
Supply Agreement

Parties:

1. Energy Financing Team (Switzerland) AG, Pestalozzistrasse 2, 9000 St. Gall,

(here in after referred to as "**Principal**")

and

2. S.C. EFT FURNIZARE S.R.L.

European Business Center,

24 Mircea Voda blvd CP 030667, district 3, Bucharest, Romania

(here in after referred to as "**Distributor**")

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1 Recitals

- (1) The Principal and the Distributor belong to EFT Group. The Agreement is meant to ensure that the delivery of electricity between Principal and Distributor is in line with the arm's length principle and with the internationally recognized principles of transfer pricing.
- (2) Principal and Distributor are interested in setting the framework for selling/purchasing electricity on the Romanian electricity market.
- (3) Both parties are interested in entering into an Agreement with certain peculiarities, mainly those referred to the allocation of the risks which are inherent to distribution and supply of electricity and which therefore may arise out of their contractual relationship.
- (4) **NOW THEREFORE** in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties hereto) the parties covenant and agree each with the other as follows:

2 Definitions and Interpretation

2.1 Definitions

- (5) For the purposes of this Agreement, the following terms shall have the following meaning:
 - "Delivery Point" means the place of delivery according to each Individual Contract;
 - "Effective Date" means the date as from which this Agreement shall be deemed effective in accordance with Article 3.2 below;
 - "Energy Financing Team Group" means all the companies affiliated to the Principal by whatsoever corporate links in whatever jurisdiction;
 - "Individual Contract" shall have the meaning given to it in Article 3.3 of this Agreement;
 - "Product" shall mean electricity;
 - "Supply Agreement" or "Agreement" (in singular) means the present Agreement;
 - "Territory" means the territory of Romania.

2.2 Interpretation Guideline

- A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- A reference to an article, a clause, a chapter or a schedule is a reference to an article, a clause, a chapter or a schedule of this Agreement.
- The singular includes the plural and conversely, unless otherwise expressly indicated.

3 Covenants

3.1 Object

- (6) The object of this Agreement consists of setting forth the general terms and conditions under which the parties shall conclude the Individual Contracts stipulating the terms:
- under which the Distributor shall upon instruction of the Principal buy and/or sell the Product from/to the third parties;
 - under which the Distributor shall upon instruction of the Principal buy and/or sell the Product on the day ahead market;
 - under which the parties shall sale and/or purchase the Product intended for closing the internal portfolio position between the Principal and the Distributor.

3.2 Validity – Effective Date

- (7) This Agreement shall be effective as from 01.01.2016 and shall remain in force until terminated in accordance with Article 6 here under.
- (8) This Agreement replaces all prior supply and distribution agreements.

3.3 Individual Contracts

- (9) Individual Contracts will consist of the invoices issued for all transactions executed between the parties, according with the terms and conditions of the present Individual Contract.

3.4 Delivery

- (10) Product shall be delivered under this Agreement at the Delivery Point as defined in each Individual Contract. The parties will organize all necessary arrangements to deliver electricity according to the provisions of the relevant Individual Contract.
- (11) All costs and rights that are directly related with the delivery and transfer of the electricity shall be borne by the Principal. This includes costs as transmission fees, costs of capacity rights, injection costs, and other delivery costs.

3.5 Principal Selling Price

- (12) The parties agree upon a floating price. The price has to take into account the services provided in the course of transactions and business risks borne by both Parties.
- (13) The prices of the product (P_{Sp}), paid by the Distributor shall be:

$P_{Sp} = A_p - A_{mf} - TF$ where,

P_{Sp} – price of the product, in EUR/MWh or RON/MWh, settled in the Individual Contract;

A_p – price of the product agreed by the Distributor with third party EUR/MWh or RON/MWh;

A_{mf} – applicable margin equal to *equals to 1 RON/MWh*;

TF – transmission costs.

3.6 Distributor Selling Price

- (14) The parties agree upon a floating price. The price has to take into account the services provided in the course of transactions and the business risks borne by both Parties.
- (15) The prices of the product (D_{Sp}), paid by the Principal shall be:

$D_{Sp} = A_p + A_{mf} + TF$ where,

D_{Sp} – price of the product, in EUR/MWh or RON/MWh, settled in the Individual Contract;

A_p – price of the product agreed by the Distributor with third party EUR/MWh or RON/MWh;

A_{mf} – applicable margin equal to *1 RON/MWh* for Day Ahead Market and *0.50 RON/MWh* for Bilateral Markets

TF – transmission (including all costs of transmission as capacity rights, injection fee and similar costs).

3.7 Failure to Deliver

- (16) To the extent that the Supplying Party (i.e. EFT AG or EFT Furnizare, as the case may be) fails to deliver the Product, in whole or in part, in accordance with the terms of the Contract (except due to Force Majeure or due to circumstances for which the Receiving Party is responsible, i.e. EFT AG or EFT Furnizare, as the case may be), the Supplying Party shall pay to the Receiving Party an amount equal to the product of:
- a) the amount, if positive, by the price at which the Receiving Party, acting in a commercially reasonable manner, is/or would be able to purchase or otherwise acquire in the market the quantity of undelivered electricity exceeds the contract Price;
- and
- (b) the quantity of undelivered electricity. Such amount shall be increased by any incremental transmission costs and other reasonable and verifiable costs and expenses incurred by the Receiving Party as a result of the Supplying Party's failure.

3.8 Failure to Accept

- (17) To the extent that the Receiving Party (i.e. EFT AG or EFT Furnizare as the case may be) fails to accept the contracted quantities of electricity, in whole or in part, in accordance with the terms the Contract (except due to Force Majeure or owing to circumstances for which the Supplying Party, i.e. EFT AG or EFT Furnizare as the case may be is responsible), the Receiving Party shall pay to the Supplying Party, as compensation for damages, an amount for such quantities of non-accepted electricity equal to the product of:
- a) the amount, if positive, by which the contract Price exceeds the price at which the Supplying Party is/or would be able to sell the quantity of non-accepted electricity in the market, acting in a commercially reasonable manner;
- and
- (b) the quantity of the non-accepted electricity. Such amount shall be increased by any incremental transmission costs and other reasonable and verifiable costs and expenses incurred by the Supplying Party as a result of the Receiving Party's failure.

3.9 Payments

- (18) The invoices (Individual contracts) shall be issued by the parties according to the amounts of product delivered by the parties respectively, on a monthly basis, namely within 10 (TEN) days following the last day of a calendar month. The invoiced amount for the Product shall be due for payment within 20 (TWENTY) days after the month of delivery.

All payments under this Agreement shall be made with the payment instructions included in the monthly commercial invoices.

In case that the Distributor acts in the name and on behalf of the Principal, for satisfaction of Principal's needs, i.e. buys and/or sells Product on the Romanian day-ahead-market, based on the weekly forecast and such activities of the Distributor are made on the basis of non-standard EFET payment terms, and hence require pre-financing from the Principal, the Principal shall provide funds in advance {without interest} to the Distributor. At the end of each week, the netting of the amounts obtained/spent for such activity shall be performed and shall be included in the final monthly invoice issued by the respective party.

Each Party shall bear any costs, charges or fees levied by its clearing or correspondent bank(s) in connection with the payment or receipt of any amounts contemplated under this Agreement.

4. ReAllocation of risks

- (19) Seller i.e. Principal or Distributor, as the case may be, shall bear all risks associated with and shall be responsible for any costs or charges imposed on or associated with scheduling, transmission and delivery of the agreement quantity up to the delivery point. Buyer i.e. Principal or Supplier, as the case may be, shall bear all risks associated with and shall be responsible for any costs or charges imposed on or associated with acceptance and transmission of the agreement quantity at and from the delivery point
- (20) The Principal shall be responsible for scheduling and day-ahead-market transaction risks. However, the Principal is responsible only for the realization of the scheduling nomination process and offers submissions to the Romanian day-a-head market operator (OPCOM). The above stated scheduling nominations and offers submissions, the Principal shall perform on the basis of the data provided by the Distributor and therefore the Principal

shall not be liable for accuracy of such data. Principal shall not be responsible for any Distributor's scheduling counterparty omissions.

5. Confidentiality

- (21) Both parties acknowledge that by virtue of this Agreement they may have direct or indirect access and acquire knowledge of the other party's confidential information. Both parties undertake hereby to hold in absolute confidence all and any information and not to use, disclose, reproduce or dispose of any information in any manner other than that expressly provided for in this Agreement, in the good understanding that the undertaking contemplated in this Article 3.11 shall survive in case of termination of this Agreement, being irrelevant the reasons of such a termination.

6. Termination

6.1 Ordinary Termination

- (22) Either party may at any time and in its sole discretion terminate this Agreement by serving a prior termination notice of 3 (three) months to the other party.

6.2 Extraordinary Termination

- (23) In the event either party defaults on its obligations as provided in this Agreement, the other party should give the defaulting party written notice of said default. If the defaulting party does not cure said default to the satisfaction of the other party and notifies in writing such other party of such cure within 10 (ten) calendar days after receipt of the notice of default, then the party having given notice of default may terminate this Agreement. This termination shall then be effective immediately upon notification of termination.
- (24) Notwithstanding the foregoing paragraph, Distributor shall be deemed to be in default under this Agreement and this Agreement and all rights granted therein shall be deemed to be terminated effective immediately, without notice or prior opportunity to cure the default in the following cases:
- (25) If an application or order is made, proceedings are commenced, a resolution is passed or an application to court is made or whatsoever steps are taken which might lead to Distributor's winding-up, dissolution, declaration of bankruptcy or insolvency, appointment of an administrator or controller or custodian or similar officer over all or any of its assets (including any

undertaking of Distributor or any step preliminary to such appointment), assignment for the benefit of creditors or the appointment of a receiver or trustee for the assets.

7. Entire Agreement

- (26) This Agreement constitutes the entire Agreement between the parties in connection to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof whether written or oral. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct or indirect, collateral, expressed or implied made by Principal to Distributor.

No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by authorized officers of Principal and Distributor.

8. Severability

- (27) The invalidity or unenforceability of any provision or any covenant of this Agreement, in any jurisdiction, shall not affect the validity or enforceability of such provision or covenant, in any other jurisdiction, or of any other provision or covenant hereof or herein, contained and any invalid provision or covenant shall be deemed to be severable.

The parties shall negotiate in good faith in order to replace the provision declared invalid or unenforceable with a new provision, valid and enforceable, which preserves the original intention of the parties.

9. Successors and Assignees

- (28) This Agreement shall endure to the benefit of and be binding upon Principal and Distributor and their respective legal representatives, successors and permitted assignees.

10. Independent Parties

- (29) Distributor is and will at all times remain an independent Distributor of Principal and is not and shall not represent itself to be the agent, joint venture or partner of Principal. No representations will be made or acts taken by Distributor which could establish any apparent relationship of agency (in the sense of Article 418a *et seq.* of the Swiss Code of Obligations), joint venture or partnership and Principal shall not be bound in any manner whatsoever by any Agreements, warranties or representations made by Distributor to any other person or

with respect to any other action of Distributor. No acts of assistance given by Principal to Distributor shall be construed to alter this relationship.

11. Taxes

- (30) Principal shall be completely responsible for any taxes now or hereafter imposed on Principal with respect to the transactions contemplated hereunder, and Distributor shall be completely responsible for any taxes now or hereafter imposed on Distributor with respect to the transactions contemplated hereunder.

12. Force Majeure

- (31) Neither Principal nor Distributor shall be liable in damages or shall be subject to termination of this Agreement, by the other party, for any delay or default in performing any obligation hereunder if that delay or default is due to any cause beyond the reasonable control (which it could not reasonably have avoided or over-come and which makes it impossible for the Principal or the Distributor to perform its obligations). And without fault or negligence of that party, provided that, in order to excuse its delay or default hereunder, a party shall notify the other of the occurrence or the cause, specifying the nature and particulars thereof and the expected duration thereof, and provided, further, that within 15 (fifteen) calendar days after the termination of such occurrence or cause, that party shall give notice to the other party specifying the date of termination thereof. All obligations of both parties shall return to being in full force and effect upon termination of such occurrence or article.

For the purposes of this Agreement, a "cause beyond the reasonable control" of a party shall include, without limiting the generality of the phrase, any act of God, act of any government or other statutory undertaking, industrial dispute, fire, explosion, accident, power failure, flood, riot, or war (declared or undeclared).

13. Non-Waiver and Cumulative Rights

- (32) The failure of either party to exercise any right, power or option given hereunder or to insist upon the compliance with the terms and conditions hereof by the other party shall not constitute a waiver of the terms and conditions of this Agreement with respect to that or any other or subsequent breach thereof nor a waiver by the non-exercising party of its rights at any time thereafter to require strict compliance with all terms and conditions hereof including the terms or conditions with respect to which non-complying party has failed to exercise such right or option.

The rights of each party hereunder are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by such party of any other right or remedy hereunder or which such party is otherwise entitled by law or in equity to enforce.

14. Notices

- (33) All notices, consents and approvals (hereinafter referred to as a "Notice") permitted or required to be given hereunder shall be deemed to be sufficiently and duly given if written or oral and delivered personally or sent by courier or transmitted by facsimile transmission or other form of communication, addressed as follows:

If to the Principal:

Energy Financing Team (Switzerland) AG

Pestalozzistrasse 2, 9000 St. Gallen, Switzerland

Attn. Managing Director

Fax Nr. +41 71 226 10 31

and if to the Distributor:

S.C. EFT FURNIZARE S.R.L.

European Business Center , Sector 3,

Bd. Mircea Voda Nr. 24, Etaj 2, Bucuresti

Attn. Managing Director

Fax Nr.+ 40 21 302 36 24

Any Notice so given shall be deemed to have been received on the date of delivery if sent by courier, facsimile transmission or other form of recorded communication, as the case may be. Either party from time to time by Notice may change its address for the purposes of this Agreement.

15. Applicable Law

- (34) This Agreement shall be governed and construed in accordance with the laws of Switzerland.

16. Arbitration

- (35) All disputes arising in connection with this Agreement shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by a majority of three arbitrators appointed in accordance with said rules. Arbitration shall take place in St. Gall, Switzerland and language of arbitration shall be English. Judgment upon award rendered by the arbitrators may be entered in any court having jurisdiction thereof

17. Further Assurances

- (36) The parties hereto agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent, including any kind of public or official document or registration which could be required according to the laws of Switzerland or to the laws applying to either Distributor, Principal or the Product.

IN WITNESS THEREOF the parties hereto have entered into this Supply Agreement on the date and place set hereunder, and have executed two copies thereof, both of them being one and the same document.

St. Gall, 17.12.2015

Bucuresti, 21.12.2015

For the Principal:

For the Distributor:

Energy Financing Team (Switzerland) AG

EFT Furnizare SRL


.....
(Urs Jakob)




.....
(Vojkan Tomasevic)

