

**General Terms and Conditions**  
**of the Gazprom export LLC Natural Gas Sales**

**1. Preamble**

Gazprom export LLC (hereinafter referred to as “**GPE**”) presents Electronic Sales Platform (“**ESP**”) for the sale of Natural Gas for export in the form of regular sales sessions (“**Sales Sessions**”) on the basis of present General Terms and Conditions (“**GTCs**”). Detailed information concerning the schedule of forthcoming Sales Sessions, including delivery points (“**Instruments**”) and delivery periods will be regularly posted and updated on the following GPE’s website [www.gazpromexport.com/en/esp](http://www.gazpromexport.com/en/esp) (“**GPE’s website**”).

In order to participate in Sales Sessions an interested party (“**Applicant**”) shall follow the prequalification procedure (“**Prequalification**”). Successfully prequalified Applicants (“**Bidders**”) will be included in the list of prequalified Bidders (“**Bidders List**”) (for further details see Section 2 below).

Bidders and their authorized traders (“**Traders**”) further will be registered and will be granted an access to ESP (for further details see Section 3 below).

For each Sales Session a specific quantity of Natural Gas at specific delivery point(s) and for specific delivery period will be offered for allocation to Bidders on ESP (for further details see Section 4 below).

Following each Sales Session Bidder may be awarded a delivery of Natural Gas in accordance with the results of such Sales Session and based on the terms of Gas Sales Agreement (“**GSA**”) published on the GPE’s website (for further details see Sections 5 below).

**2. Prequalification of Bidders**

GPE will publish on its website all relevant Gas sales information and documentation (“**Prequalification Pack**”) for attention of Applicants.

2.1 In order to participate in Prequalification Applicants shall submit the completed Prequalification Pack together with all supporting documents mentioned in Section 2.2 below to GPE not later than three (3) weeks before the date of relevant Sales Session in electronic form via attached pdfs validly signed, to the following email address: [esp@gazpromexport.com](mailto:esp@gazpromexport.com) (“**Prequalification Application**”).

2.2 The following documents shall be provided by Applicants for the purpose of complete Prequalification Application:

- a) Signed and completed Prequalification Application Form;
- b) Signed Confidentiality Agreement;
- c) Completed KYC Questionnaire;
- d) Copies of the following supporting corporate documents:
  - aa) Proof of incorporation of the company and of authorization of the signatories;
  - bb) Audited financials for the past three (3) years in English and the last interim Financial Report in English;
  - cc) Copy of VAT Certificate;
- e) Signed and completed Consent to process personal data.

Traders will have an access to Sales Sessions in ESP only for the delivery points specified in the relevant Prequalification Application Form and supported by corresponding Shipper Codes. Any additional Shipper Code(s) initially not provided in Prequalification Application Form have to be provided by Applicant before the start of the relevant Sales Session.

GPE may request at any time any other documents it deems reasonably necessary from Applicant in the course of the Prequalification and such Applicant shall provide such documents without undue delay.

2.3 Any transfer and/or exchange of confidential information which is related to Sales Sessions and/or Prequalification and/or the GSA shall be performed under the terms of Confidentiality Agreement signed between Applicant/Bidder and GPE.

2.4 For the avoidance of any doubt it is understood that Prequalification Application shall only be deemed to have been submitted if and when GPE has received a complete application. Prequalification Applications shall not be deemed complete unless they include the documents and information required under Section 2.2 above. Prequalification Applications received which are not complete by the deadline set for a submission shall be deemed not to have been submitted. It is Applicant's responsibility to submit correct and complete information and documentation in due time as per Section 2.1.

2.5 Upon receipt of complete Prequalification Application GPE will review and process it in order to assess if Applicant meets relevant financial requirements to participate in Sales Sessions ("**Financial Qualification**"). The criteria for Financial Qualification are set out below in Section 2.6.

2.6 For the purpose of Financial Qualification, Applicant will be assessed based on its financial suitability:

- a) Applicant shall pass a security check in accordance with the internal requirements of GPE applied to its customers.

- b) Applicant must demonstrate a good credit standing as a proof of its financial sustainability. This is demonstrated when:
  - aa) Applicant submits a declaration stating that no insolvency or similar proceedings have been applied for or opened against it; and
  - bb) the credit standing of the company according to its annual accounts in the reasonable opinion of GPE is sufficient for Applicant to be able to meet its payment obligations under the GSA in case of successful Sales Session participation.
- c) For the purposes of Financial Qualification Applicant's credit standing shall be determined as follows:
  - aaa) Subject to Section 2.6 a), b) and d), Applicant with investment grade credit rating provided by one of the following credit rating agencies within the following ranges is deemed to be Financially Qualified without further requirements:
 

Moody's:	minimum rating of Baa3,
Standard & Poors:	minimum rating of BBB-,
Fitch:	minimum rating of BBB-.
  - bbb) Subject to Section 2.6 a), b) and d), Applicant with an equity of more than 10 million Euro and either (a) with a credit rating of Ba1 or lower by Moody's, BB+ or lower by Standard & Poors and BB+ or lower by Fitch or (b) without any credit ratings provided by Moody's, Standard & Poors and Fitch, may be accepted as Financially Qualified by GPE, if such Applicant agrees to provide GPE with a bank or company guarantee or letter of credit (upon condition that a bank or a company nominated by Applicant as guarantor/letter of credit issuer has an investment grade credit rating provided by Moody's, S&P or Fitch as stipulated in Section 2.6 c) aaa) above), or a 100% monthly advance payment for Natural Gas deliveries under GSA in case of being successful in Sales Sessions. The respective agreement will be included in the GSA.
  - ccc) Subject to Section 2.6 a), b) and d), Applicant with an operation experience of less than 3 years (by the date of application submission) or an equity of less than 10 million Euro may only be deemed Financially Qualified if such Applicant agrees to provide GPE with a 100% monthly advance payment for natural gas deliveries under GSA in case of being successful in Sales Sessions.
- d) If Applicant, or a bank/company (in case of Section 2.6 c) bbb) above) has more than one credit rating from Moody's, Standard & Poors and Fitch, the lowest one assigned/updated not later than 1 (one) year before the application submission

date should be used as a rating of Applicant for the purpose of Financial Qualification.

2.7 Applicant will not pass Prequalification and will immediately and at any time be excluded from Sales Sessions in the following cases:

- a) an application for bankruptcy has been filed for, or insolvency or similar proceedings have been opened against Applicant;
- b) Applicant has been issued against or has received a conviction, which doubts its financial or professional reliability;
- c) Applicant has submitted an incomplete or forged Prequalification Application;
- d) Applicant has not accepted the GTCs and the terms of the GSA; or
- e) after reasonable consideration GPE came to the opinion that Applicant cooperates with another Applicant, either directly or indirectly, in order to influence the results of Sales Sessions.

2.8 Following Prequalification assessment, as soon as a decision on Applicant's admission to Sales Sessions has been made, but not later than 3 days before the date of relevant Sales Session GPE will notify Applicants by email on the following:

- a) Applicant has passed Prequalification without any further requirements, or
- b) Applicant has passed Prequalification under the condition that a guarantee, letter of credit or 100% advance payment will be provided in accordance with the terms of the GSA, or
- c) Applicant has not passed Prequalification, in which case the reasons for the decision will be stated.

Applicants under a) and b) will be included in Bidders List, and will be provided by GPE with further instructions for a registration and an access to ESP.

For Applicants included in Bidders List quarterly reassessment can be done by GPE. For the purpose of reassessment the following documents shall be provided by Bidder to GPE:

- a) Audited financials for the last year or the last interim Financial Report in English – on a quarterly basis;
- b) Completed KYC Questionnaire – on a yearly basis.

If qualified company does not provide required documents, GPE reserves the right to request credit support set out in Section 2.6 c) above or remove the company from Bidders List so that the company is considered as not passed Prequalification according to Section 2.7. Request for credit support or notification on changes in Prequalification will be made by GPE by email.

2.9 For the avoidance of any doubt, any Prequalification will be valid only for Sales Sessions as set out on GPE's website and GPE reserves the right to cancel

Prequalification or Sales Sessions at any time. In case of any changes at any time in the information provided by Applicants or Bidders for Prequalification purposes, these have to be notified to GPE promptly. GPE further reserves the right to exclude Bidder from Bidders List on reasonable ground.

2.10 For the avoidance of any doubt, following successful Prequalification Bidder shall have the right to participate in all prospective Sales Sessions at delivery points for which Shipper Codes have been provided unless its Prequalification has been canceled.

### **3. Registration of Bidders in ESP**

Following successful Prequalification Bidders and their Traders indicated in Prequalification Application Form will be registered on ESP. Each Trader shall be assigned a unique login and password for a registration on ESP (provided by supporting team of GPE).

The User's Manual of ESP will be available to download on GPE's website.

### **4. Sales Sessions**

4.1 Sales Sessions will be held in accordance with the schedule ("**Sales Sessions Calendar**") posted on GPE's website.

4.2 GPE will communicate to Traders of Bidders through ESP before start of each Sales Session the quantity available during such Sales Session, delivery period and prices, below which GPE will not sell any quantity of Gas, offered during relevant Sales Session under relevant Instrument ("**Reserve Price**"). Reserve Prices and the quantity of offered gas are confidential and shall not be communicated to the third parties before, during or after Sales Sessions.

4.3 Traders who wish to participate in any Sales Session will be required to submit bids for each requested quantity of relevant Sales Session ("**Order(s)**") through ESP within the timeframe of each Sales Session by specifying the following:

- the relevant delivery point (alternative, if applicable),
- the quantity of Gas it wishes to bid for and
- the binding bid price in €/MWh for requested quantity.

Each Trader can submit several Orders for each Sale Session (e.g. by offering different prices for different quantities at the relevant delivery point). All submitted Orders will be shown in Trader's own Orders table in ESP.

For the avoidance of any doubt, any Order already submitted to GPE shall not be subject to cancelation. Any Order already submitted to GPE could only be adjusted

by an increase of previously submitted bid price and/or requested quantity of Gas and/or by modification of delivery point (if applicable).

In the event that two or more Bidders have submitted Orders with quantities at the same price, and GPE will be allocating quantities at that price, and there are not sufficient quantities to satisfy all Orders at that price, then GPE will allocate the quantities to the relevant Bidders on a first-come-first-serve basis. By submitting an Order Bidder acknowledges and agrees, that in case of being successful the Order may be satisfied in part by applying the allocation principle specified in this paragraph.

## **5. Contract Award Procedure**

5.1 After the end of each Sales Session GPE will evaluate all Orders received according to the following principle, however, not being obliged to disclose or prove the allocation method to Traders.

Any Orders with a price lower than relevant Reserve Price will not be regarded by GPE for the purpose of relevant Sales Session.

In respect of Orders with a bid price equal to or higher than respective Reserve Price, the quantities will be allocated to Traders offering the highest bid prices, and, if bid prices are equal, on a first-come-first-serve basis.

5.2 The results of each Sales Session will be notified not later than 10 minutes after the end of Sales Session to Traders who submitted Orders. As soon as Trader receives a confirmation from GPE stating that it had been successful in Sales Session the GSA published on GPE's website on the terms and conditions of the winning Order for the relevant Sale Session shall become binding for successful Bidder and GPE. It is understood and expressly agreed by Bidder that its submission of Order shall be an offer to enter into a contract pursuant to § 145 German Civil Code, which is subject to an explicit acceptance of GPE pursuant to § 156 German Civil Code. Accordingly, GPE is under no obligation to enter into any contract and at any time may terminate Sales Sessions without any contracts being awarded.

5.3 As soon as practically possible after the successful participation, GPE shall send two originals of signed GSA filled in according to the results of Sales Session(s) to the official address of successful Bidder, who shall then countersign both originals and return one original back to GPE.

5.4 If GPE deems it reasonably necessary, it can request successful Bidder to cooperate in operational tests prior to the start of the delivery period as set out in the GSA and such Bidder shall comply with such request.

## **6. Miscellaneous**

- 6.1 GPE reserves the right to change these GTCs at any time prior to any Sales Session upon immediate notification to the respective Applicants and Bidders and reserves the right at any time to withdraw from and close Prequalification and sales process without any liability to any Applicant, Bidder or any other third party.
- 6.2 Any cooperation between Applicants, Bidders and/or Traders, either direct or indirect, in order to influence the result of Sales Sessions is prohibited and will result in an immediate disqualification of the involved Applicants, Bidders and/or Traders. Any GSA that was awarded despite such cooperation may be terminated by GPE with immediate effect.
- 6.3 These GTCs are published in English language, which shall be the binding version. Any translations will only be courtesy.
- 6.4 These GTCs, any Prequalification and transaction procedure, as well as the GSA are governed by substantive German Law excluding any application of conflicts of law provisions or the “United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980”. Any dispute resolution shall follow the rules set out in the GSA.
- 6.5 GPE provides Applicants or Bidders with the information support regarding Sales Sessions. Questions should be solely sent to the following e-mail address: [supportesp@gazpromexport.com](mailto:supportesp@gazpromexport.com).