

***First public auction for
the sale of electricity
produced by the
company
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 (Official Gazette 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 sale of electricity produced at the Šoštanj Thermal Power Plant for year 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 Gazette of the Republic of Slovenia, No. 109/2024; hereinafter referred to as the Act) stipulates that the provider of the public service—pursuant to the second paragraph of Article 3 identified as Termoelektrarna Šoštanj d.o.o., Cesta Lole Ribarja 18, 3325 Šoštanj, Slovenia, registration number 5040388000, VAT ID SI92189903 (hereinafter TEŠ)—shall sell on the market any by-products generated in the production of heat, such as electricity and waste products (including electrostatic precipitator ash, gypsum, system water, and slag).

The second paragraph of Article 9 of the Act stipulates that the electricity produced from the operation of production sources for the purposes of the performance of the public utility shall be sold in the range of 70% to 90% of the projected production for year ahead in the form of a monthly diagram in one or more transactions by the end of the current year at the latest. The third paragraph of Article 9 in conjunction with the second paragraph of Article 36 of the Act stipulates that the sale of this electricity 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 Gazette of the Republic of Slovenia, Nos. 121/21, 189/21, 121/22 – ZUOKPOE and 102/24) by public auction.

The sale of electricity produced in TEŠ for 2026 will be carried out in the form of several public auctions. The first public auction (hereinafter: the "public auction") for the part of the electricity produced in TEŠ in 2026 will be carried out in the manner and under the conditions set out below. The seller reserves the right to cancel the public auction before it takes place if the conditions for holding a public auction are not met in accordance with the provisions of the law or in the event of market circumstances that could negatively impact the results of the public auction. In this case, the public auction will not be held. The potential auction cancellation will be communicated to applicants in accordance to the terms of this public auction no later than 26. 5. 2025 by 16:00. In the event of cancellation, the applicants themselves shall bear all costs incurred by them up to the cancellation. The public auction organizer is not liable for any damage, costs or losses incurred by the investors due to the cancellation of the auction, unless these occurred due to intentional 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 (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).

2. DEFINITIONS

The terms used in this public auction shall mean:

- »seller« means Termoelektrarna (Thermal Power Plant) Šoštanj d.o.o. (TEŠ);
- »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.;
- »rules« means the rules of this public auction for the sale of electricity produced in 2026 by the company Termoelektrarna Šoštanj d.o.o. as defined below. These rules are formulated in accordance with the principles of good practice and do not replace statutory provisions;
- »applicant« means a legal or natural person who applies for a public auction;
- »participant« means a legal or natural person participating in this public auction;
- »buyer« is the auction participant to whom a certain quantity or number of lots of offered products has been allocated after the conclusion of the public auction;
- »reserve price« means the minimum acceptable price for the seller which is not disclosed to participants and serves as the threshold for accepting a bid.

3. SUBJECT OF THE AUCTION

The subject of the public auction is electricity, which will be produced by the seller in accordance with the planned production regime. The subject of the auction is the product, which is presented in more detail in Chapter 4 of these rules. The auction product is sold in the form of closed contracts.

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 a public auction may place bids for any quantity or number of lots of the product.

Reporting obligation under REMIT

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

4. DETAILED PRESENTATION OF AUCTION PRODUCT

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

Product code: TEŠ_D1_2026

Product type/description: diagram; base load energy (varying amounts per selected months) in form of closed contracts

Description: 1 lot of this product represents the monthly amount of baseload energy as shown in the table below:

TEŠ_D1_2026	jan.26	feb.26	mar.26	apr. 26 – sep. 26	okt.26	nov.26	dec.26	Total
1 lot (quantity in MW)	5	5	5	0	5	5	5	
1 lot (quantity in MWh)	3.720	3.360	3.720	0	3.720	3.600	3.720	21.840
Total (quantity in MW)	40	40	40	0	40	40	40	
Total (quantity in MWh)	29.760	26.880	29.760	0	29.760	28.800	29.760	174.720

Number of lots available in the auction: 8 lots (total 174.720 MWh)

Minimum bid quantity: 1 lot

Minimum quantity step: 1 lot

Price definition: the price is set in EUR/MWh and rounded to 1 euro cent (2 decimal places)

Pricing Method: Pay-as-bid

Quantity splitting: YES

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 pays the price as 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 offers are sorted in the order book. The received bids will be ranked from highest to lowest. Successful bids will be those that will offer the highest price expressed in EUR/MWh for the quantities or lots offered. 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 higher 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 seller reserves the right to set a reserve price for the product, i.e. the minimum price that must be reached by the bid in order to be accepted. 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 below the reserve price. In such cases, bids will be considered based on the criteria outlined in the previous paragraph.

6. CONDITIONS FOR PARTICIPATION

Membership in the balance scheme of the Electricity Market Operator

Any legal or natural person who, on the day of the application for this public auction, is included in the balance scheme in the Republic of Slovenia as a balance group responsible party or balance sub-group responsible party and fulfils other conditions set out in this public auction may participate in the auction.

Application to the 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 seller 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 seriousness of the bid 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 seller's transaction account. Upon submission of the cash deposit, the investor signs an irrevocable power of attorney (Annex 5) authorizing the Seller 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 the seriousness of the bid 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 Seller in this case is entitled to withhold the entire deposit as a contractual penalty or to redeem the bank guarantee for the seriousness of the bid. 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 Buyer must bear the costs of the public auction in the amount of EUR 0.02/MWh for each MWh won on the public auction. The invoice will be issued by the public auction organiser to the Buyer 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 Seller.

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 seller in case of any change in relevant information that could affect the course of the auction or the uptake of the supplied electricity 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 Seller 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 these rules and other relevant legislation,
- the participant is subject to insolvency or compulsory winding-up, winding-up or preventive restructuring proceedings;

- the participant withdraws from membership in the Slovenian balance scheme or is excluded from its membership,
- the public auction organiser or Seller'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 seller

The public auction organiser and the seller, 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 Seller 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 Seller 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 Seller 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 Seller 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 Seller 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, Seller 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 Seller 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 Gazette 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 Seller, who shall confirm that the application meets the conditions set out in these rules. The Seller 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 Seller 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 Seller 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. 05. 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. 05. 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. 05. 2025, from 11:00 to 11:30.**

Auction-related issues

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

To submit questions, investors 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. 05. 2025.**

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

- 1) PHASE 1 (bidding): from 09:30 to 10:00 (duration 30 min)
- 2) PHASE 2 (calculation of results): from 10:00 to 10:20
- 3) PHASE 3 (final auction results): until 10:30 (no later than 13:30 in case of objections)

Bidding phase (PHASE 1): 9:30 to 10:00

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 a bid for one or more lots and a bid price for each lot, expressed in EUR/MWh, net of VAT and other charges, rounded to 2 decimal places. The bid quantity of lots is at least one and the maximum is the number of lots of the product offered, i.e. 8.

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 10:00 to 10:20

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 higher 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 seller's discretionary right to also accept bids that do not exceed the reserve price. If the last bid accepted quantitatively exceeds the quantity of the product still available at auction, this bid will be accepted only for the quantity still available 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 Seller sends the Contract to the successful participants for signature (specimen 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 Seller 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 seller may offer an individual product to the next participant 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 Seller may publish on their website the name of the successful participants and the prices and quantities achieved. Participants in a 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 Seller 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 Seller 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 Seller 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 buyer 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 buyer has the option of choosing between two payment methods, namely between advance payment and payment after delivery. The amount of insurance is determined on the basis of the formulas below, which depend on the chosen method of payment.

Amount of financial insurance in the case of advance payment:

- 7,5% of the value of the Contract with the validity of the insurance from the day of issue to 31. 12. 2025 must be submitted no later than seven (7) working days after the signing of the contract and

- 4% of the value of the Contract with the validity of the insurance from 1. 1. 2026 to 31. 10. 2026 must be submitted by 15. 12. 2025, and
- 3.5% of the value of the Contract with the validity of the insurance from 1. 1. 2026 to 31. 3. 2026 must be submitted by 15. 12. 2025.
- 2% of the value of the Contract with the validity of the insurance from 1. 11. 2026 to 31. 12. 2026 must be submitted by 15. 10. 2026.

Amount of financial collateral in case of payment after delivery:

- 7.5% of the value of the Contract with the validity of the insurance from the date of issue to 31. 12. 2025 must be submitted no later than seven (7) working days after the signing of the contract,
- 5% of the value of the Contract with the validity of the insurance from 1. 1. 2026 to 31. 12. 2026 must be submitted by 15. 12. 2025, and
- 20% of the value of the Contract with the validity of the insurance from 1. 1. 2026 to 25. 4. 2026 must be submitted by 15. 12. 2025,
- 15% of the value of the Contract with the validity of the insurance from 1. 10. 2026 to 25. 1. 2027 must be submitted by 15. 09. 2026.

The buyer 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 buyer, is kept in the transaction account of the Seller. The buyer 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.

Upon submission of the cash deposit, the buyer signs an irrevocable power of attorney (Appendix 5) authorizing the Seller 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 buyer.

The Seller has the right to cash out a bank guarantee or repay from the deposit in the event that the buyer 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 buyer.

In the case of realisation of financial collateral for the proper performance of contractual obligations, the buyer must replace the realised 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.

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.

Unofficial translation

ANNEX 1 – APPLICATION FORM FOR THE PUBLIC AUCTION FOR THE SALE OF ELECTRICITY**APPLICATION FOR THE PUBLIC AUCTION FOR THE SALE OF ELECTRICITY 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 Code:

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 sale of electricity produced by the company 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;
- that the person indicated as the contact person for applying and participating in the public auction has the power 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 Contract that is an integral part of the Rules of the public auction;
- We will settle the costs of the public auction within three (3) business days of receiving the invoice issued by the public auction organiser;
- that on the day of the public auction the company is included in the balance scheme in the Republic of Slovenia as the balance group or subgroup responsible party;
- 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 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),
- 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 Seller may request additional documents from the applicant.

Signed at _____, on _____

Stamp, signature

ANNEX 2 – SAMPLE OF BANK GUARANTEE FOR THE SERIOUSNESS OF THE BID**BANK GUARANTEE FOR THE SERIOUSNESS OF THE BID TO PARTICIPATE IN THE FIRST PUBLIC AUCTION FOR THE SALE OF ELECTRICITY PRODUCED BY TEŠ 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 sale of electricity produced by 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)

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**CONTRACT TEMPLATE**

TERMoeLEKTRARNA ŠOŠTANJ d.o.o., Cesta Lole Ribarja 18, 3325 ŠOŠTANJ

VAT ID:

('the seller')

and

VAT ID:

('the purchaser')

Hereinafter, each separately the "Contracting Party" and collectively the "Contracting Parties"
conclude the following

PURCHASE AGREEMENT**No.****SUBJECT MATTER OF THE CONTRACT****1. article**

The subject matter of this Purchase Agreement (hereinafter referred to as the "Contract") is the sale, supply, purchase and takeover of electricity in the period from 01.01.2026 00:00 to 31.12.2026 24:00 hours (hereinafter referred to as the "Contract Period").

The contract is concluded on the basis of the results of a public auction conducted in accordance with the rules of the First public auction for the sale of electricity produced by the company Termoelektrarna Šoštanj d.o.o. for 2026 (hereinafter referred to as the "Rules")

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Unofficial translation – for your convenience only.

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

The seller undertakes to supply electricity to the buyer during the contract period, and the buyer will take it over and make payment for it, all in the manner and under the conditions defined in the continuation of the contract.

QUANTITIES AND PRICES

2. article

The seller will supply and the buyer will take over the electricity in the electricity distribution system of the Republic of Slovenia in the period from 01.01.2026 at 00:00 to 31.12.2026 at 24:00 with the following characteristics:

The table will be added according to the auction result

The contract price excludes value added tax (VAT), excise duties, network use costs, contributions for the efficient use of electricity, obligations to ensure energy savings, contributions to provide support for the production of electricity in high-efficiency cogeneration and from renewable sources, and other charges in the country. The costs of items not included in the price shall be borne by the contracting parties in accordance with the applicable regulations.

INVOICING AND PAYMENT

3. article

Option 1 (advance payment)

No later than the 18th of the month, the seller will issue a pro forma invoice to the buyer for the supply of electricity in the following calendar month, based on the contractual quantities and the price specified in Article 2 of this contract. The buyer must pay the proforma invoice for electricity by transfer to the bank account specified by the seller on the issued invoice no later than 5 (five) working days before the month of delivery. The buyer shall bear his own bank charges or other charges in connection with the said payment. Payment is considered made when the funds are on the seller's bank account.

The Seller will issue a final invoice for the supplied electricity to the Buyer within 5 (five) working days in the calendar month following the month of delivery.

Option 2 (payment upon delivery)

In accordance with the provisions of this Contract, the seller shall charge the Buyer for the contracted amount of electricity three times a month in the following accounting periods, namely:

- for the period from the 1st to the 10th day of the month,*
- for the period from the 11th to the 20th day of the month, and*
- for the period from the 21st to the last day of the month.*

The seller shall issue and forward the electricity invoice to the buyer no later than the next working day after the expiry of each billing period, on the basis of the contractual quantities and the price referred to in Article 2 of this Contract. The buyer must pay the electricity bill no later than 5 (five) working days after receipt by

means of a transfer to the bank account indicated by the seller on the issued invoice. The buyer shall bear his own bank charges or other charges in connection with the said payment. Payment is considered made when the funds are on the seller's bank account.

In the event that the buyer objects to any of the amounts charged, he is obliged to settle the undisputed part of the invoice within the contractually agreed period. For the disputed part, the buyer must submit a reasoned written objection to the seller within two (2) working days of receipt of the invoice. If he fails to do so, the seller's claim is considered to be justified and undisputed. The seller is obliged to respond to the received objection in writing within two (2) working days. If the objection is found to be justified, the buyer does not have to pay the disputed part of the invoice.

If the last day of the payment deadline coincides with a day on which work is not carried out by law, the last day of the payment deadline is considered to be the next working day. In the event of delay in payment of financial obligations arising from this Contract, the seller will charge the buyer statutory default interest. If, in addition to the principal, the customer owes interest and expenses, the payments received are allocated in such a way that the costs are paid first, then the interest and only then the principal, irrespective of the customer's indications in the transfer (e.g. reference to a specific account or other specifications).

4. 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

5. article

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

a) **BANK GUARANTEE**

- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable on first demand, 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 amount of EUR _____ (_____ with the word), which complies with point 11 of the Rules and with the date of validity of _____, and*
- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable on first demand, 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 amount of EUR _____ (_____ with the word), which complies with point 11 of the Rules and with the date of validity of _____, and

- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable on first demand, 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 amount of EUR _____ (_____ with the word), which complies with point 11 of the Rules and with the date of validity of _____, and*
- *a duly fulfilled, unconditional and irrevocable bank guarantee for the good performance of contractual obligations, redeemable on first call, 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 amount of EUR _____ (_____ with the word), which is in accordance with point 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 buyer transfers to the seller's account No. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ z word), which is in accordance with point 11 of the Rules, with a validity period of up to _____,*
 - *the buyer transfers to the seller's account No. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ z word), which is in accordance with point 11 of the Rules, with a validity period of up to _____,*
 - *the buyer transfers to the seller's account No. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ z word), which is in accordance with point 11 of the Rules, with a validity period of up to _____,*
 - *the buyer transfers to the seller's account No. SI56 3500 1000 1650 464 at BKS Bank AG, Bank Branch Verovškova ulica 55 A, 1000 Ljubljana, Slovenia, a cash deposit in the amount of EUR _____ (_____ z word), which is in accordance with point 11 of the Rules, with a validity period of up to _____,*
- and deliver to the seller a signed irrevocable power of attorney set out in Annex 5 of the Rules.*

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

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

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

In the event that the buyer does not replace the financial collateral as specified in this article, the seller has the right to withdraw from the contract.

FAILURE TO SUPPLY OR TAKE OVER ELECTRICITY

6. article

If the seller fails to deliver all or part of the contract quantity, and the non-delivery is not the result of force majeure as defined in Article 7 of the contract, interruption of supplies as defined in Article 8 of the contract, or circumstances on the part of the buyer, the buyer has the right to charge the seller compensation for the undelivered amount of electricity in the amount calculated as the product of:

- any positive differences between the achieved price of the substitute purchase carried out or could be made by the customer with the diligence of a good manager and the contract price for the undelivered quantities of electricity; and
- amount of unsupplied electricity.

If the buyer does not take over all or part of the contracted quantity and the non-takeover is not due to force majeure. defined in Article 7 of this Contract, or circumstances on the part of the Seller, the Seller shall be entitled to charge the buyer compensation for the uncollected amount of electricity in the amount calculated as the product of:

- any positive difference between the contract price and the substitute price achieved, which is carried out or could be carried out by the seller with the diligence of a good trader for the quantities not taken; and
- the amount of uncollected electricity.

The amount of the calculated compensation for damage shall be increased by any additional costs incurred for the transmission of electricity and other eligible and demonstrable costs and expenses incurred by the party loyal to the contract as a result of the other party's failure to fulfil its obligations.

By the 5th day of the calendar month, the party loyal to the contract shall issue an invoice for the total amount of potentially unsupplied/uncollected electricity in the previous month. A Contracting Party that has not fulfilled its obligation to supply/receive electricity shall be obliged to settle an invoice issued in accordance with the provisions of this Article within three (3) working days from the date of issuance of such invoice.

FORCE MAJEURE

7. article

Force majeure under this contract is considered to be circumstances – events due to which the contracting party is unable to fulfil its contractual obligations to supply or take over electricity in part or in full, and the occurrence of these circumstances could not have been foreseen, prevented, eliminated or avoided, and none of the contracting parties is responsible for the occurrence of such circumstances.

Subject to the fulfilment of the conditions laid down in the preceding paragraph, the following circumstances shall be considered as force majeure for the purposes of this Treaty:

- failure of communication or information systems of transmission and/or distribution system operators, as a result of which the contracting party is unable to fulfil its obligation to supply or take over electricity;
- the suspension of the supply or take-over of electricity or the failure of the transmission and/or distribution system operators to comply with the obligations of each counterparty;
- protective measures due to crisis situations in the electricity system, introduced in accordance with the provisions of the energy legislation in force at each time;
- other measures taken by the competent authorities at all stages which make it impossible for the contracting party to fulfil its obligation to supply or take over electricity.

The occurrence of force majeure releases the contracting party from fulfilling the obligations under this contract for the duration of the force majeure and also releases them from the obligation to pay compensation for non-performance of contractual obligations during the period of force majeure.

In the event of the occurrence as well as termination of force majeure, the Contracting Party invoking it shall immediately notify the counterparty in accordance with the provision of Article 9 of the Contract and at the same time inform the Contracting Party of the anticipated assessment of the extent and expected duration of the consequences of force majeure, as far as possible at the given moment, otherwise it shall lose the right to invoke force majeure.

A party invoking force majeure must take all reasonable steps to mitigate the damage caused by force majeure, failing which force majeure cannot be invoked in this part.

If the subsequent inability to perform arose after the time limit, the party invoking it must pay damages to the opposing party for the default.

INTERRUPTION OF SUPPLY

8. article

If the buyer is in default with any payment under Article 3 or 6 of the Contract concluded between the Contracting Parties or fails to replace the collateral in accordance with Article 5 of the Contract, the seller has, in addition to other rights under this Contract, the seller has the right to call on the buyer to remedy the breach within three (3) working days after receipt of the written notification of the breach, otherwise the seller may immediately and without further notice suspend the further supply of electricity under this Contract, until it has received full payment of all amounts due (including default interest and costs) or the required collateral.

The seller is entitled to charge the buyer compensation for damage for such unsupplied quantities of electricity in accordance with the second paragraph of Article 6 of the contract.

DUTY OF INFORMATION

9. article

The Contracting Parties undertake to inform each other in a timely and reliable manner of any problems in the supply or takeover of electricity under this Contract and to resolve them in the spirit of good businessmen.

Communications between the contracting parties will be valid if they are sent by e-mail or by registered mail.

Contact person for the seller:

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 buyer:

Operational implementation of the contract:

Name and surname:

Telephone:

Email:

Contact person for clearing and settlement:

Name and surname:

Telephone:

Email:

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

TRADE SECRET

10. 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, 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

11. 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 Contract shall be null and void.

TRANSFER OF RIGHTS AND OBLIGATIONS

12. 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 Contract and that could affect the performance of this Contract and ensure the transfer of rights and obligations arising from this Contract 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.

VALIDITY AND TERMINATION OF THE CONTRACT

13. article

The contract enters into force on the day of signing by both parties to the contract and upon fulfilment of the condition set out in the first paragraph of Article 5 of the contract (submission of appropriate security by the buyer), and applies from XX.XX.XXXX 00:00 to XX.XX.XXXX 24:00 hours, 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.

Before the expiry of the contract period, this contract may be terminated only in the following cases:

- on the basis of an Contract of the parties on early termination of the contract in the form of a written annex to the contract (consensual termination);
- each Contracting Party (a party loyal to the Contract) may unilaterally withdraw from the Contract at any time without notice in the event of the occurrence of one of the valid reasons listed below (withdrawal for valid reasons).

A valid reason for withdrawal from the contract is the following:

- failure to comply with the obligation to pay arising under this Contract under Articles 3 and 6 of the Contract, which is not eliminated even after notification and a request for rectification of the breach within an additional period, which may not be shorter than 3 (three) days;
- failure to comply with the obligation to replace collateral with a new one, as provided for in Article 5 of the contract;
- failure to comply with the obligation to supply or take over electricity (excluding force majeure or interruption of supply under Article 8) for a period of more than seven (7) consecutive days or for a total duration of seven (7) days within a period of sixty (60) days;
- 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,
- 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.

Modified market conditions shall not be considered as a valid reason for termination.

The party loyal to the contract shall give an early withdrawal from the contract for serious reasons to the opposing party by written notice sent by registered mail. In the written notice, he must state a valid reason for withdrawing from the contract and the date of withdrawal or expiry of the contract, which may not occur before the first day after receipt of the written notice of withdrawal from the contract.

The termination of the contract does not release the parties from the fulfilment of their obligations that arose until the termination of the contract and arise from this contract or for which it is determined or reasonable that they do not cease (trade secret) or that they arise from the termination of the contract or have a basis in the termination of the contract. Withdrawal from the contract does not mean that the contracting party has waived any rights (the right to compensation for damage due to failure to supply or take over electricity, the right to compensation, pre-existing claims, etc.).

A contracting party who withdraws from the contract for serious reasons will calculate the compensation for termination of the contract according to the principle for calculating compensation for the untaken/undelivered amount of electricity referred to in Article 6 of the contract. In calculating the compensation, the withdrawing party may estimate the loss due to the early termination of the contract, even if it does not subsequently conclude replacement transactions at its own discretion. In addition to the compensation, the contracting party on the part of whom the reason for the withdrawal from the contract is also obliged to pay compensation for any higher damage and all costs incurred by the contracting party withdrawing from the contract in this regard. The Contracting Party on whose part the reason for the withdrawal from the Contract is is obliged to pay the compensation to the Contracting Party withdrawing from the Contract within 15 (fifteen) days of the summons.

FINAL PROVISIONS

14. article

The buyer will implement reporting obligations for both counterparties in accordance with the provisions of Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT), Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No 1227/2011 and (EU) 2019/942 as regards improving the protection of the Union against market manipulation in the wholesale energy market, under this Contract.

The parties agree to resolve any disagreement, dispute or claim relating to this Contract amicably. Disputes that cannot be resolved in this way are resolved before the court with substantive jurisdiction in Ljubljana.

15. article

Any amendments to this Contract shall be made in writing with the consent and signature of both parties.

If any of the contractual provisions is or becomes invalid, this does not affect the other contractual provisions. The invalid provision shall be replaced by a valid one, which must correspond as closely as possible to the purpose intended by the parties to the contract with the invalid provision.

The Contract is signed in two (2) copies, each of which is considered an original. Each Contracting Party shall receive one copy.

16. article

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

Šoštanj, _____

For TEŠ:
(name and surname)

FOR THE BUYER:
(name and surname)

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 seriousness of the offer)

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 No., dated In accordance with the Purchase Agreement, the client of the guarantee is obliged to provide the beneficiary with a bank guarantee for the proper performance of contractual obligations in the amount of EUR.

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

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 for the first public auction for the sale of electricity produced by the company 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')

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 sale of electricity produced by Termoelektrarna Šoštanj d.o.o. for 2026.

Signed at _____, date: _____

(signature of the legal representative of the auction participant)