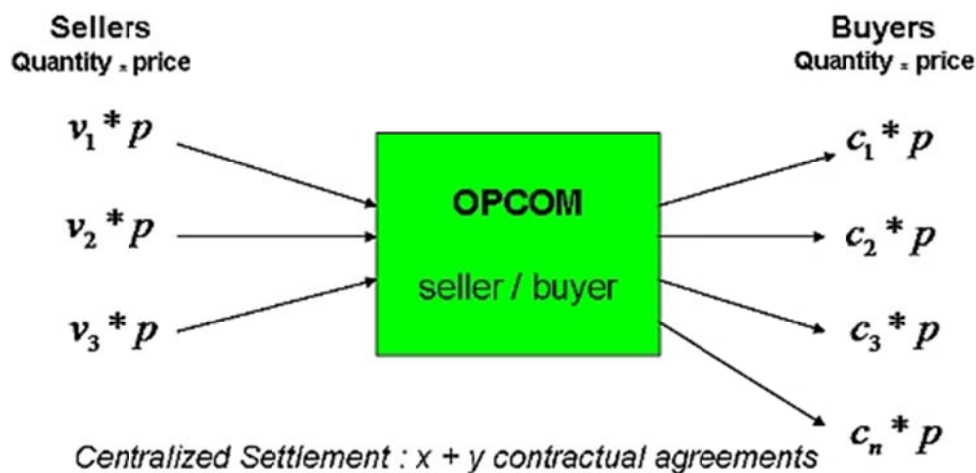


Settlement, encashment and payment on the Day Ahead Market

The settlement activity on the Day Ahead Market is performed in line with the in force provisions elaborated/approved by the Competent Authority

- ANRE's President Order no. 25/22.10.2004 regarding the approval of the Wholesale Electricity Market Commercial Code;
- ANRE's President Order no. 53/22.05.2008 regarding the ending of the transition rules application for the settlement in the Day Ahead Market;
- The procedure regarding the posting, checking and usage of the collaterals for participation on the Day Ahead Market, ANRE's president notice no.16/22.05.2008;
- The procedure regarding the settlement of trades on the Day Ahead Market, ANRE's president notice no. 18/22.05.2008;
- The procedure regarding cashing and payments for the trader concluded on the Day Ahead Market, ANRE's president notice no. 17/22.05.2008;

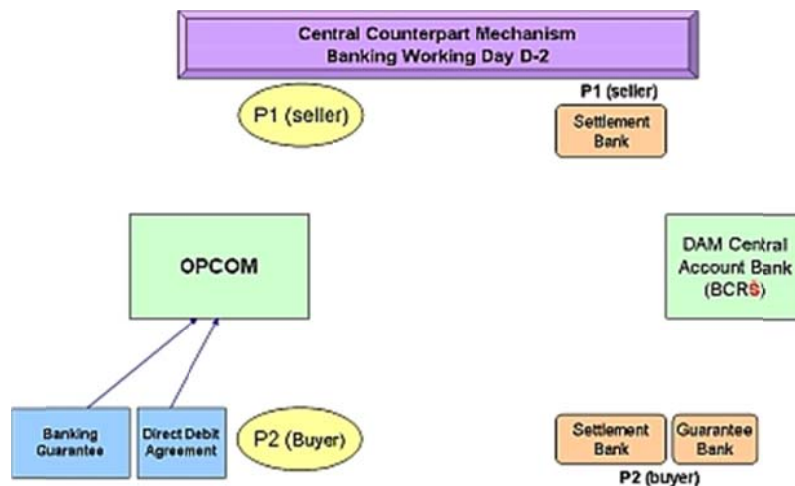
According with Commercial code provisions, section 5 and section 14.3, OPCOM is a central counterpart for each participant on the Day Ahead Market in the sell/buy electricity trades concluded on the Day Ahead Market.



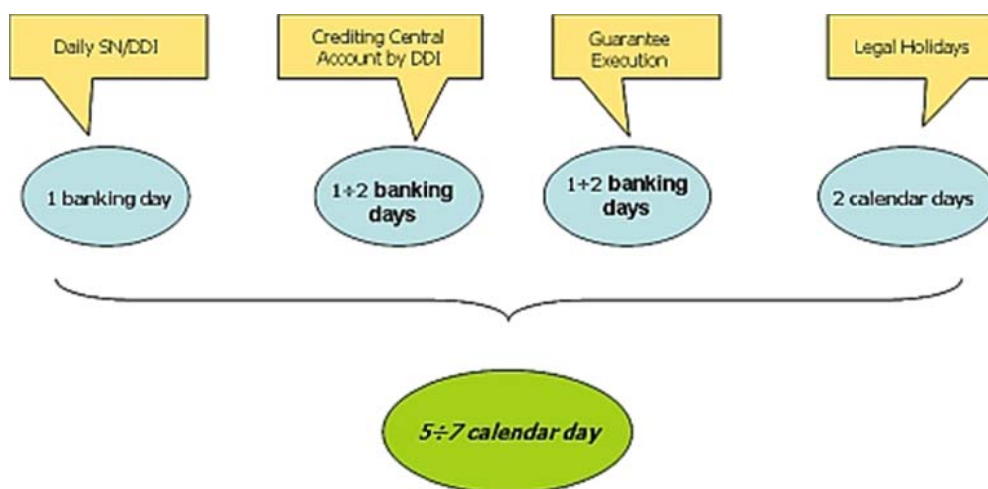
Central counterpart mechanism implies the deployment of the following activities:

- OPCOM concludes with the Central Account Bank a contract for the financial banking services and the arrangements for direct debit, the agreement contains the OPCOM's responsibilities and commitment to follow the provisions of the "Rulebook no.3/23.02.2005 regarding direct debit through automatic clearing house", and also the Central Account Bank acceptance to use the direct debit instructions by OPCOM. OPCOM should open a Day ahead market central account, used to perform all the payments and encashment related to electricity trades on the Day ahead market;
- In order to participate in the Day ahead market as seller, the market participant should bring to OPCOM:
 - **The Direct Debit agreement** , through this document the day ahead market participant assign OPCOM as a permanent but revocable authority to issue the direct debit instructions for his own account opened on his settlement bank, in order to be debited with the value specified in the direct debit instruction issued by OPCOM. It has to be mentioned that the settlement bank should sign the direct debit agreement with Transfond and to adhere to the inter-banking direct debit system.
 - **Banking guarantee pledged in favour of S.C. OPCOM S.A.** issued by:

- *the Central Account Bank as guarantee bank, in a similar form with the agreed model (Annex 1 of the „The procedure regarding the posting, checking and usage of the collaterals for participation on the Day Ahead Market“),*
- *the Central Account Bank, based on Bank counter-guarantee issued by the counter-guarantee bank in a similar form with the agreed model (Annex 3 of the “The procedure regarding the posting, checking and usage of the collaterals for participation on the Day Ahead Market“),*
- *Another bank, as guarantee bank, advised by the central account bank, based on the agreement between Central Account Bank and the Guarantee Bank (Annex 2 of the “The procedure regarding the posting, checking and usage of the collaterals for participation on the Day Ahead Market“).*



- In order to participate in the Day Ahead Market as buyer only, the market participant should inform OPCOM about the account which will be credited with the receiving rights value.
- The value of the posted guarantee (Gposted) should cover, as a minimum, the value of bought during the risk period, meaning five banking days, but the period can increase with the weekend, the risk period being 7 days, accordingly:



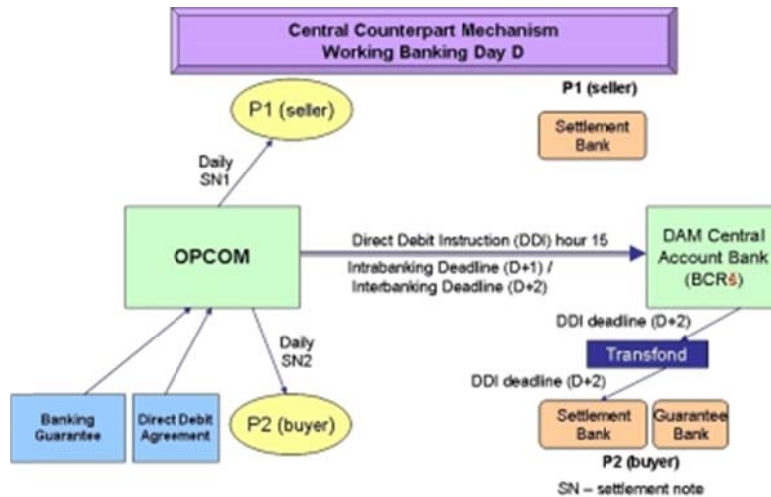
Encashment/payment mechanism:

- On each trading day, until 02:00 PM, OPCOM issues and submits the daily settlement statements to all market participants (gross/net values corresponding to the performed trades).
- On each banking day D, until 03:00 PM, OPCOM issues and submits the Direct Debit Instructions to the Central Account Bank in order to debit with the net value corresponding to the payment obligations of the market participants account being net buyer and to credit the DAM Central

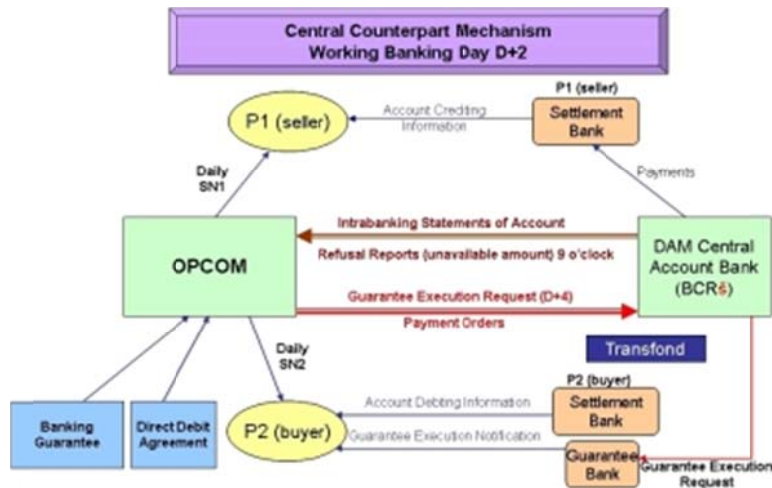
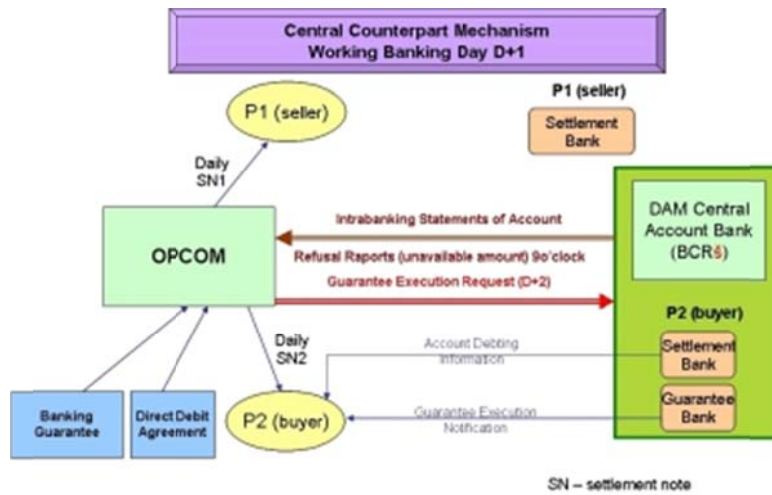
Account, opened by OPCOM at the Central Account Bank. The deadlines for crediting the DAM central account are:

- (D+1) banking working days, if the participant account is open at the Central Account Bank;
- (D+2) banking working days, if the participant account is open at another bank

For the trades performed on non-working days, OPCOM issues and submits the direct debit instructions to the Central Account Bank in the first banking day, until 10:00 AM.



- In the banking day (D+1) / (D+2), until 09:00 AM, OPCOM receives from the Central Account Bank the information about refuses for payment on Direct Debit Instructions submitted in day D.
- When receiving the information about refuses, OPCOM verifies the reasons for refuses specified in the report. If the reason for refuse is insufficient amounts in the DAM participant cash account, OPCOM verify the correctness of the submitted Direct Debit Instruction. If the Direct Debit Instruction was correctly submitted, OPCOM proceeded to ask the execution of the collaterals posted by that DAM participant with the value of the unpaid payment obligations and to credit the DAM Central Account on:
 - (D+1) banking working day, compare to the day when the request to execute the collateral was submitted if the Letter of guarantee bank is issued by the Central Account Bank.
 - (D+2) banking working day, compare to the day when the request to execute the collateral was submitted if the Letter of guarantee bank is issued by another Guarantee Bank and is advised by the Central Account Bank/ issued by the Central Account Bank based on counter-guarantee issued by the counter-guarantee bank.



- OPCOM verifies permanently the balance of the central account and if this value is greater than the value of the receiving rights related to sell trades performed in the banking working day D and issues and submits the payment orders corresponding to the trades performed in the banking working day D to the Central account bank, the sellers DAM participants accounts being credited in the same day for the payment orders submitted by OPCOM in the intra-banking system until 17:00. The payment orders submitted by OPCOM in the inter-banking system until 12:30, if the value is less than 50.000 lei and until 15:00 for the values greater or equal to 50.000 lei are introduced by the central account bank in the payment electronic system in the same day.
- For issuing the Direct Debit Instructions, the payment orders, the requests to execute collaterals, receiving refuses for payments and reports referring to the crediting/ debiting the DAM Central Account, OPCOM use an interface IT system with the Central account bank.

Invoicing

The invoices are compiled on monthly basis, in the last day of the trading month for the current month and are submitted in the first 15 days of the next trading month.

- The DAM participants who registered electricity sell trades, issue and submit to OPCOM the invoice containing:
 - The quantity and the total value for the electricity sold by the DAM participant, according to Daily Settlement Statements;
 - The VAT Value;
 - The total value, including VAT.

- OPCOM issues and submits to the DAM participants who registered electricity buy trades OPCOM the invoice containing:
 - The quantity and the total value for the electricity bought by the DAM participant, according to Daily Settlement Statements;
 - The value for the payment obligations corresponding to the services performed by OPCOM, at the regulated tariffs;
 - The VAT Value;
 - The total value, including VAT.
- OPCOM issues and submits to the DAM participants who registered sell trades, the invoice containing:
 - The value for the payment obligations corresponding to the services performed by OPCOM, at the regulated tariffs;
 - The VAT Value;
 - The total value, including VAT.

The invoice content will be according to inforce legislation provisions.

The compensation

If during the trading month, the DAM participant registered sell trades and buy trades, the equal values of the receiving rights and payment obligations registered at the end of the month can be compensated