

OTE, a.s

STANDARD TERMS AND CONDITIONS

The Registry of Guarantees of Origin (EZP)

Version 3 – January 2016

This English version serves solely for informational purposes. Only Czech documents shall be used for gaining the access to the EZP.

Market Operator identification

OTE, a.s. – a commercial company entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 7260.

- Business Registration Number (IČ) 26463318, Tax Identification Number (DIČ) CZ26463318,
- Registered office: Prague 8, Karlín, Sokolovská 192/79, postal code 186 00, (Operátor trhu – Market Operator)

Market Operator's contact address for the Registry of Guarantees of Origin (EZP):

- zaruka@ote-cr.cz,

Market Operator's Help Desk business hours are posted on OTE's website (<http://www.ote-cr.cz>).

To access the public website for the Market Operator's information regarding the Guarantees of Origin, go to <http://www.ote-cr.cz>.

EZP users can access the EZP secure website at <https://portal.ote-cr.cz/>.

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1. Definitions

Term	Meaning
Account Holder	Natural or legal person in respect of whom an account for GOs is administrated in the EZP;
AIB Communications Hub or “Hub”	A commercial website operated on behalf of AIB whose address is https://www.aib-hub.org/AIBWeb/ , which provides coordination and synchronisation services, distributing messages and acknowledgements between the registries of Hub users. The Hub is defined in detail in Document HubCom;
Association of Issuing Bodies or “AIB”	The international scientific association comprising the national Issuing Bodies of certificates related to the electricity production and enabling their administrative, technical and operational cooperation. The AIB was constituted in accordance with the Belgian law, under nr. 0.864.645.330, under the name of “Association of Issuing Bodies”;
Competent Body	The body duly authorised under the laws and regulations of the state (and, as the case may be, region) in which a Domain is situated to issue the Guarantee of Origin; OTE is authorised to act as the Czech Competent Body under the Act 165/2012 Coll.;
CS OTE	Central Information System of the Market Operator;
Data Log	The Record of Transactions of the AIB Communication Hub (the Transfer Log);
Domain	An area containing Production Devices with respect to which a Hub user is a Competent Body; The Czech Domain is defined as the whole Czech republic;
Domain Protocol	Documents describing the procedures and regulatory provisions regarding GOs for a Domain; The Domain Protocol of the Czech Republic and the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation are the Annex of these Standard Terms and Conditions;
EECS	European Energy Certificate System; A single European framework for the issuing, holding, transfers and other handling of Guarantees of Origin in selected member states of the European Union;
EECS Scheme	Arrangements established by the EECS Rules for the administration of the certificates related to the electricity production within the EECS;

Term	Meaning
EECS Rules	<p>The Principles and Rules of Operation of the European Energy Certificate System.</p> <p>The document is available on the following link: http://www.aib-net.org/portal/page/portal/AIB_HOME/EECS/EECS_Rules;</p>
EZP	The Registry operated by the Market Operator;
Guarantee of Origin (or “GO”)	<p>An electronic document (Certificate) issued by a Competent Body under the laws of a State as a guarantee of the nature and origin of energy for the purpose of providing proof to a final customer that a given share or quantity of energy delivered to the final consumer, as the case may be : (i) was produced from the energy source to which the guarantee relates; (ii) was produced by the specified technology type to which the guarantee relates; and/or (iii) has, or the Production Device(s) which produced it has (or have) other attributes to which the guarantee relates, as well as this quantity of energy was delivered to the power system of the Czech republic;</p> <p>The Czech Legislative Certification Scheme determines:</p> <ul style="list-style-type: none"> a) the GOs for electricity produced from renewable sources and b) the GOs for electricity produced from high-efficiency combined heat and power generation;
HubCom	The document known as “Hub User Compliance Protocol” and subtitled “EECS Rules - Subsidiary Document AIB-PRO-SD03: EECS Registration Databases”;
Hub user	<p>A Competent Body or Registry Operator which uses the Hub for Transactions;</p> <p>The Hub user for the Czech republic is OTE;</p>
Input	An amount of a specific type of energy or material goods consumed by a Production Device using combustion technology in the production of Output;
Integrity	The accuracy and consistency of retained and transmitted data, indicated by an absence of any alteration in data during its retention and its transmission from a Sender to a Receiver. Data integrity is maintained through the use of error checking and validation routines;

Term	Meaning
Legislative Certification Scheme	A Certification Scheme implemented pursuant to the law of any EU Member State or a State bound to the EU by a Treaty requiring the mutual recognition of GO's; The Czech Legislative Certification Scheme is defined by the Act 165/2012 Coll., on supported energy sources, as amended and relevant implementing regulations;
Market Operator	OTE, a.s.;
Output	An amount of electricity yielded by a Production Device, delivered to the power system of the Czech republic and measured by a Measurement Body,
Participant	A Registrant or Account Holder;
Production Device	A separately measured device or group of devices that produces an Output;
Registrant	A natural or legal person in whose name a Production Device is registered from time to time in a Registry for the purposes of the issue of GOs;
Registry (or "Registration Database")	A IT-system operated by a Hub user or a Registry Operator on behalf of a Hub user, comprising: (a) Transferables and Cancellation Accounts and the GOs in those Accounts; (b) Details of Production Devices and information provided in connection with the registration of Production Devices; (c) Details of GOs which have been transferred out of that Registry;
Transaction	Any communication made and identified as a transfer between accounts in the Registry or Registries regarding GOs, to which an electronic message refers.

2. Purpose

This document sets out the terms and conditions upon which OTE is prepared to provide services regarding the administration of GOs to the Account Holders contemplated by the rules described in the relevant Domain Protocol and the HubCom Protocol issued by the AIB.

Where Transactions are performed upon the request of the Account Holder or involving the Account Holder, in accordance with these Standard Terms and Conditions, the rules described in the Domain Protocol of the Czech Republic, the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation and all applicable technical requirements, and the Participants involved do not claim that the Transaction was in any way erroneous, the Account Holder shall in good faith accept the legal consequences of such Transaction.

An integral part of these Standard Terms and Conditions are the Domain protocol of the Czech Republic and the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation. For the purpose of this document the Standard Terms and Conditions are understood as the Standard Terms and Conditions including the Domain Protocol of

the Czech Republic and the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation.

The Standard Terms and Conditions are fully binding for OTE and the Account Holder.

3. Compliance with the rules described in the Standard Terms and Conditions

Account Holders become eligible to have the access to the EZP by committing themselves with OTE to comply with the rules described in the Standard Terms and Conditions, in the Domain Protocol of the Czech Republic and in the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation. The Account Holder will also be subject to applicable legislation.

The Account Holder shall confirm the acceptance of these Standard Terms and Conditions electronically while accessing the EZP for the first time. If the Account Holder don't confirm the acceptance of these Standard Terms and Conditions, his access to the EZP is denied.

4. Obligation to inform

The Account Holder and OTE shall contribute to the implementation of these Standard Terms and Conditions to the extent that the Account Holder and OTE shall provide each other without delay all necessary information required by the application of these Standard Terms and Conditions. If the operation of a Production Device of the Account Holder no longer conforms to the reported information, the Account Holder shall inform OTE immediately about the change.

5. Information systems

OTE issues GOs using an electronic Registry (EZP) which is a part of CS OTE.

Account Holders are required to ensure that settings of the workstation designated for access to EZP comply with minimum requirements for hardware and certified software specified in documents posted on OTE's website.

OTE has the right to change the IT prerequisites for the use of the EZP. OTE shall inform the Account Holders at least 10 calendar days prior to the implementation of material changes. In urgent cases changes can be announced to the Account Holders later but at the time of their implementation at the latest.

OTE shall inform the Account Holders 3 days in advance of planned unavailability of the EZP. The Account Holders shall be informed of other unavailability preventing the use of the EZP as soon as possible.

The Account Holder shall respect the technical requirements and rules of conduct described in the Domain Protocol of the Czech Republic and the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation.

6. Liability

The Account Holder and OTE shall at all times act in accordance with the applicable legal provisions, these Standard Terms and Conditions, the Domain Protocol of the Czech Republic and the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation.

The Account Holder and OTE shall notify each other about any and all events that they believe may cause damage, and to make every effort to avert potential damage.

If the Account Holder suffers a loss due to gross negligence by OTE, the Account Holder must direct the claim for compensation only against OTE.

If the Account Holder suffers a loss due to gross negligence by a Hub user, Account Holder or third

party, the Account Holder must direct the claim for compensation only against the relevant Hub user, Account Holder or third party that has caused the damage.

The AIB, other Hub users or their representatives are not liable for the actions of the negligent Hub user, Competent Body, Account Holder or third party.

The Account Holder has a duty to do everything possible to prevent or limit the extent of the damage. If the Account Holder does not implement adequate measures to prevent or limit the extent of the damage, compensation may be reduced.

Claims against any Hub user for any damage, loss, cost or expense incurred by the Account Holder in relation to Transactions with GOs shall be limited to five thousand (5000) Euros per year excluding indirect or consequential damage, such as, but not limited to commercial damage, loss of profit, claims of other third parties. Such limitation will however not apply in case of wilful misconduct or intentional damage.

The liability for for any damage, loss, cost or expense incurred by the Account Holder and caused by gross negligence by the AIB in relation to Transactions with GOs shall be limited to thousand (1000) Euros per year per Account Holder, excluding indirect or consequential damage, such as, but not limited to commercial damage, loss of profit, claims of other third parties. Such limitation will however not apply in case of wilful misconduct or intentional damage. The Account Holder and OTE acknowledge and understand that operation of the AIB Communication Hub used for exports/imports of Guarantees of Origin is based on the Service Level Agreement concluded between AIB and its provider and that any performance in this respect is provided in conformity with this Service Level Agreement.

The Market Operator is not liable for any damage arising from technical reasons of AIB or other circumstances, which prevent the transfer of GOs between accounts in any Registry and the EZP.

The Market Operator is not liable for any damage arising from unauthorized use of the security features by any Account Holder or individuals which are not access certificate holders, or any damage arising from non-compliance with the terms of secure access to EZP, or as a result of their misuse by individuals which are not access certificate holders, except for potential misuse by the CS OTE supplier.

The Market Operator is not liable for any damage arising from force majeure. Force majeure means any event occurring irrespective of the Market Operator's will and preventing it from meeting its obligations, provided it cannot be reasonably assumed that the Market Operator could deflect or overcome the obstacle posed. Events caused by force majeure include strike, epidemics, fire, natural disaster, mobilization, war, uprising, seized assets, embargo, terrorist attack, long-term power outage, unauthorized third-party intervention in CS OTE, etc.

The Market Operator shall make every effort to meet its obligations and to do so with the professional care and predictability that is standard and reasonable under the terms applicable in the pertinent sector, whereas the Market Operator is not responsible for the Account Holder's business results. Any negligence liability of the Market Operator is assessed with regard to the processes implemented to solve system failures or technical incidents related to the settlement of the Market Operator's operations or errors of CS OTE. The Market Operator is liable only for damage arising from the use of EZP as a result of gross negligence or deliberate actions of the Market Operator's organs or suppliers. Outside this framework, the Market Operator's sole responsibility is to operate EZP with due care pursuant to these Standard Terms and Conditions. Account Holder acknowledges that the operation of EZP can be interrupted at any time for any reasons and that any suspension of activities thereof under these Standard Terms and Conditions does not constitute any breach of the Market Operator's obligations. If such an event occurs, the Market Operator shall make necessary effort to fix the problem in the shortest time possible.

7. Errors in Issuing the GOs

If OTE or the Account Holder discovers an error in issuing, cancelling or processing of a GO, the other party shall be informed as soon as possible.

If there is an error in the course of issuing, cancelling or processing of a GO or an error due to any

unauthorised access to or malfunction of a Registry, OTE and the Account Holder shall co-operate and use all reasonable endeavours to ensure that no unjust enrichment occurs as a result of the error. If there is an error, the GOs held in the Account Holder's account may be withdrawn or amended by OTE. If it has been issued less GOs than the Account Holder required in his request, the Competent Body will issue the GOs as soon as it receives the correct information.

If it transpires that the data in any GO is inaccurate, OTE is entitled to – provided that such GOs are, at the time of such withdrawal, in the “Transferable Account” of that Registrant – withdraw those GOs.

8. Expiry of services of OTE relating to GOs

If the right of OTE to serve as the Competent Body for GOs expires in accordance with a Legislative Certification Scheme in the Czech Domain, OTE has the right to transfer its obligations to a new Competent Body (if the Legislative Certification Scheme does not define differently). The Account Holder has no right to receive any refund of the paid fees.

If OTE no longer acts as Competent Body for a Legislative Certification Scheme, the Account Holder has the right to retrieve its data from the EZP.

9. Fees for the GOs

In accordance with the wording of the paragraph (10), § 45 of Act no. 165/2012, on supported energy sources, as amended, the Account Holder is obligated to pay fees to the Market Operator for the following operations:

- (a) issuing of GOs;
- (b) domestic transfers of GOs in the Czech Republic;
- (c) transfers of GOs issued in another Member State, combined with the recognition of GOs;
- (d) account management fee;

Prices will be announced by the Market Operator in a manner allowing remote access.

OTE issues an invoice for the fees above to the Account Holder, always for a period of one calendar month, not later than the 15th day of the calendar month following the month for which the invoice is issued. The issuing of GO is subject to value added tax. The VAT date is set as the last day of the month for which the invoice is issued. The invoice is due within 14 calendar days from the date of its issuance.

The invoices complying with the requisites pursuant the Act 235/2004 Coll. on value added tax, as amended, are issued in electronic form and are sent in the PDF format to the e-mail address of a person (one or more) with the access to the EZP no later than two working days from the date of its issuance.

The Account Holder can claim the services that are the subject of the invoice. OTE is obligated to a written statement about the legitimacy of a complaint within 30days of receipt. Making a complaint does not affect the due date.

10. Breach of the Standard Terms and Conditions

The Market Operator has the right to prevent or restrict the access of the Account Holder to the EZP in case of:

- the misuse of the system,
- Account Holder's failure to meet its obligations,
- late payment liabilities of the Account Holder exceeding 30 working days,
- the decision of the court on the debtor's bankruptcy,
- the decision of Energy Regulatory Office,
- the termination of the Account Holder operation or of the validity of the related licence,
- material breach of these Standard Terms and Conditions by the Account Holder.

The Market Operator is entitled to stop issuing, cancelling or otherwise processing GOs for the Account Holder. The Market Operator also reserves the right to block the access to EZP or close the

account of the Account Holder.

11. Change of the Standard Terms and Conditions

The Account Holder understands that the Market Operator is authorized to make the necessary changes of these Standard Terms and Conditions.

The Account Holder acknowledges and understands that the AIB Communication Hub is used by many Hub users and Account Holders, and that modifications to the Hub or the regulatory environment must be applied by all parties involved. This may cause a change of these Standard Terms and Conditions and of the EZP system.

Change of the Standard Terms and Conditions is subject to approval by the Energy Regulatory Office.

12. Confidentiality and Intellectual Property

Information of commercial, technical, strategic, financial or otherwise sensitive nature, which is not publicly known and is usually considered as valuable and confidential, whether or not it is explicitly indicated as confidential, shall be treated as confidential information by OTE or Account Holder. Disclosure of such information requires the prior written consent of the other Party.

For the avoidance of doubt, this confidentiality clause does not prevent OTE to give information to authorities including but not limited to the Energy Regulatory Office, Ministry of Industry and Trade, tax authorities and the police authorities, and Europol.

The software that is used to enable the operation of the Registry and the Transactions, together with all included tools, know-how and related intellectual property rights, is and shall remain the exclusive property of OTE, the AIB or their service providers or licensors. The software code, documentation and in general all related know-how must be considered confidential information, even if not explicitly disclosed as such. The Account Holder shall use the services and the related software only for the purposes of this business activity and shall not copy, reproduce, reverse engineer, decompile nor alter, adapt or modify any part of the software or related documentation.

13. Dispute resolution

The Account Holder and OTE shall make all effort to settle any disputes in a conciliatory manner. Should disputes not be settled in a conciliatory manner, these disputes shall be resolved under the laws of the Czech Republic.

In case of disputes, the AIB Hub's Data Log may provide evidence as to the data that have been transferred through the Hub and the time thereof and in such case shall be accepted as an evidence.

14. Place of published Standard Terms and Conditions

The Market operator publishes the Standard Terms and Conditions on the website: <http://www.ote-cr.cz>.

15. Final provisions

These Standard Terms and Conditions shall come into effect and become binding for the Account Holders and the Market Operator as of the date of coming into force of approval and posting by means enabling the remote access.

The Standard Terms and Conditions hereof have been approved by the Energy Regulatory Office.

ANNEXES TO THE TERMS AND CONDITIONS

- 1) the Domain Protocol of the Czech Republic (for GOs of electricity produced from renewable sources)
- 2) the Domain Protocol for Guarantees of Origin of Electricity from High-efficiency Combined Heat and Power Generation (in Czech only)