conflicts are entirely under the competence of the affected party invoking force majeure.
- (3) The requesting party notifies the other party of the measures undertaken for protection and removal of the force majeure event, including urgent notification of the end of the force majeure.
- (4) If the selected bidder is exempt from the responsibilities for delivery/purchase due to force majeure, the US is also exempt from the respective responsibilities for receipt and payment. If the US is exempt from the responsibilities of receipt due to force majeure, the selected bidder shall also be exempt from the respective responsibilities for delivery/purchase.
- (5) If one of the parties is absolved from its responsibilities due to force majeure for a time period longer than thirty (30) consecutive days or longer than sixty (60) during one calendar year, the contracting party other than the requesting party, has the right to immediately terminate the IC affected by the force majeure, by sending written notification to the requesting party. This termination of the IC shall not endanger the accumulated rights and responsibilities of the parties as per that IC until the contract termination date; however, neither party shall be responsible to the other party for the unexpired part of the complete delivery deadline stated in the IC following termination date.

XII. DISPUTE RESOLUTION

Article 24

- (1) The parties agree to attempt to settle each dispute arising from this FC amicably by means of direct negotiations conducted in good faith.

- (2) If the Qualified Bidder and the US fail to settle the dispute by means of direct negotiations within 15 (business) days, each party may initiate proceedings before a competent court of law or other competent authority in the Republic of North Macedonia.

XIII. CONTRACT DURATION AND TERMINATION

Article 25

- (1) This Contract shall be considered concluded from the time of its signing and stamping by the authorized persons representing the Parties.

Article 26

- (1) This Contract shall be applicable from the time of its conclusion pursuant to Article 25 of this Contract and shall stay in effect until one of the parties requests termination.

Article 27

- (1) This Contract may be terminated with 1 (one) month notice from the date of receipt of the submitted request by the contracting party.
- (2) In case of invalidity of the Contract due to amendment of effective laws or bylaws in the Republic of North Macedonia.
- (3) If one of the contracting parties fails to act in accordance with the terms laid down in this FC or IC and/or does not meet the rights and obligations of this FC or IC fully or partially and/or if the permit of the US or the qualified bidder issued by the ERC ceases to be valid on any given ground and/or if the qualified bidder does not meet the bidder criteria for participating in the QS.
- (4) This Contract may also be terminated by mutual consent of both contracting parties.

Article 28

- (1) The notice of contract termination shall be submitted in writing from one contracting party to another.

XIV. CLOSING PROVISIONS

Article 29

- (1) The contracting parties may transfer, assign, void or have at their disposal in another way all or some of the rights and obligations of this Contract only after its coming into effect and with prior written consent of the other contracting party issued within 30 days of receipt of appropriate request. Consent that is not issued within this period shall be considered refused. This Contract shall also have effect on the legal successors of the contracting parties and authorized recipients of the parties.
- (2) This Contract, along with its appendixes, represents a complete agreement between the contracting parties on the contract subject and replaces all previous or parallel oral or written agreements, negotiations or discussions related to the contract subject.
- (3) If any of these provisions ceases to be valid on the basis of a court decision, acts adopted by state authorities, it shall no longer constitute part of this Contract, while the remaining provisions shall continue to be valid. Whenever possible, every provision, expression or condition stated in this Contract shall be construed in a way that is applicable and valid according to the competent law; however if any of the provisions, expressions or conditions of this Contract become fully or partially invalid according to the competent law, they shall not be considered part of this Contract, but shall not affect the legality and validity of the Contract or render the Contract invalid. Instead of the provision, expression or term of this Contract which have become completely or partially invalid, the contracting parties shall put their best efforts to agree on a valid and practical provision which shall be legally permissible and closest to the one it replaces, attempting to reflect, as much as possible,

the real will of the contracting parties and the economic goal of the invalid provision, expression or term. The provision of this Article shall also apply in the event of blanks in the Contract.

(4) All amendments to this Contract shall be carried out based on an annex, in writing and signed by both contracting parties.

(5) This Contract is concluded in Macedonian.

Article 30

(1) Everything that is not laid down by this Contract shall be subject to the laws and bylaws of the Republic of North Macedonia.

Article 31

(1) The following persons have been authorized for exchanging information and undertaking activities arising from this FC on behalf of the US:

Name and surname		Name and surname	
e-mail:		e-mail:	
telephone:		telephone:	
fax:		fax:	

(2) The following persons have been authorized for exchanging information and undertaking activities arising from this FC on behalf of the Qualified Bidder:

Name, surname and position:		Name, surname and position:	
e-mail:		e-mail:	
telephone /mob:		telephone:	
fax:		fax:	

Article 32

(1) In the event of inconsistency in the terms of the IC and the provisions of this FC, the terms of IC shall prevail for the purposes of the respective IC. The titles and subtitles are used for the sole purpose of structuring the text and shall not affect the interpretation of the FC.

(2) This Contract is concluded in Macedonian. The English version of the Contract is not binding. In case of dispute, the Macedonian version shall prevail.

(3) This Contract shall be executed in 4 original copies, two copies for each contracting party.

On behalf of the Qualified Bidder

On behalf of the US