

Q&A

(Based on received clarification requests and the relevant answers)

AS OF 08.04.2024

REFERS TO INVITATION FOR EXPRESSION OF INTEREST FOR THE SELECTION OF A CONTRACTOR IN PROVIDING CLEARING SERVICES FOR BALKAN GAS HUB MARKET NEEDS

Q1: Point 3. What does it mean “notarized declarations”.

A1: **The declaration(s) must be certified by a notary public.**

Q2: Point 3. Can we prepare one document with declarations in point 3.1 and signed in accordance with the company representation according to company registry documents?

A2: **Yes, these statements can be prepared in 1 declaration, duly signed and certified by notary.**

Q3: Point 3. What should be certified by a notary public. In our domestic law notary public certification is only to express that wet signature is done by authorized persons. We can't certify by a notary public electronic signatures. Are electronic signatures sufficient since we also provide a copy of the National Court Register (original and translated version in English by certified translator) containing information on who can represent the company so we don't need certification by a notary public.

Can we provide all documents in electronic form (i.e. no physical posting):

Expression of interest application – signed with qualified electronic signature by Management Board (according to Point 5.3)

One document with declarations and descriptions from the point 3.1-3.7 of the Expression of Interest Application Form – signed with qualified electronic signature by Management Board (according to Point 5.3).

All other attachments (e.g. excerpt from registry) with scanned copies of original documents confirmed by qualified electronic signature by the Management Board and translation in English confirmed by qualified electronic signature of the certified translator.

A3: **Regarding the required in Section 3.1. declarations, a notarized certification of the signature of the person representing the company is required, due to the fact that according to the Criminal Act, criminal liability is incurred for declaring false information. In order to protect the interests of the declarant, a notarial confirmation is necessary to verify that the signature belongs to the person representing the company. All other documents can be signed with in electronic signature and submitted in electronic form (i.e. no physical posting).**

All the originals of documents that are not signed with qualified electronic signature must be sent by post not later than 5 business days after the submission deadline to the following address, as described in p. 5.3 of the Invitation.

Q4: Clarification in respect of Section 3.1. of the application, namely about “notarized declarations” requirement. We are in the capacity of fulfilling all the requirements as set in Subsections 1-7 of Section 3.1., however we would like to know if these declarations are sufficient to be provided and dully undersigned by the official representatives, without notarization. Our understanding is, that the notarization cannot be extended on the subject of the declarations (as requested under Subsections 1-7.), instead, the notarization may serve only as a confirmation of the signatures properness. For this reason, we may provide with the latest Extract of the Company Register providing evidence on the persons authorized to sign such an application.

A4: Regarding the required in Section 3.1. declarations, a notarized certification of the signature of the person representing the company is required, due to the fact that according to the Criminal Act, criminal liability is incurred for declaring false information. In order to protect the interests of the declarant, a notarial confirmation is necessary to verify that the signature belongs to the person representing the company.

Q5: Point 5.4. If we submit Extract from the National Court Register (original and translated version in English by certified translator) containing information on who can represent the company so we don't need Notarized power of attorney additionally.

A5: Yes, we confirm that in this case you do not need notarized power of attorney.

Q6: Point 6.2. and 6.3. Could you please provide explanation and example for your methodology.

A6: Please find an example. The idea behind the methodology is to implement incentives to the participants to complete the first phase (short-term clearing) in a quick manner, and in the same time to achieve attractive fees for the market participants. In this regard, additional points shall be given for discounts in the annual and transaction fees, but with smaller weight in the final results than the weight of the regular fees.

With regard to point 6.2, the formula is as follows (using the annual fee as an example; the same formula applies for the transaction fee):

Annual fee criteria = \sum Annual fees of all respective participants / Respective participant annual fee * 2 points

Example (for the annual fee):

Participant 1 annual fee = 2,000 EUR

Participant 2 annual fee = 3,000 EUR

Participant 3 annual fee = 1,500 EUR

Participant 4 annual fee = 0 EUR

Sum of annual fees of all respective participants = 2,000 + 3,000 + 1,500 + 0 = 6,500 EUR

If a specific participant has no annual fee, they receive an extra point added to the highest score received for all the other participants' annual fees.

Participant 1 result = $(6,500 / 2,000) * 2 = 6.50$ points

Participant 2 result = $(6,500 / 3,000) * 2 = 4.333$ points

Participant 3 result = $(6,500 / 1,500) * 2 = 8.667$ points

Participant 4 result = $8.667 + 1 = 9.667$ points

With regard to point 6.3, the formula is as follows (using the discount from the annual fee for the first two years as an example; the same formula applies for the transaction fee):

Annual fee discount criteria = Respective participant annual fee discount expressed in EUR / \sum Annual fee discounts of all respective participants expressed in EUR

Participant 1 annual fee discount = 500 EUR

Participant 2 annual fee discount = 300 EUR

Participant 3 annual fee discount = 0 EUR

Participant 4 annual fee discount = 150 EUR

Sum of annual fee discounts of all respective participants expressed in EUR = 500 +300 +0 +150 = 950

Participant 1 result = 500 / 950 = 0.526 points

Participant 2 result = 300 / 950 = 0.316 points

Participant 3 result = 0 / 950 = 0 points

Participant 4 result = 150 / 950 = 0.158 points

Q7: Point 6.2. and 6.3. We have currently annual and clearing fees but also additional fees. How we should calculate the costs and include them in the annual and/or the transaction fees?

A7: We fully understand that the fee structure can be significantly complex and may contain variety of fees and the fee structure may differ amongst the participants. That is the reason we require comparable offers which are formed by similar fee structures. It is on the discretion of the participant how to calculate the fees and where to include the additional fees taking into consideration the specifics of the overall proposal.

Q8: Point 6.1. Are the dates described in first part of p. 6.1 strict deadlines? In other words, can we propose implementation deadlines after the deadlines laid down in the procedure? Will such an offer be rated 0 points or evaluated as formal incorrect and removed from the procedure?

A8: In this case the applicant shall be shortlisted and shall be rated 0 points, but the implementation deadline shall be taken into consideration in the negotiations phase.

Q9: Could you please provide us with data regarding the trading breakdown for the Short-Term segment, with a division into WD, DA, and Weekend/Holidays, as well as for the Long-Term segment?

A9:

2023 ST Break down		
Product	Number of Trades	Quantity, MWh
WD	5 329	1 623 858
DA	16 068	8 393 420

WE/ XWE	2 207	2 779 650
Total	23 604	12 796 928

2023 LT Break down		
Product	Number of Trades	Quantity, MWh
Month	1 594	28 225 443
BOM	101	4 485 718
Week	27	345 548
Quarter	1	273 000
Year	0	0
Total	1 723	33 329 709

All traded volumes for 2023 and traded volumes for the first two months of 2024 are available on our website at the monthly reports section: <https://balkangashub.bg/en/about-us/monthly-reports>

Q11. According to *answer 7* above, can you please confirm that it would be formally fine to submit offer which will include:

1. Annual fee: XX,XX EURO per member
2. Fees related to the short-term market
 - a. Transaction fee: XX,XX EURO per 1MWh
3. Fees related to the long-term market
 - a. Transaction fee: XX,XX EURO per 1MWh
 - b. Transaction delivery fee: XX,XX EURO per 1MWh

A11: We confirm that it would be formally accepted the offer to be provided with the structure above. However, BGH reserves its right to ask for additional clarifications, if necessary, before the next stage of the procedure.

Q12. According to *answer 7* above, can you please confirm that we do not have to include in the above fees the administrative fee for management of the clearing house members funds in the clearings securing system. These are the fees customary collected/charged by the clearing houses which are impossible to assign to Annual or Transaction fees.

A12: If it is not possible to include all administrative fees for management of the clearing house members and other possible fees in the fees described in Q11, please provide detailed list of such fees, their structure, and the conditions for their calculation. However, BGH reserves its right to ask for additional clarifications, if necessary, before the next stage of the procedure.

REFERS TO ***EXPRESSION OF INTEREST APPLICATION FORM***

Q10: Point 3. Financial Statements. We assume that the past two audited financial statements can be for 2021 and 2022 if financial statement for 2023 has not yet been audited and approved by Management Board.

A10: **Yes, we confirm.**