

***First public auction for
the purchase of
emission allowances
for the operation of
Termoelektrarna
Šoštanj d.o.o. for 2026***

BORZEN, operater trga z elektriko, d. o. o.

Ljubljana, 9. 05. 2025

Pursuant to the third paragraph of Article 9 and the second paragraph of Article 36 of the Act on Transitional Financing of the Accelerated and Fair Exit from Coal (The Official Journal of the Republic of Slovenia, No. 109/2024 of 20.12.2024), Borzen, d.o.o., the electricity market operator (within which the Centre for Support operates), hereby announces the first public auction for the purchase of emission allowances for the purpose of the operation of the company Termoelektrarna Šoštanj d.o.o. for 2026.

The public auction organiser, Borzen, d.o.o., is committed to complete impartiality throughout all stages of the auction process. None of the employees or contractual associates of Borzen d.o.o. involved in the organization of the auction has any business or personal interest in any of the auction participants.

Pursuant to the Act on Transitional Financing of the Accelerated and Fair Exit from Coal, the date of the auction, as well as the type and quantity of the auction product, were specified and communicated by Termoelektrarna Šoštanj d.o.o. Pursuant to Article 29 of the Act on Transitional Financing of the Accelerated and Fair Exit from Coal of Holding Slovenske Elektrarne d.o.o. during the performance of commercial public services for the company Termoelektrarna Šoštanj d.o.o. provides support services and in this connection is involved in activities prior to the public auction.

Ljubljana, 9. 5. 2025

Mojca Kert
General Manager

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1. INTRODUCTION

Article 9 of the Act on Transitional Financing of the Accelerated and Fair Exit from Coal (Zakon o prehodnem financiranju pospešenega in pravičnega izstopa iz premoga, Official Journal of the Republic of Slovenia, No. 109/2024; hereinafter referred to as the Act) stipulates that the provider of the public service Termoelektrarna Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 Šoštanj, Slovenia, registration number 5040388000, VAT ID SI92189903 (hereinafter TEŠ) — carry out the purchase of emission allowances on the market in accordance with the legislation applicable to the purchase of the allowances. The economic public service shall be provided and performed in the manner laid down by law. The contractor and the Republic of Slovenia shall conclude a contract for the provision of the economic public service, which shall, inter alia, determine the remuneration.

The third paragraph of Article 9 in conjunction with the second paragraph of Article 36 of the Act stipulates that the purchase of emission allowances is carried out by the Centre for Support referred to in Article 18 of the Act on the Promotion of the Use of Renewable Energy Sources (Zakon o spodbujanju rabe obnovljivih virov energije, Official Journal of the Republic of Slovenia, Nos. 121/21, 189/21, 121/22 – ZUOKPOE and 102/24) by public auction.

The purchase of emission allowances for the quantity of electricity that will be sold on the first public auction for the sale of electricity produced by TEŠ for 2026 is carried out in the manner and under the conditions of this public auction (hereinafter also "public auction" or "auction"). The buyer reserves the right to cancel the public auction prior to its execution, if the conditions for the execution of the public auction are not met in accordance with the provisions of the Act or in the event of market circumstances that could negatively impact the results of the public auction. The potential auction cancellation will be communicated to applicants no later than 26. 5. 2025 by 16:00. In case of cancellation the applicants themselves shall bear all costs incurred by them up to the cancellation. The public auction organiser does not assume responsibility for any damage, costs or loss incurred by applicants as a result of the cancellation of the auction, unless these occurred as a result of willful misconduct or gross negligence.

The Centre for Support, as the organiser of the public auction, conducts the public auction in cooperation with BSP Energetska Borza d.o.o., Dunajska cesta 156, 1000 Ljubljana, registration number: 3327124000 (hereinafter referred to as BSP) on the BSP trading platform for long-term trading.

The following annexes are an integral part of the public auction:

- Auction application form (Annex 1),
- Sample of bank guarantee for the seriousness of the bid ("bid bond" template) (Annex 2),
- Sample of the Purchase Agreement for emission allowances (hereinafter: the Contract) (Annex 3),
- Sample of bank guarantee for the good performance of contractual obligations ("performance bond" template) (Annex 4),
- Irrevocable power of attorney (Annex 5),
- Declaration – membership in organized markets (Annex 6),
- Promissory note statement (Annex 7).

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2. DEFINITIONS

The terms used in this public auction shall mean:

- **»seller of emission allowances«** means a legal or natural person who, on the basis of a successful participation at the auction, enters into a Contract with the buyer of emission allowances (hereinafter referred to as the seller);
- **»buyer of emission allowances«** is Termoelektrarna Šoštanj d.o.o. (hereinafter: the buyer);
- **»public auction organiser«** means the Centre for RES/CHP Support which, in accordance with the Act on the Promotion of the Use of Renewable Energy Sources (Official Gazette of the Republic of Slovenia, Nos. 121/21, 189/21, 121/22 – ZUOKPOE and 102/24), operates within the company Borzen, d.o.o.;
- **»applicant«** means a legal or natural person who applies for this public auction;
- **»participant«** means a legal or natural person participating in this public auction;
- **»bidder«** means a participant who offers a certain quantity of allowances on the basis of the auction rules;
- **»Rules«** means the rules of this public auction for the purchase of emission allowances for the needs of the operation of Termoelektrarna Šoštanj d.o.o. as defined below. These rules are formulated in accordance with the principles of good practice and do not replace legislative provisions;
- **»reserve price«** means the maximum acceptable price for the buyer which is not publicly disclosed and serves as the threshold for accepting a bid.

3. SUBJECT OF THE AUCTION

The subject of the public auction is the purchase of emission allowances, which are sold by bidders in accordance with these auction rules.

Details of the auction subject:

- **Type of product:** Emission allowances valid in the fourth period of the European Trading Scheme (ETS), in a total indicative amount of 176,000 EUA to be delivered from 1 February 2026 to 31 January 2027,
- **Method of transfer:** Electronic transfer of emission allowances to the register of emission allowances,
- **Payment:** It is made after the transfer of the allowances has been carried out in accordance with the payment deadlines as stated in the draft Contract.

The public auction may be attended by legal or natural persons who meet the stipulated conditions from Chapter 6 of the rules and will successfully apply for the public auction. Participants in the public auction may place bids for any quantity or number of lots of the product.

Reporting obligation under EMIR

The seller will report on concluded transactions, both for the seller and for the buyer, in accordance with the EMIR Regulation.

4. DETAILED PRESENTATION OF AUCTION PRODUCT

This chapter presents the product that will be bought at public auction. It states the type / description of the product, the quantity available or the definition of the lot of the product, the definition of the price, the method of determining the price at the public auction and the method of dividing the quantities.

In accordance with the Act, the buyer purchases emission allowances at a public auction, which are necessary for the planned production for the needs of the implementation of the economic public service. Before the start of this public auction, the buyer determines the amount of emission allowances or the number of lots of the product for which he will collect bids within the framework of this public auction. The amount of emission allowances or lots is determined on the basis of the results of the first public auction for the sale of electricity for 2026 that will be held the same day, namely in such a way that the amount of purchase of emission allowances will be proportional to the amount of electricity sold at the aforementioned public auction for the sale of electricity. The buyer will inform the participants of the required quantities of the product before the auction.

Product code: CO2_D1_2026

Product type/description: 1 lot of this product represents the delivery of physical quantities of emission allowances on a monthly dynamic basis as shown in the table below:

CO2_D1_2026	jan.26	feb.26	mar.26	apr.26	may 26- okt. 26	nov.26	dec.26	jan.27	Total
1 lot (quantity in EUAs)	0	3.750	3.400	3.750	0	3.750	3.600	3.750	22.000
Total (quantity in EUAs)	0	30.000	27.200	30.000	0	30.000	28.800	30.000	176.000

First month of delivery: February 2026

Last month of delivery: January 2027

Date of transfer: up to and including the 10th day of each month of delivery, as shown in the table above

Number of lots: 8 (or as communicated before the auction)

Total quantity: 176.000 EUA

Minimum bid quantity: 1 lot (22,000 EUA)

Minimum quantity step: 1 lot

Price definition: the price shall be set in EUR/EUA and rounded to the nearest euro cent (2 decimal places)

Pricing method: pay-as-bid

Quantity splitting: YES

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5. SUBMISSION OF BIDS AND SELECTION CRITERIA

Bids are capped by the value of the financial insurance for the seriousness of the bid, as explained in more detail in Chapter 6 of the rules. Participants may bid for different quantities or lots of the product at different prices, taking into account the minimum bid quantity as determined for the product.

The pricing for the product is based on the "**pay-as-bid**" principle, whereby each successful participant's sell price is determined in its valid, accepted bid.

The allocated quantity or number of lots of each bid is determined according to the principle of **quantity splitting**.

All valid bids are sorted in the order book. Bids will be ranked from lowest to highest. Successful bids will be those that will offer the lowest price expressed in EUR/EUA for the asked quantities or lots.

The order in the order book is always determined according to the criterion "price / time stamp", i.e. in such a way that bids with a lowest price have priority in allocating. If more than one bid is made for the same price, preference shall be given to those that arrived first. If the participant in the public auction re-enters the quantity or price of an individual bid (even if the entry is the same as the previous one), the timestamp of the last change is adopted.

The buyer reserves the right to set a reserve price for an individual product, i.e. the maximum price bid that the buyer is still ready to accept. The reserve price is not publicly disclosed. Notwithstanding the above, the seller may, at their discretion and based on economic considerations, choose to accept bids above the reserve price. In such cases, bids will be considered based on the criteria outlined in the previous paragraph.

6. CONDITIONS FOR PARTICIPATION

Application to the auction

The auction is open to any legal or natural person who holds a full and active membership on one of the following exchanges where products related to emission allowances are listed: ICE Endex (list of members: <https://www.ice.com/endex/membership>) or EEX (list of trading participants). In order to be eligible, participants must also meet the other conditions set out in this public auction.

A prerequisite for participation in this public auction is the timely and correct submission of a complete application form for participation in this public auction (Annex 1).

When applying, the applicant must submit the relevant documentation specified in the application form for participation in this public auction (Annex 1). The buyer may request additional information or evidence from the applicant from which the justification for the application is derived. By applying to participate in the public auction, the applicant agrees to the terms and conditions of the public auction, which includes all annexes.

The application and all other documentation related to the application must be in Slovenian or English. Documents that are not officially issued in Slovenian or English must be accompanied

by official translations into Slovenian or English (through a sworn translator or another certified translator recognised in the country where the translation is made).

Financial insurance for the seriousness of the bid

Upon registration, the applicant is obliged to provide financial insurance for the seriousness of the bid in the form of a bank guarantee or a deposit in the amount of 5% of the bid value (hereinafter: financial insurance for the seriousness of the bid).

A participant will only be able to place bids in the auction so that the cumulative value of the bids submitted will not exceed twenty times the value of the submitted insurance for the seriousness of the bids.

The applicant must provide an unconditional and irrevocable bank guarantee for the insurance for the seriousness of the bids in the amount specified in the first paragraph of this Chapter, payable on first call, issued by a bank with its registered office in the Republic of Slovenia or banks with its registered office in the EU and with a rating of at least BB+ (Standard & Poor's), or Ba1 (Moody's) or BB+ (Fitch), in the form of, as prescribed by the Seller and is an annex to the rules (Appendix 2), with the validity date of at least 30 June 2025.

The applicant shall make a cash deposit to the Seller's account No. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia. The cash deposit is kept in the buyer's transaction account. Upon submission of the cash deposit, the applicant signs an irrevocable power of attorney (Annex 5) authorizing the buyer to dispose of the funds of the cash deposit. The cash deposit is non-remunerative and will be returned to unsuccessful participants within three (3) business days of the end of the auction. The deposit shall be returned to the successful participants on the next working day after the conclusion of the Contract and the submission of appropriate financial insurance for the good performance of the contractual obligations stipulated in these rules.

Financial insurance given or deposited by the applicant in accordance with these rules shall be the property of the buyer in law and effect and shall be free of liability for other purposes.

An application without providing financial insurance for insurance for the seriousness of the bids shall be considered incomplete.

In the event that the successful participant fails to conclude the Contract and/or fails to provide adequate financial insurance for the good performance of contractual obligations, as stipulated in the rules and the Contract, the buyer in this case is entitled to withhold the entire deposit as a contractual penalty or to redeem the bank guarantee for the insurance for the seriousness of the bids. In this case, the deposit or bank guarantee will not be returned to the participant.

Payment of the costs of the public auction

In accordance with the third paragraph of Article 9 of the Act on Transitional Financing of the Accelerated and Fair Exit from Coal (Official Gazette of the Republic of Slovenia, No. 109/2024), the seller must bear the costs of the public auction in the amount of EUR 0.02/EUA for each EUA emission allowance sold in accordance with the auction results. The invoice will be issued by the public auction organiser to the seller immediately after the end of the public

auction. The deadline for settling liabilities under the issued invoice is no later than three (3) working days from the date of issue of the invoice.

7. RIGHTS AND OBLIGATIONS OF AUCTION PARTICIPANTS

General

A participant in this public auction may be a legal or natural person who has carried out the application process and who meets the conditions for participation and whose participation has been confirmed by the public auction organiser on behalf of the buyer.

The participant is obliged to comply with the provisions of this public auction and all instructions adopted by the public auction organiser and other relevant legislation.

The participant must immediately inform the organiser and the buyer in case of any change in relevant information that could affect the course of the auction or the delivery or uptake of the supplied emission allowances by the seller and changes in the data provided by the participant in the application process. The participant is also obliged to inform the organiser and the buyer in the event of the initiation of insolvency proceedings, compulsory termination or other events that could affect the financial situation of the participant.

The participant guarantees under criminal and financial liability that the bid or his/her participation in the auction does not violate the applicable regulations of the Republic of Slovenia.

Exclusion of a participant

The public auction organiser may exclude a participant from the auction if:

- the participant violates the provisions of this public auction and other relevant legislation,
- the participant is subject to insolvency or compulsory winding-up, winding-up or preventive restructuring proceedings;
- the participant no longer has a full and active membership in one of the required exchanges,
- the public auction organiser or buyer's decision to accept the application for the auction was made on the basis of incorrectly or untruthfully provided data,
- the existence of the participant ceases.

The public auction organiser shall immediately notify the participant of the exclusion in writing by post or e-mail. The public auction organiser may exclude the participant at any time until the end of the public auction.

Technical and information aspect

Bidding in the auction is done through BSP's long-term trading platform. Access to the trading platform is via an internet browser. The User registers on the BSP Long-Term Trading Platform and, in the case of a correctly executed registration, receives confirmation or rejection from BSP.

Representatives of the participants who will be recognized for participation in the public auction in accordance with the rules will be provided with a link via e-mail through which they will log in to the system on the long-term trading platform. BSP will also provide a user manual to participants prior to conducting platform testing.

Limitation of liability of the public auction organiser and the buyer

The public auction organiser and the buyer, including their managers, associates, contractors or subcontractors, shall not be liable for any loss, cost, expense or damage caused by or in connection with the auction, except for damages resulting from wilful misconduct, gross negligence or fraud.

8. AUCTION CONTROL

The public auction organiser, the buyer and BSP supervise the entire process of conducting the auction and ensure that the process of execution is carried out in accordance with the rules of this public auction and other relevant legislation.

The public auction organiser and/or the buyer have the right to repeat or permanently interrupt the auction during the auction if they deem it necessary for the proper conduct of the auction.

In the event of suspicion of violations of the provisions of the public auction or other relevant legislation, the public auction organiser and/or the buyer may, within the scope of their supervisory function, issue a warning to an individual participant and exclude the participant from the auction in the event of a serious violation.

In the event of serious violations of the provisions of the public auction or other relevant regulations, the public auction organiser and/or the buyer may withdraw the participant's rights to access the auction, cancel the bids already received by that participant or cancel the bid already accepted in the event of the participant's success in the auction.

The public auction organiser and/or the buyer must inform the participants as soon as possible of any changes or measures related to the public auction by e-mail or other available means.

Communication with the public auction organiser, buyer or BSP is permitted only in the manner and within the time limits specified in the rules. Any attempt to communicate outside the specified methods and deadlines is considered a serious violation of the rules. Any conduct of a participant that has the purpose or effect of disrupting the auction process or attempting to influence its outcome is considered a serious violation of the provisions of the public auction.

The buyer may also call in an additional external supervisor.

9. APPLICATION PROCEDURE AND CONDUCT OF THE AUCTION

Application for the public auction

Application procedure and formal application test

The "Application for Auction" form (hereinafter: the application), which is an integral part of the public auction, shall be submitted in writing by post to the address of the public auction organiser or via e-mail to the e-mail address avkcije@borzen.si, whereby the form must be signed with a qualified electronic signature, in accordance with the Act on Electronic Commerce and Electronic Signature (Official Journal of the Republic of Slovenia, No. 98/04 – official consolidated text, 61/06 – ZEPT, 46/14, 121/21 – ZEISZ and 130/22 – UN-H) and Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 – eIDAS Regulation.

Upon receipt of the application, the public auction organiser shall verify the completeness and correctness of the application. The public auction organiser shall forward the application, including all attachments, to the buyer, who shall confirm that the application meets the conditions set out in these rules. The buyer shall verify the adequacy of the provided financial insurance for the seriousness of the bid and inform the public auction organiser accordingly.

If the application is not complete, the public auction organiser will send an e-mail to the applicant by e-mail no later than the next working day to correct the deficiencies. The public auction organiser may on behalf of the buyer also request additional evidence from the applicant to substantiate the eligibility of the application. If the applicant fails to remedy the deficiencies or supplement his application with additional evidence required by the buyer by the deadline for submitting a complete application, or if this deadline has already passed, the application will be rejected.

The deadline to submit a complete application is **Friday, 23. 5. 2025, by 16:00**. The organiser shall confirm the participation in the auction no later than **Monday, 26. 5. 2025, by 12:00** to the applicants who have submitted a complete application by the required deadline. In this case, the date and time of receipt are considered to be the date and time of receipt from the public auction organiser.

Sufficient number of applications

If at least two (2) applicants do not successfully apply for the public auction, the public auction organiser cancels the auction. The news of the possible cancellation of the auction will be published on its website no later than **Monday, 26. 5. 2025, by 16:00**.

Testing access to the BSP trading platform for long-term trading

Testing of access to the BSP long-term trading platform and how to use (enter bids) will take place on **Tuesday, 27. 5. 2025, from 11:30 to 12:00**.

Auction-related issues

Participants can ask any questions related to the public auction and its conduct until **Tuesday, 27. 05. 2025, until 12:00**.

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To submit questions, applicants may use the following communication channels:

Telephone: +386 1 620 76 57

Email: avkcije@borzen.si

Course of the auction

The auction will be held on **Wednesday, 28. 5. 2025.**

The auction consists of successive phases, which will take place according to the following schedule:

- 1) PHASE 0 (pre-trading): until 11:30
- 2) PHASE 1 (bidding): from 11:30 to 12:00 (duration 30 min)
- 3) PHASE 2 (calculation of results): from 12:00 to 12:20 (duration 20 min)
- 4) PHASE 3 (final auction results): until 12:30 (no later than 14:30 in case of objections)

Pre-Trading Phase (PHASE 0): until 11:30

Pre-trading phase: No later than 11:30, the public auction organiser informs the representatives of the participants by e-mail about the required quantities of the product.

Bidding phase (PHASE 1): 11:30 to 12:00

Participants may place a bid at the time of bidding by entering their bid on the BSP long-term trading platform as follows:

The participant shall enter the bid for one or more lots and the bid price for each lot, expressed in EUR/EUA, net of VAT and other taxes, rounded to 2 decimal places. The quantity of lots bid shall be a minimum of one (20.000 EUA) and a maximum of the number of lots of the product offered, i.e. 8 (or as communicated before the auction).

If the cumulative value of the bids exceeds twenty times the submitted guarantees for the seriousness of the bid, the last bid that exceeded the permissible value of the bids will be considered invalid and will not be included in the order book on the basis of which the results of the public auction will be determined.

Bids placed outside the time prescribed for the collection of bids are invalid.

Calculation phase of results (PHASE 2): from 12:00 to 12:20

All valid bids received are sorted into the order book. The order in the order book is determined according to the price/timestamp criterion, i.e. in such a way that bids with a lowest price are preferred in the selection. If more than one bid is placed on the same price, bids with an older timestamp will take precedence over bids with a lower timestamp. Successful bids shall be determined based on the order in the order book and taking into account the buyer's discretionary right to also accept bids that exceed the reserve price. If the last bid accepted quantitatively exceeds the remaining product quantity, this bid will be accepted only for the quantity that is still requested under the "Quantity splitting" principle.

The public auction organiser shall notify the participants via e-mail of the unofficial results of the auction no later than twenty (20) minutes after the start of the results calculation phase (PHASE 2). Auction participants review the auction results and can submit a written objection via e-mail. In the event of technical difficulties, the public auction organiser reserves the right to extend the deadline for the publication of unofficial results to a maximum of thirty (30) minutes, of which it shall inform the participants before the expiry of the regular deadline for the publication of unofficial results.

Objecting the auction results

An objection may be submitted by the participant of the public auction to the public auction organiser by e-mail to avkcije@borzen.si no later than ten (10) minutes after the announcement of the unofficial results / after the moment of sending the notification. The public auction organiser shall dismiss all objections with a later timestamp of receipt. The timestamp as recorded on the server of the public auction organiser is relevant.

An objection to the results of a public auction is possible only if the incorrect results are the result of a manifest error on the part of the public auction organiser or trading platform.

The inability to access the trading platform for reasons on the part of the participant shall not constitute a valid reason for objecting to the results of the public auction.

The public auction organiser examines the justification of the objection to the auction results and sends the decision to the participant of the public auction via e-mail within a maximum of two (2) hours after receiving the objection. In the event of a justified objection, the public auction organiser may cancel the auction and inform all participants by e-mail.

Final results of the auction (PHASE 3)

After the expiry of the deadline for objections or after the decision on all possible objections, the auction results are final. The public auction organiser sends the confirmation of finality by e-mail to the successful participants. On the basis of the final results, the buyer sends the Contract to the successful participants for signature (sample in Annex 3). The time of concluding a deal is the moment when the final results of the auction are published on the trading platform. The Contract shall be deemed to be concluded at the place where the buyer has its registered office.

Successful auction participants or buyers are obliged to submit the additional required supporting documents and return the signed copies of the Contract within seven (7) working days of receipt of the contract by post or e-mail, if the contract is validly signed with a qualified electronic signature, and to deliver financial insurance for the good performance of contractual obligations in the manner specified by the rules and the Contract.

In the event that the successful participant fails to submit the required supporting documents within the deadline, fails to sign the Contracts within the deadline referred to in the previous paragraph, fails to submit the required financial insurance or a violation of the provisions of the public auction or other relevant legislation is established, the buyer may accept the next participant's bid from the order book or conduct a public auction again.

The auction report, which will contain information on the number of participants and successful participants, will be published on the website of the public auction organiser. The public auction organiser and/or buyer may publish on their website the name of the successful participants and the prices and quantities achieved. Participants in the public auction do not have access to the order book kept by the public auction organiser.

The e-mail address of the participant used by the public auction organiser and/or the buyer in the above-mentioned stages of the auction is indicated in the application under "Contact details for registration and participation in the auction".

After the end of the auction, the organizer publishes a report on the website, which includes:

- total number of participants;
- number of successful participants,
- the distribution of quantities and achieved prices by anonymous identifiers,
- a summary of any technical problems and measures taken to solve them.

After the auction has been completed, the organiser may prepare a questionnaire for all participants, which shall include an assessment of the transparency of the rules, the functioning of the platform and the quality of implementation. The feedback is analysed and used to improve the rules and technical procedures for future auctions.

10. EXCEPTIONAL CIRCUMSTANCES

Exceptional circumstances are those that make it impossible to conduct a public auction normally.

Exceptional circumstances are considered to be serious malfunctions in the equipment or installations used by the public auction organiser or BSP.

Exceptional circumstances may be the reason for the change, cancellation or interruption of the public auction. In the event of exceptional circumstances, the public auction organiser or buyer shall decide on the necessary measures and shall immediately inform all participants in the auction through the available means.

The public auction organiser and the buyer shall not be liable for any direct and indirect damage caused by the participant's inability to participate in the public auction due to exceptional circumstances or due to the failure to conduct the public auction itself.

11. FINANCIAL INSURANCE AT THE CONCLUSION OF THE CONTRACT

The condition for the validity of the Contract is the timely provision of the required financial insurance at the time of signing the Contract. The seller must provide financial insurance for the good performance of contractual obligations, in the form of a bank guarantee and/or a cash deposit, whereby the value of the financial insurance must be the same regardless of the form of insurance chosen. The amount of insurance is determined on the basis of the formulas below.

Amount of financial insurance:

- 5 % of the value of the Contract with the validity of the insurance from the day of issue to 31. 1. 2027 must be submitted no later than seven (7) working days after the signing of the Contract, and
- 5 % of the value of the Contract with the validity of the insurance from the day of issue to 20. 5. 2026 must be submitted no later than seven (7) working days after the signing of the Contract .

The seller must provide an unconditional and irrevocable bank guarantee for the good performance of contractual obligations in the amount as determined on the basis of the above formulas, which depend on the chosen method of payment. The bank guarantee must be payable on first demand and issued by a bank with its registered office in the Republic of Slovenia or a bank with its registered office in the EU and with a rating of at least BB+ (Standard & Poor's), or Ba1 (Moody's) or BB+ (Fitch), in the form prescribed by the Seller and attached to the rules (Annex 4), with the date of validity, as specified in the above formulas.

A cash deposit, in the amount specified on the basis of the above formulas, submitted by the seller, is kept in the transaction account of the buyer. The seller shall make a cash deposit to the buyer's account no. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia.

Upon submission of the cash deposit, the seller signs an irrevocable power of attorney (Appendix 5) authorizing the buyer to dispose of the funds of the cash deposit. There is no interest on the cash deposit. After the expiration of the insurance validity periods, the unretained cash deposit is returned to the seller.

The buyer has the right to cash out a bank guarantee or repay from the deposit in the event that the seller fails to fulfill his contractual obligations set out in the Terms and Contract. All costs related to the issuance and redemption of a bank guarantee or deposit shall be borne by the seller.

In the case of redemption of financial collateral for the performance of the contractual obligations, the seller must replace the financial insurance with a new financial insurance immediately or no later than within three (3) working days.

Financial insurance given or deposited by the buyer in accordance with these rules is legally and effectively the property of the buyer and is free of obligations for other purposes.

Upon conclusion of the Contract, the buyer shall provide financial security for the performance of the contractual obligations in the form of three (3) blank signed bills of exchange accompanied by a declaration and with a mandate to execute and pay the bills of exchange. These documents must be in line to Annex 7. The declaration shall bear the clause "without protest". Presentation of the required bills of exchange shall be a condition for the validity of the Contract.

In the event of the performance bond being redeemed, the Buyer shall replace the bill with a new bill of exchange within three (3) working days at the latest.

12. LANGUAGE

These rules have been drawn up in Slovenian and English language. In the event of any discrepancy between the Slovenian and English versions of the rules, the Slovenian version shall prevail. The Contract is written in the Slovenian language. An unofficial English translation is attached for ease of understanding. In the event of any discrepancy between the Slovenian and English versions of the Contract, the Slovenian version of the contract shall prevail and shall be signed in the Slovenian language.

ANNEX 1 – APPLICATION FORM FOR THE PUBLIC AUCTION FOR THE PURCHASE OF EMISSION ALLOWANCES

APPLICATION FOR THE PUBLIC AUCTION FOR THE PURCHASE OF EMISSION ALLOWANCES FOR THE OPERATION OF TEŠ 2026/01

ABOUT THE COMPANY:

Company name:

Address:

Country:

Registration number:

VAT ID:

Legal representative:

BANK DETAILS:

Name of the commercial bank:

Commercial bank address:

Bank account number (IBAN):

SWIFT koda:

CONTACT DETAILS FOR APPLYING AND PARTICIPATING IN THE AUCTION:

Contact person:

Telephone:

E-mail:

CONTACT DETAILS FOR FINANCIAL SETTLEMENT:

Contact person:

Telephone:

E-mail:

CONTACT DETAILS FOR OPERATIONAL IMPLEMENTATION OF THE CONTRACT:

Contact person:

Telephone:

E-mail:

CONTACT DETAILS FOR CLEARING AND SETTLEMENT OF THE CONTRACT:

Contact person:

Telephone:

E-mail:

We hereby declare,

- that we are fully acquainted with the rules of the first public auction for the purchase of emission allowances for the operation of Termoelektrarna Šoštanj d.o.o. for 2026 (hereinafter: Rules of the public auction), the terms and conditions of application and participation in the public auction and that the rules of the public auction bind us;

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- that the person indicated as the contact person for applying and participating in the public auction is authorised to participate in the public auction and to make binding bids;
- that in the event of a breach of the rules of the public auction or other relevant regulations and/or legislation, we may lose the right to participate in the public auction;
- that, in the event of a successful bid, we will conclude the Purchase agreement that is an integral part of the rules of the public auction;
- to settle the costs of the public auction within three (3) working days of receiving the invoice issued by the public auction organiser;
- to settle all business and tax liabilities on an ongoing basis and to provide all guarantees and financial insurance in accordance with the rules of the public auction;
- that the company is registered on one of the following exchanges where products related to emission allowances are listed: ICE Endex (List of members: <https://www.ice.com/endex/membership>) or EEX (List of Trading Participants)
- that we are not in criminal proceedings in connection with the performance of the activity.

MANDATORY ANNEXES:

- a document proving the authorisation of the person who signs the application and later the Purchase Contract that is the integral part of these rules in the event of the participant's success (in the event that the signatory is not the legal representative),
- declaration of membership in organised markets (Annex 6),
- a bank guarantee for the seriousness of the bid or a confirmation of the submission of a cash deposit and an irrevocable power of attorney (Annex 5).

In the process of formal examination of the application for the public auction, the buyer may request additional documents from the applicant.

Signed at _____, on _____

Stamp, signature

ANNEX 2 – SAMPLE OF BANK GUARANTEE FOR THE BID SECURITY**BANK GUARANTEE FOR THE SERIOUSNESS OF THE BID TO PARTICIPATE IN THE PUBLIC AUCTION FOR THE PURCHASE OF EMISSION ALLOWANCES 2026/01**

(irrevocable, unconditional and on first request)

Header with information about the guarantor (bank)

For: Termoelektrarna Šoštanj d.o.o.,

Date: (insert the date of issue)

TYPE OF WARRANTY (guarantee for the seriousness of the bid)

WARRANTY NUMBER (Warranty number to be entered)

GUARANTOR (enter the name and address of the bank in the place of issue)

WARRANTY CLIENT (enter the name and address of the client of the guarantee)

BENEFICIARY: Termoelektrarna Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 ŠOŠTANJ, SLOVENIJA

BASIC TRANSACTION: the obligation of the contracting authority to guarantee from its bid submitted for the first public auction for the purchase of emission allowances for the operation of the company Termoelektrarna Šoštanj d.o.o. for 2026. In accordance with the Rules, the contracting authority is obliged to provide the beneficiary with a bank guarantee for the seriousness of the bid in the amount of EUR (5% of the bid value).

AMOUNT AND CURRENCY (enter the maximum amount with number and word and currency)

Unofficial translation – for your convenience only.

Please refer to the original document. Borzen, d.o.o. is not liable for content of this document.

DOCUMENTS TO BE ANNEXED TO THE REQUEST FOR PAYMENT IN ADDITION TO THE DECLARATION AND EXPRESSLY REQUESTED BELOW: none

FORM OF SUBMISSION: in paper form by registered mail or any form of express mail or in electronic form via the SWIFT system to the address..... (the SWIFT address of the guarantor shall be indicated)

PLACE OF SUBMISSION: (The guarantor shall enter the address of the branch where the paper documents are to be presented or the e-mail address for the presentation in electronic form, such as the guarantor's SWIFT address. If the place of presentation is not indicated in this box, the presentation shall take place at the place where the guarantee has been issued.)

VALIDITY PERIOD: 30. 6. 2025

PARTY LIABLE TO PAY COSTS (enter the name of the client of the warranty).

As the guarantor, we irrevocably and unconditionally undertake to pay to the beneficiary on first demand any amount up to the amount of the guarantee within 5 (five) days, after the beneficiary submits the relevant request for payment in the above-mentioned form of submission, signed by the authorized signatory(s) and together with other documents, if listed above, and in any case together with the beneficiary's statement, which is either included in the text of the request for payment itself or on a separate signed document annexed to or referred to by the request for payment, indicating the extent to which the principal of the guarantee has failed to fulfil its obligations under the underlying transaction.

The guarantee may be exercised for the following reasons, which must be stated in the beneficiary's declaration or request for payment:

- the selected participant in the public auction has not signed the contract within the time limit specified in the rules; or
- the selected participant in the public auction has not provided financial security for the proper performance of contractual obligations in accordance with the rules.

Any request for payment under this warranty must be received on or before the warranty term at the above place of submission.

Any disputes relating to this guarantee shall be resolved by the court with substantive jurisdiction in Ljubljana under Slovenian law.

This guarantee is subject to the Uniform Rules for Warranties on Call (EPGP) Revision 2010, issued by MTZ under No. 758.

Guarantor
(stamp and signature)

ANNEX 3 – SAMPLE OF THE PURCHASE AGREEMENT FOR EMISSION ALLOWANCES**CONTRACT TEMPLATE**

_____, _____,
Registration number: _____

VAT ID: _____

(hereinafter referred to as the Seller)

and

TERMoeLEKTRARNA ŠOŠTANJ d.o.o., Cesta Lola Ribarja 18, 3325 Šoštanj,

registration number: 5040388000, VAT ID: SI92189903

("the Buyer"),

each a "contracting party", both together "contracting parties",

have concluded as follows

PURCHASE AGREEMENT FOR EMISSION ALLOWANCES**SUBJECT MATTER OF THE CONTRACT****1. Article**

The subject matter of this Purchase agreement for emission allowances (hereinafter referred to as the "Contract") is the sale, purchase, transfer and takeover of emission allowances valid for the fourth trading period of the European Trading Scheme (ETS), from 2021 to 2030 inclusive, and the payment of the contractually agreed price.

The Contract is concluded on the basis of the results of the public auction conducted in accordance with the rules of the first public auction for the purchase of emission allowances for the operation of Termoelektrarna Šoštanj d.o.o. for 2026 (hereinafter referred to as the "Rules").

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QUANTITIES, PRICES, REGISTRY ACCOUNT NUMBER AND DEADLINES**2. Article**

The Seller will sell and transfer the emission allowances to the account of the Buyer and the Buyer will buy and take delivery of the following emission allowances with the following characteristics:

Table will be added according to the auction result

The price is exclusive of VAT and other national taxes and levies chargeable to the parties in accordance with the applicable regulations.

3. Article

The Seller shall sell and transfer the contractually specified quantities of emission allowances to the Buyer's account in the Slovenian Emission Allowance Register no later than the 10th day of the month of the transfer of allowances. In case the transfer date is a non-working day, the transfer shall take place on the first following working day. The Seller must ensure that the emission allowances sold by it to the Buyer are free of all encumbrances and without restrictions on sale, otherwise it shall be liable for any damage that may result.

ESTABLISHING THE ACQUISITION**4. Article**

For the purpose of determining whether a transfer or takeover of contractual quantities of emission allowances has been carried out, the relevant data are those recorded in the Slovenian part of the Union Registry, which is managed by the Slovenian Environment Agency.

INVOICING AND PAYMENT**5. Article**

The Seller shall issue an invoice to the Buyer on the 11th day of each month for allowances transferred to the Buyer's account by the 10th day of the month, or on the first working day of the following month if the 11th day of the month is a non-working day.

The Buyer shall settle the invoice received no later than five working days after the invoice has been issued, provided that the allowances have been transferred to the Buyer's account in accordance with this Contract. Payment shall be deemed to have been made when the funds are in the Seller's transaction account.

In the event that the Buyer fails to make payment for the purchase price as outlined in this contract, the Seller shall incur default interest from the first day of the default until the date on

which payment is received by the Seller, unless the Buyer refuses to pay the invoice in full or in part for good cause. The Seller shall charge the Buyer default interest at a rate of one month's EURIBOR prevailing on the due date of the invoice, plus 3 percentage points (3%) per annum. In the event that the monthly EURIBOR is negative, it shall be deemed to be zero (0,0) for the purpose of calculating default interest under this contract. If the Buyer owes interest and costs in addition to the principal, the payments received shall be staggered so that the costs are settled first, then the interest and then the principal, irrespective of the Buyer's indications in the remittance (e.g. reference to a specific account or other specifications).

The Buyer is obliged to submit any complaint (reasoned objection) of the invoice in writing to the Seller no later than 8 (eight) days after receipt of the invoice, and is obliged to pay the undisputed part of the invoice within the contractual period. The Seller shall reply to the complaint in writing within 8 (eight) days of receipt of the complaint.

6. Article

The parties agree that set-off is the basic and thus customary way of settling mutual obligations. Therefore, the parties agree that they will settle their mutual obligations under this contract as well as under all other contracts, including contracts on assignment, assignment or sale of receivables, as a rule, by offsetting. A contracting party whose receivables exceed liabilities to the other party in a particular accounting period will prepare a proposal for set-off and send it to the other party for confirmation. In the event of an objection to any amount charged, the undisputed portion of the invoice shall be taken into account in the offset.

Notwithstanding the provisions of the preceding paragraph, the rules of unilateral set-off under the Code of Obligations shall apply between the Contracting Parties.

INSURANCE OF CONTRACTUAL OBLIGATIONS

7. Article

The Seller is obliged to provide no later than seven (7) working days after signing the contract the Buyer with one of the following forms of financial security for the performance of the contractual obligations:

a. A BANK GUARANTEE

- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable at first demand, issued by a bank with its registered office in the Republic of Slovenia or a bank established in the EU and with a rating of at least BB+ (Standard & Poor's), or Ba1 (Moody's) or BB+ (Fitch), in the amount of EUR _____ (in words), in accordance with clause 11 of the Rules and with the date of validity of _____,*
- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable at first demand, issued by a bank with its registered office in the Republic of Slovenia or a bank established in the EU and with a*

rating of at least BB+ (Standard & Poor's), or Ba1 (Moody's) or BB+ (Fitch), in the amount of EUR _____ (in words), in accordance with clause 11 of the Rules and with the date of validity of _____,

[to be completed according to the auction result and in accordance with the tender conditions]

or

b. CASH DEPOSIT

- *The Seller shall transfer to the Buyer's account No SI56 3500 1000 1650 464 at BKS Bank AG, Banking Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ in words), which is in accordance with point 11 of the Rules, with a validity period of up to _____ ,*
- *The Seller shall transfer to the Buyer's account No SI56 3500 1000 1650 464 at BKS Bank AG, Banking Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ in words), which is in accordance with point 11 of the Rules, with a validity period of up to _____ ,*

and hand over to the buyer the signed irrevocable power of attorney referred to in Annex 5 of the Rules.

The Buyer has the right to redeem bank guarantee for the amount of its value repay from the cash deposit if the Seller fails to fulfill his contractual obligations set out in the Rules and the contract. In the event of realisation of insurance, the Seller must replace the redeemed financial collateral with a new financial collateral within three (3) working days.

Upon signing the Contract, the Buyer is obliged to provide the Seller with the following as security for the performance of the contractual obligations:

- three (3) signed blank bills of exchange, with a declaration of exchange, with a power of attorney to execute and pay the bills, in the form and with the content as set out in Annex 7 of the Rules. The bill of exchange must bear the clause 'without protest'.

The Buyer undertakes to replace any used bill of exchange within three (3) working days with a new blank bill of exchange.

The submission of adequate financial collateral is a prerequisite for the validity of the contract.

In the event that a Contracting Party fails to replace the financial collateral as specified in this article, the other Contracting Party shall have the right to withdraw from the contract.

FAILURE TO COMPLETE THE TRANSFER AND ACCEPTANCE

8. Article

If the Seller fails to transfer to the Buyer's account in the registry all or part of the contractual quantity of allowances by the transfer date as set out in the table in Article 2 of this Agreement (contractual quantity and transfer date) and the failure is not justified by force majeure as defined in Article 8 of the Agreement or by reasons on the part of the Buyer (e.g. failure of the Buyer to perform other material obligations), the Seller shall be liable to compensate the Buyer for the damages to the extent of the undelivered quantity of allowances, with the amount of the damages to be calculated as a product of the following factors:

- the quantity of allowances not transferred; and
- the difference, if positive, between the price at which the buyer buys (or could have bought) the untransferable allowances on the market and the contract price, in accordance with good commercial practice.

If the difference between the two prices referred to in the second indent of the previous paragraph is negative, the buyer is not entitled to compensation.

The amount of the indemnity shall be increased by any additional costs incurred for the purchase and acceptance of the allowances and other reasonable and demonstrable costs and expenses incurred by the Buyer as a result of the Seller's default.

If the Buyer fails to take delivery of all or part of the contractual quantity of allowances by the transfer date as set out in the table in Article 2 of this Contract (contractual quantity and transfer date) and the failure is not justified by force majeure as defined in Article 8 of the Contract or by reasons on the part of the Seller (e.g. failure to fulfil a transfer obligation), the Buyer shall be liable to pay the Seller compensation for damages to the extent of the quantity of allowances not taken delivery of, with the amount of the compensation to be calculated as a product:

- the quantity of allowances outstanding; and
- the difference, if positive, between the contract price and the price at which the seller can (or could, in accordance with good commercial practice) sell the unclaimed allowances on the market.

If the difference between the two prices referred to in the second indent of the previous paragraph is negative, the seller shall not be entitled to compensation.

The amount of compensation shall be increased by any additional costs of sale and transfer of allowances and other reasonable and demonstrable costs and expenses incurred by the Seller as a result of the Buyer's default.

The compensation payable under this Article, together with any applicable interest and late payment charges, shall be paid within five (5) working days of the date on which the request for payment is made.

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FORCE MAJEURE**9. Article**

Force majeure under this Contract shall mean any event beyond the control of the parties which cannot be foreseen, prevented, remedied or avoided and which results in the inability of a party to this Contract to perform its contractual obligations, and neither party shall be liable for the occurrence of such circumstances, in particular, but not exclusively, actions of the competent authorities, as well as the interruption of the operation of the centralised Union Emission Allowance Register or the Slovenian part of the register operated by the Slovenian Environment Agency.

The occurrence of force majeure shall exempt the parties from the performance of their obligations for the duration of the force majeure and shall also exempt them from the obligation to pay damages for non-performance of their contractual obligations during the period of force majeure.

The Party claiming Force Majeure shall inform the other Party immediately and reliably of the occurrence and cessation of the Force Majeure in accordance with Article 11 of this Contract, and shall at the same time communicate to the other Party the estimated extent and expected duration of the consequences of the Force Majeure, insofar as is reasonably practicable at the time, failing which the Party shall forfeit the right to claim Force Majeure.

If the impossibility of performance due to force majeure occurs after the time limit for performance, the party claiming it will be liable to pay damages for non-performance to the other party.

TRANSFER OF RIGHTS AND OBLIGATIONS**10. Article**

Neither party may assign the rights and obligations under this contract, in whole or in part, to a third party without the prior written consent of the opposing party and the prior transfer of existing collateral.

The Contracting Parties undertake to immediately notify each other of any changes in the status and legal status that would occur on the part of each Party in the period after the conclusion of this Agreement and that could affect the performance of this Contract and ensure the transfer of rights and obligations arising from this Agreement to new legal entities (legal successors). Except in the case of universal succession, the transfer of rights and obligations under this Treaty to successors in title shall be deemed to be ensured only after the successor in title confirms in writing the assumption of the rights and obligations under this Treaty and the other party to the contract has given written consent to such transfer.

INFORMATION AND COMMUNICATION**11. Article**

Unless otherwise expressly provided for in the Contract, all notices, declarations, invoices shall be sent/exchanged in writing and delivered by electronic means (deemed to be received on the working day of delivery or on the first working day following the date of delivery if delivered on a day other than a working day) to each other at the contact addresses of the persons authorised to administer the Contract as set out in the following paragraph:

Contact person for the Buyer:

Operational implementation of the contract:

Name and surname: Sebastjan Selan

Phone: 00386 38 99 35 68

Email: sebastjan.selan@te-sostanj.si

Contact person for clearing and settlement:

Name and surname: Neca Dermol

Phone: 00386 38 99 35 77

Email: neca.dermol@te-sostanj.si

Contact person for the Seller:

Operational implementation of the contract:

(name and surname):

(email address):

(phone number):

Contact person for clearing and settlement:

(name and surname):

(email address):

(phone number):

The communication is carried out in accordance with the contractual provisions, otherwise it has no legal effect.

TRADE SECRET**12. Article**

The Contracting Parties undertake to permanently maintain the conclusion of this Contract and all data, information and documents arising from the contractual documentation, as well as other data arising from the contractual relationship or related to the contractual relationship, as a business secret, except for information that is public information under the applicable law, which is published online, to which a company 100% owned by the state cannot refuse access,

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and the information that the party to the contract was required to provide to the competent court or other state authority at its request.

The contracting party is liable for damages for material and non-material damage due to the breach of trade secrets.

The Parties may also provide for other exceptions to this Article by written agreement.

ANTI-CORRUPTION CLAUSE

13. Article

If, in the name of or on behalf of the contracting party, a representative, an intermediary or a signatory of the contracting party, someone promises, offers or gives any undue benefit in order to obtain a transaction, to conclude a transaction on more favourable terms, to waive due control over the performance of contractual obligations or to perform other acts or omissions by which the contracting party causes damage or enables the obtaining of an undue advantage to the representative, to the intermediary or signatory of the Contracting Party, whether such acquisition is made possible by the Contracting Party, this Agreement shall be null and void.

TERMINATION OF THE CONTRACT

14. Article

Either party to the Contract (the Loyal Party) may unilaterally withdraw from the Contract at any time and without notice by giving written notice if one of the following valid reasons applies:

- i. if the other Party fails to fulfil any of its obligations under the Contract, even after three (3) working days have elapsed from the date of the written request by the Beneficiary for the fulfilment of such obligation;
- ii. failure to comply with the obligation to replace the collateral with a new one, as set out in Article 7 of the contract;
- iii. if the other party to the contract becomes insolvent and insolvency is defined by the law in this area or has arisen in a situation of imminent insolvency,
- iv. if the other party has filed a proposal to open compulsory composition or bankruptcy or liquidation proceedings or preventive restructuring proceedings, or any of these proceedings is opened against the other party. Otherwise, the contracting party is in serious breach of the contract.

Termination for good cause shall be given by written notice sent by registered post to the other party to the contract.

Termination of the Contract shall not relieve the parties from the performance of their obligations under this Contract which arise prior to termination or which are or are reasonably foreseen not to arise (trade secrets) or arise with or are based on termination. Termination of the Contract shall not constitute a waiver of any rights (right to compensation for damages for

non-performance, right to damages, pre-existing claims, and, per period) by the Party to the Contract.

A Party terminating the Contract on the above-mentioned valid grounds is entitled to claim from the other Party compensation for the undelivered quantities of allowances or compensation for the untaken quantities of allowances as a result of the termination of the Contract in accordance with the provisions of Article 7 of the Contract. In addition to the compensation, the Party to the Contract on whose side the reason for termination of the Contract arises shall also be liable to pay compensation for any increased damages and any additional costs incurred in the purchase and acceptance of allowances and other reasonable and demonstrable costs and expenses incurred by the Party to the Contract on this account. The Party to the Contract on whose side the reason for termination of the Contract arises shall be obliged to pay the indemnity to the Party terminating the Contract within five (5) Business Days of receipt of the summons and the invoice.

FINAL PROVISIONS

15. Article

The provisions of applicable law shall apply to the regulation of mutual obligations and rights not expressly provided for in this Agreement.

16. Article

The contract enters into force on the day of signing by both parties of the Contract and upon fulfilment of of the condition set out in first paragraph of Article 7 of the Contract (submission of appropriate security by the Contracting parties), and applies from XX.XX.XXXX to XX.XX.XXXX, or until the full fulfilment of all contractual obligations assumed on the basis of the contract. Provisions of the contract which, by their nature, exceed the period thus agreed shall apply until all obligations under this contract have been fulfilled.

17. Article

Any amendment or modification of this Agreement may be made only in writing in the same manner as this Agreement.

If any provision of the Contract is or becomes invalid, the remaining provisions of the Contract shall not be affected. The invalid provision shall be replaced by a valid provision which shall correspond as closely as possible to the purpose intended by the invalid provision.

18. Article

The seller will implement reporting obligations for both counterparties in accordance with the provisions of the Derivatives Regulation (EU) No 648/2012 (EMIR) under this contract.

The Parties agree to resolve any difference, dispute or claim arising out of or in connection with this Contract amicably. Disputes which cannot be resolved in this way shall be settled before a court of competent jurisdiction in Ljubljana.

19. Article

The Contract shall be drawn up in duplicate, one copy to be given to each of the contracting parties.

20. Article

The provisions of Slovenian law shall apply to the regulation of mutual relations not defined in this Agreement.

Šoštanj, on

Director

TERMOELEKTRARNA ŠOŠTANJ d.o.o.

Director-General:
Mag. Branko Debeljak

ANNEX 4 – SAMPLE OF THE BANK GUARANTEE FOR THE GOOD PERFORMANCE OF CONTRACTUAL OBLIGATIONS**BANK GUARANTEE FOR THE GOOD PERFORMANCE OF CONTRACTUAL OBLIGATIONS**

(irrevocable, unconditional and on first request)

Header with information about the guarantor (bank)

For: Termoelektrarna Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 ŠOŠTANJ, SLOVENIA

Date: (insert the date of issue)

TYPE OF WARRANTY (guarantee for the good performance of contractual obligations)

WARRANTY NUMBER (Warranty number to be entered)

GUARANTOR (enter the name and address of the bank in the place of issue)

WARRANTY CLIENT (enter the name and address of the client of the guarantee)

BENEFICIARY: Thermal Power Plant Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 ŠOŠTANJ, SLOVENIA

BASIC TRANSACTION: the obligation of the client of the guarantee from the Purchase agreement for emission allowances, dated In accordance with the Purchase agreement for emission allowances, the client of the guarantee is obliged to provide the beneficiary with a bank guarantee for the good performance of contractual obligations in the amount of EUR.

AMOUNT AND CURRENCY (enter the maximum amount with number and word and currency)

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DOCUMENTS TO BE ANNEXED TO THE REQUEST FOR PAYMENT IN ADDITION TO THE DECLARATION AND EXPRESSLY REQUESTED BELOW: none

FORM OF SUBMISSION: in paper form by registered mail or any form of express mail or in electronic form via the SWIFT system to the address..... (the SWIFT address of the guarantor shall be indicated)

PLACE OF SUBMISSION: (The guarantor shall enter the address of the branch where the paper documents are to be presented or the e-mail address for the presentation in electronic form, such as the guarantor's SWIFT address. If the place of presentation is not indicated in this box, the presentation shall take place at the place where the guarantee has been issued.)

EXPIRY DATE: (enter the due date of the guarantee in accordance with the Contract and the Rules)

PARTY LIABLE TO PAY COSTS (enter the name of the client of the warranty).

As the guarantor, we irrevocably and unconditionally undertake to pay to the beneficiary on first demand any amount up to the amount of the guarantee within 5 (five) days, after the beneficiary submits the relevant request for payment in the above-mentioned form of submission, signed by the authorized signatory(s) and together with other documents, if listed above, and in any case together with the beneficiary's statement, which is either included in the text of the request for payment itself or on a separate signed document annexed to or referred to by the request for payment, indicating the extent to which the principal of the guarantee has failed to fulfil its obligations under the underlying transaction.

Any request for payment under this warranty must be received on or before the warranty term at the above place of submission.

Any disputes relating to this guarantee shall be resolved by the court with substantive jurisdiction in Ljubljana under Slovenian law.

This guarantee is subject to the Uniform Rules for Warranties on Call (EPGP) Revision 2010, issued by MTZ under No. 758.

Guarantor
(stamp and signature)

ANNEX 5 – IRREVOCABLE POWER OF ATTORNEY

On the basis of the Rules of the first public auction for the purchase of emission allowances for the operation of Termoelektrarna Šoštanj d.o.o. for 2026

_____ **(Company Name)**

_____ **(Business Address)**

Registration number: _____

Tax number or VAT ID: _____

VAT: _____ **(YES / NO)**

represented by: _____ **(Legal representative)**

('the auction participant')

hereby issues

to the company Termoelektrarna Šoštanj d.o.o.,

address, Cesta Lole Ribarja 18, 3325 ŠOŠTANJ, SLOVENIA

Registration number: 5040388000

VAT ID: SI92189903

represented by:

IRREVOCABLE POWER OF ATTORNEY

for the use of deposited funds for _____ insurance (*for the seriousness of the bid/for the good performance of contractual obligations*) on the transaction account No. SI56 3500 1000 1650 464 opened with BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, in accordance with the Rules of the first public auction for the purchase of emission allowances for the operation of Termoelektrarna Šoštanj d.o.o. for 2026.

Signed at _____, date: _____

(signature of the legal representative of the auction participant)

Unofficial translation – for your convenience only.

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ANNEX 6 – DECLARATION OF MEMBERSHIP IN ORGANISED MARKETS

Declaration of membership of organised markets

Applicant:

Address:.....

Country:

Registration number:

VAT ID:

In accordance with the Rules of the first public auction for the purchase of emission allowances for the operation of Termoelektrarna Šoštanj d.o.o. for 2026, we declare that we meet the conditions set out in point 6 of the Rules and confirm that we have a full and active membership in the following organised markets / futures exchanges where products related to emission allowances are listed:

☐ ICE Endex (Seznam članov: <https://www.ice.com/endex/membership>)

☐ EEX ([List of Trading Participants](#))

Place and date:

Signature of the legal representative:

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ANNEX 7 – PROMISSORY NOTE STATMENT

Termoelektrarna Šoštanj d.o.o.,

Cesta Lole Ribarja 18, 3325 ŠOŠTANJ, SLOVENIA

Registration number: 5040388000

VAT ID: SI92189903

represented by: mag. Branko Debeljak

(promissory note issuer)

Date _____

PROMISSORY NOTE STATEMENT

The creditor _____ (hereinafter referred to as the promissory note creditor) and Termoelektrarna Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 Šoštanj (hereinafter referred to as the promissory note debtor) have entered into the Purchase agreement for emission allowances No. ____ (hereinafter: the Agreement). This promissory note shall apply for the execution of promissory notes issued for the purpose of securing all claims of the promissory note creditor against the promissory note debtor under the Agreement and all its annexes, to the extent that the parties have yet to conclude annexes in connection with the Agreement.

In accordance with the Agreement, the promissory note debtor shall hand over to the promissory note creditor three (3) blank promissory notes with the "no protest" clause, to secure all claims of the promissory note creditor against the promissory note debtor under the Agreement.

Mag. Branko Debeljak as Director General of

The issuer of the promissory note expressly acknowledges and agrees that the signatory of the promissory note is authorised to sign the promissory note and that this authorisation and the signed promissory notes shall also apply in the event of a change of legal representative of the issuer of the promissory note.

By signing this statement, the issuer irrevocably and unconditionally authorizes the promissory note creditor to fill in the blank promissory note up to the amount of outstanding obligations under the Agreement with any additions, including any default interest and costs, and to fill in

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all other components of blank promissory note that are not fulfilled without prior notice, by entering any maturity date and the "no protest" clause.

The issuer of the promissory notes waives all objections to blank promissory note that are so completed and undertakes to pay the promissory note in full when they fall due. The issuer of the promissory notes waives any objection to an order for payment or an enforcement authorisation issued on the basis of completed promissory notes.

The issuer of the promissory notes authorizes the creditor to domicile the promissory notes with any commercial bank that maintains our account at the time of redemption.

The undersigned representative of the promissory note debtor, mag. Branko Debeljak, Managing Director, hereby declares that: I am authorized to dispose of the funds in accounts with commercial banks, and at the same time I irrevocably and unconditionally authorize the promissory note creditor to issue an order at any commercial bank or banks that maintain our accounts for the transfer of the promissory note amount to the account of the promissory note creditor, which will be enforced at the expense of the promissory note debtor.

The undersigned representative of the debtor, mag. Branko Debeljak, Managing Director hereby declares that: I give my consent to all commercial banks that maintain our accounts to execute a transaction in favour of the promissory note creditor and against any of our accounts, regardless of the otherwise agreed terms and conditions on account management.

The issuer of the promissory notes undertakes to replace this promissory note statement with a corresponding new statement within three (3) working days in the event of a change in the domicile or in the event of a change in the regulations or if it is established that the promissory note could not be redeemed on the basis of this promissory note statement or that their redemption could be impeded.

Attachment: 3 pcs of blank promissory note

Signature of the legal representative

mag. Branko Debeljak

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