

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

These General Terms and Conditions were last updated on **08.04.2021**.

1. Preamble

Gazprom export LLC (hereinafter referred to as “**GPE**”) presents Electronic Sales Platform (“**ESP**”) for the sale of Natural Gas in the form of regular sales sessions (“**Sales Sessions**”) on the basis of present General Terms and Conditions (“**GTCs**”). During Sales Sessions Natural Gas quantities will be traded under various combinations of delivery points and delivery periods (each such combination – an “**Instrument**”). Detailed information concerning the schedule of forthcoming Sales Sessions, including delivery points and delivery periods, will be regularly posted and updated on the following GPE’s website 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).

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

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

Following each Sales Session the 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**”) and/or Gas Sales Framework Agreement (“**GSFA**”) published on GPE’s website (for further details see Sections 5 below).

2. Prequalification of the Bidders

2.1 In order to participate in the Prequalification, the Applicants shall submit to GPE the documents mentioned in Section 2.2 below (“**Prequalification Application**”). The Prequalification Application shall be submitted in electronic form to the following email address: esp@gazpromexport.gazprom.ru not later than fifteen (15) days before the date of relevant Sales Session.

2.2 The following documents shall be provided by the 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 financial statements 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 of Trader(s).

Traders will have access to Sales Sessions on the 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 has to be provided by the Applicant before the start of the relevant Sales Session.

GPE may request at any time any other documents it deems reasonably necessary from the 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/GSFA shall be performed under the terms of Confidentiality Agreement signed between the Applicant/the 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. Received Prequalification Applications which are not complete by the deadline set for the submission shall be deemed not to have been submitted. It is the Applicant's responsibility to submit correct and complete information and documentation in due time as per Section 2.1.
- 2.5 Upon receipt of a complete Prequalification Application GPE will review and process it in order to determine whether the Applicant has passed the Prequalification and on what terms (i.e. what specific requirements shall apply to the Applicant depending on its credit standing in case of its successful Prequalification).

For these purposes GPE will, *inter alia*, conduct a security check in accordance with the internal requirements of GPE applied to its customers, assess the financial sustainability of the Applicant based on submitted documents under the Prequalification Application (i.e. whether in the reasonable opinion of GPE the Applicant will be able to meet its payment obligations under the GSA/GSFA in case of successful participation in Sales Sessions) and assess the credit standing of the Applicant as set out below in Section 2.6.

2.6 For the purpose of Prequalification the Applicant’s credit standing shall be determined as follows:

- a) To determine the Applicant’s credit standing GPE uses the Applicant’s credit rating assigned by Moody’s, S&P Global Ratings, Fitch or other credit rating agency agreed with GPE. The Applicant without any credit ratings assigned by Moody’s, S&P Global Ratings, Fitch or other credit rating agency agreed with GPE agrees that GPE can determine the Applicant’s credit standing by assigning to the Applicant an internal credit rating based on GPE’s internal credit rating model.
- b) The following limitations and requirements apply to the Applicant/Bidder willing to participate in Sales Session(s) depending on its Credit Rating:

Credit Rating	Delivery period limit (in number of seasons after the end of the current season ¹)	Natural Gas value limit (in millions of Euros)	Credit Limit (in millions of Euros)
AAA – A-	up to ten (10) seasons	Not applicable	400
BBB+			300
BBB			200
BBB-			100
BB+	up to six (6) seasons ²	300	80
BB			25
BB-			20
B+	up to four (4) seasons ²	80	15
B			0
B-			
CCC+, CCC, CCC-	up to two (2) seasons ²	10	0
CC, C, D	The Applicant/Bidder shall provide 100% advance payment covering the full value of the maximum anticipated quantity of Natural Gas for the period of delivery (up to 10 seasons) before participation in the Sales Session.		

Where:

Credit Rating shall mean the credit rating of the Applicant/Bidder a) provided by Moody’s, S&P Global Ratings, Fitch or other credit rating agency agreed with GPE, or b) assigned by GPE based on its internal credit rating model.

¹ season means the period from April 1 to October 1 and the period from October 1 to April 1. For the avoidance of doubt, the remaining part of the current season is also included into the Delivery period limit.

² Delivery period limit can be extended by the Applicant/Bidder up to 10 seasons by providing 100% advance payment, guarantee or letter of credit before participation in the Sales Session.

Delivery period limit shall mean the maximum period of delivery of Natural Gas which may be agreed under the GSA/GSFA with the Applicant/Bidder having the relevant Credit Rating subject to its successful participation in Sale Session(s).

Natural Gas value limit shall mean the maximum value of Natural Gas which may be purchased by the Applicant/Bidder having the relevant Credit Rating under all its ESP and EFET contracts with GPE. Natural Gas value limit shall not take into account: (i) the value of Natural Gas already delivered and paid by the Applicant/Bidder, (ii) Credit Limit (as per this Section 2.6 b)) (iii) Exposure (as per Section 2.6 c)) and (iv) mark-to-market value (as per Section 2.6 d)). Natural Gas value limit (for all ESP and EFET contracts) can be extended by the Applicant/Bidder with Credit Rating “CCC-“ and higher by providing 100% advance payment, guarantee or letter of credit before participation in the Sales Session. For the avoidance of doubt the maximum quantity of Natural Gas which may be allocated to the relevant Applicant/Bidder upon the results of the Sales Session(s) will be determined by GPE taking into account the Natural Gas value limit of the Applicant/Bidder having the relevant Credit Rating.

Credit Limit shall mean the maximum value of Natural Gas which may be purchased by the Applicant/Bidder having the relevant Credit Rating under all its ESP and EFET contracts with GPE without providing a guarantee, a letter of credit or advance payment taking into account Sections 2.6 c) and 2.6 d) below.

For the avoidance of doubt, in case of the Applicant’s/Bidder’s successful participation in Sales Session(s) the relevant provisions of GSA/GSFA published on GPE website will apply to the Applicant/Bidder depending on its Credit Rating.

c) Subject to Section 2.6 d), Bidder shall not provide a guarantee, a letter of credit or advance payment for purchased Natural Gas as long as its Credit Limit covers the value of the following quantities of Natural Gas under all its ESP and EFET contracts with GPE (“**Exposure**”):

- 1) already delivered and still due to be paid;
- 2) to be delivered in the current month; and
- 3) to be delivered in the next month (this bullet 3 starts to apply from the 10th calendar day prior to the beginning of the relevant month).

If the Exposure exceeds the Credit Limit of the Applicant/Bidder it shall provide GPE with a guarantee or a letter of credit or 100% advance payment (depending on its Credit Rating) covering the difference not later than 5 days prior to the relevant period of delivery.

d) At the moment of participation in the relevant Sales Session the Credit Limit of the relevant Applicant/Bidder shall cover in addition to the Exposure the mark-to-market value that occurs from a difference (if negative) between the relevant market

prices and prices of Natural Gas quantities to be delivered and not yet due to be paid under all ESP and EFET contracts of the relevant Applicant/Bidder with GPE. The mark-to-market value mentioned above is calculated by GPE within first 5 days of each calendar month and may be reevaluated not more than once a month.

If by the time of participation in any Sales Session the Credit Limit of the relevant Applicant/Bidder does not cover the Exposure and the mark-to-market value under this Section 2.6 d) then the Applicant/Bidder shall provide a guarantee, a letter of credit or 100% advance payment (depending on its Credit Rating) prior to participation in such Sales Session.

e) A bank or a company nominated by the Applicant/Bidder as a guarantor and/or a bank issuing a letter of credit shall have an investment grade credit rating provided by Moody's minimum rating of «Baa3», S&P Global Ratings minimum rating of «BBB-» or Fitch minimum rating of «BBB-» or other credit rating agency agreed with GPE. If the Applicant/Bidder, a bank or a company issuing a guarantee or letter of credit has more than one credit rating from Moody's, S&P Global Ratings and Fitch, the lowest one assigned/updated not earlier than 1 (one) year before the date of submission of Prequalification Application should be used as a rating of the Applicant/Bidder, a bank or a company for the purpose of Section 2.6. If the company nominated by the Applicant/Bidder as a guarantor does not have any credit ratings assigned by Moody's, S&P Global Ratings, Fitch or other credit rating agency, the Applicant/Bidder agrees that GPE can assign an internal credit rating based on GPE's internal credit rating model to such company for the purpose of this Section 2.6 e).

2.7 The 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 the Applicant;
- b) the Applicant has been issued against or has received a conviction, which raises doubts about the Applicant's financial or professional reliability;
- c) the Applicant has submitted an incomplete or forged Prequalification Application;
- d) the Applicant has not accepted the GTCs and the terms of the GSA/GSFA; or
- e) after reasonable consideration GPE came to conclusion that the Applicant cooperates with another Applicant, either directly or indirectly, in order to influence the results of Sales Sessions.

2.8 Following the Prequalification assessment, as soon as a decision on the Applicant's admission to Sales Sessions has been made, but no later than 3 days before the date of relevant Sales Session GPE will notify the Applicant by email on the following:

- a) the Applicant has passed Prequalification and will have certain Delivery period limit, Natural Gas value limit and Credit Limit as per Section 2.6 b) taking into account its Credit Rating, or

- b) the Applicant has not passed Prequalification, in which case the reasons for the decision will be stated.

The Applicants under a) of this Section 2.8 will be included in the Bidders List, and will be provided by GPE with further instructions for a registration and access to the ESP.

GPE can perform a quarterly reassessment of the Applicants included in the Bidders List. For the purpose of reassessment, the Bidder shall provide the following documents to GPE:

- a) Audited financial report for the last fiscal year in English on annual basis and the last interim financial report in English on a quarterly basis;
- b) Completed KYC Questionnaire – on a yearly basis.

If a qualified company does not provide required documents, GPE reserves the right to downgrade its Credit Rating or remove the company from the Bidders List so that the company is considered as not having passed Prequalification according to Section 2.7. 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 the information provided by the Applicant or the Bidder for the Prequalification changes at any time, the respective changes have to be notified to GPE promptly. GPE further reserves the right to exclude the Bidder from Bidders List on reasonable grounds.

2.10 For the avoidance of doubt, following successful Prequalification and subject to Section 2.6 d) the 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 the Bidders on the ESP

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

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

4. Sales Sessions

4.1 There are two types of Sales Sessions: **Auction Sales Sessions** and **One-Click Sales Sessions**. Sales Sessions will be held in accordance with the schedule published on the

GPE's website which may be amended by GPE by notifying the Bidders through the ESP or email communications (“**Sales Sessions Calendar**”).

4.2 Auction Sales Sessions

In accordance with the Sales Session Calendar GPE launches Auction Sales Session for each relevant Instrument. Before the start of each Auction Sales Session GPE will communicate to Traders of the Bidders through the ESP the quantity available during such Auction Sales Session, prices/fees, below which GPE will not sell any quantity of Natural Gas offered during the relevant Auction Sales Session under the relevant Instrument (“**Reserve Price/Fee**”) and other special conditions. The quantity of offered Natural Gas, Reserve Price/Fee and other special conditions are confidential information and shall not be communicated to the third parties before, during or after Auction Sales Sessions.

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

- the relevant delivery point (alternative, if applicable);
- the quantity of Natural Gas it wishes to bid for; and
- the bid price in Euro (or alternative currency) per MWh (or alternative measurement unit) for the requested quantity.

For the avoidance of doubt, any Order already submitted to GPE shall not be subject to cancelation. Any Order already submitted to GPE can only be adjusted by an increase of a previously submitted bid price and/or requested quantity of Natural Gas and/or by modification of delivery point (if applicable).

4.3 One-Click Sales Sessions

In accordance with the Sales Session Calendar GPE launches One-Click Sales Session for each relevant Instrument. Within the timeframe of One-Click Sales Session GPE submits offers (“**Offer**”) and Traders submit bids (“**Bid**”). Traders can submit Bids at any time within the timeframe of One-Click Sales Session even if there is no Offer on GPE side and GPE can satisfy such Bids later on by submitting the corresponding Offers.

Offers shall contain the following information:

- the quantity of Natural Gas offered and
- the offer price in Euro per MWh for the requested quantity.

Traders who wish to participate in any One-Click Sales Session will be required to submit Bids by specifying the following:

- the quantity of Natural Gas it wishes to bid for and
- the bid price in Euro per MWh for the requested quantity.

Any Bid or Offer already submitted in One-Click Sales Session can be cancelled or adjusted by an increase or decrease of a previously submitted price and/or requested quantity of Natural Gas until it is duly matched in accordance with Section 5.2.

4.4 Each Trader can submit several Orders/Bids for each Sales Session by offering different prices and different quantities for the relevant Instrument. GPE accepts Orders/Bids subject to the requirements in Section 2.6 b). All submitted Orders/Bids and own trades will be shown in the correspondent Trader's table on the ESP.

5. Contract Award Procedure

5.1 After the end of each Auction 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/Fee will not be regarded by GPE for the purpose of relevant Auction Sales Session. In respect of Orders with a bid price equal to or higher than respective Reserve Price/Fee, the quantities will be allocated to Traders offering the highest bid prices, and, if bid prices are equal, on a first-come-first-served basis.

The results of each Auction Sales Session will be notified not later than 5 minutes after the end of Sales Session to Traders who submitted Orders.

5.2 Within One-Click Sales Session allocation of quantities to Trader takes place immediately upon matching of the relevant Bid and Offer. Matching of the relevant Bid and Offer takes place only when Bid price and Offer price are equal, for the lesser quantity indicated in Bid or Offer. If several Bids with the same price are matched with an Offer, quantities will be allocated on a first-come-first-served basis.

The results of each One-Click Sales Session will be notified immediately upon matching of the relevant Bid and Offer.

5.3 In the event that two or more Bidders have submitted Orders/Bids with quantities at the same price, and GPE will be allocating quantities at that price, and there are no sufficient quantities to satisfy all Orders/Bids at that price, then GPE will allocate the quantities to the relevant Bidders on a first-come-first-serve basis. By submitting an Order/Bids the Bidder acknowledges and agrees, that in case of being successful the Order/Bids may be satisfied in part by applying the allocation principle specified in this Section 5.

5.4 As soon as Trader receives a confirmation from GPE stating that it had been successful in Sales Session, the GSA/GSFA published on GPE's website on the terms and conditions of the winning Order/Bid for the relevant Sale Session shall become binding

for the successful Bidder and GPE. It is understood and expressly agreed by the Bidder that its submission of Order or Bid shall be deemed 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.

- 5.5 GPE at its sole discretion chooses the type of sales agreement (GSA or GSFA) to be signed by the Bidder and GPE depending on the type of Instrument upon the Bidder's successful participation in Sales Session(s).

The GSFA shall be signed by the Bidder and GPE before the start of the relevant Sales Session. GPE shall send two hard copies of the signed GSFA to the official address of the Bidder, who shall then countersign both hard copies and return one copy back to GPE.

The GSA shall be filled in accordance with the results of Sales Session(s). As soon as practically possible after the Bidder's successful participation in Sales Session(s), GPE shall send two hard copies of signed GSA to the official address of the Bidder, who shall then countersign both hard copies and return one copy back to GPE.

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

6. Miscellaneous

- 6.1 The latest version of the GTCs published on GPE website shall be applicable to the Applicants, the Bidders and GPE. 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 the Applicants, the 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/GSFA 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/GSFA 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/GSFA.

6.5 GPE provides the Applicants or the Bidders with the information support regarding Sales Sessions. Questions should be solely sent to the following e-mail address: supportesp@gazpromexport.gazprom.ru.