

Market Maker Agreement

Albanian Power Exchange

Participant agreement – Annex 3

MARKET MAKER AGREEMENT

connected between:

Market Maker – Company [insert the name of the Company] registration number. [insert the registration number] at [insert the residency country] Register of the Company;

and

APE – Albanian Power Exchange, an Albanian company registration number **XXXXX** at the Albanian Companies register.

The Market Maker and Power Exchange are hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”.

1. GENERAL

- 1.1 APE operates on markets for the electricity trading contracts with physical delivery in Albania. The Market Maker has entered into a Participant Agreement with APE for the Albanian Day Ahead Market and has applied for APE's approval to become a Market Maker in this market.
- 1.2 By this agreement the Market Maker acquires the rights and assumes the obligations of a Market Maker in the Albanian Day Ahead Market. This agreement supplements the relevant membership agreements with the participant and the relevant Trading Rules.

2. INTERPRETATION

- 2.1. Terms and expressions defined in the Definitions of the Trading Rules (Annex 1 – Product Specification – Trading Rules) shall have the same meaning when used on this agreement, and any principle of interpretation of the Market Rules shall apply accordingly to this agreement. In addition, the following terms shall have the meaning as follows:
 - a) “**Fee Schedule**” means the Trading Rules Annex 5
 - b) “**Group**” means the Participant, any entity controlled by the participant, any entity that controls the participant as well as any entity under common control with the participant.
 - c) “**Trading Rules**” means the rules issued by Albanian Power Exchange at any time to govern Trading on the Physical Markets, including the Trading Appendixes and the Trading Agreements.
- 2.2. In the event of conflict with the Market Rules this agreement shall prevail.

3. RIGHTS AND OBLIGATIONS OF THE MARKET MAKER

- 3.1. The Market Maker shall quote binding bid prices on Products with a minimum volume and requirements of spread as defined in Annex 1 (Minimum Volume and Requirements of Spread).
- 3.2. Any Order quoted by the Market Maker shall be replaced with a new Order without unfounded delays after a Transaction is carried out.
- 3.3. The Market Maker shall quote prices according to this Agreement on all Trading Days in the period from 30 minutes after the start of Trading Hours until the end of Trading Hours, with the exemptions provided for in this Agreement, including the following.
- 3.4 The Market Maker has the right to be released from its quoting obligations for an aggregate period of 10 Trading Days per calendar year, as further agreed with Albanian Power Exchange not less than one month prior to the starting date of such release.
- 3.5 The Market Maker has the right to be released from its quoting obligations for an aggregate period of 30 minutes each Trading Day, always provided that the Market Maker fulfils its quoting obligations during the last 15 minutes of the Trading Hours of that Trading Day.
- 3.6 A Market Maker holding information shall be released from its quoting obligations until such information is made publicly available. Release due to internal information shall not affect the number of free minutes during the Trading Day. The Market Maker shall, upon Albanian Power Exchange request, document that its absence was due to the internal information.

4. TRADING FEES AND COMPENSATION

- 4.1. The Market Maker shall pay to APE the trading fees and other fees described in Annex 2 (Trading fees and Compensation for Market Maker in Albanian Day Ahead Market). The fees shall be invoiced as described in the Market Rules.

5. INFORMATION

- 5.1. APE will use its best endeavours to keep the Market Maker informed of all the relevant material regarding its role as Market Maker. This includes termination of any existing Market Maker Agreement or the establishment of new Market Maker Agreement with other Market Makers. Such information shall be distributed without undue delay and to all Market Makers simultaneously.

6. REGULATION OF EXTRAORDINARY TECHNICAL SITUATIONS

- 6.1. In the event of a technical failure in ETS or in the Market Maker's systems, the Market Maker shall be released from its Market Maker obligations under this Agreement. In case of technical failure in the Market Maker's own systems, the Market Maker shall inform Albanian Power Exchange of the failure and immediately undertake the necessary actions to rectify itself.

7. BREACH OF THE CONTRACT

- 7.1. If the Market Maker fails to fulfil his obligations in accordance with this agreement for any specific period, APE will impose normal Trading Fees for all Transactions carried out by the Market Maker during the period in question. APE will inform the Market Maker that the Market Maker is in breach of his obligations and that such fees will be imposed. The Market Maker's failure to fulfil his obligations will not lead to direct or indirect reimbursement responsibilities to APE for Trading during other periods.

8. AMENDMENTS ON THE CONTRACT

- 8.1. Amendments to this agreement require written agreement of both Parties.
- 8.2. Regardless from article 8.1 of this Annex, APE may amend the relevant Trading Rules in accordance with their provisions.

9. DURATION AND TERMINATION

- 9.1. This agreement shall take effect from [insert date].
- 9.2. Either Party may terminate this agreement through a written notification of the other Party (3) three months in advance.
- 9.3. In the event that the Participant Agreement with the Market Maker is terminated this Agreement shall terminate on the same date as well as the Participant Agreement.

10. MISCELLANEOUS

10.1. Remarks

- 10.1.1 Any remark required to be issued under this agreement or the Market Rules by the Market Maker shall be given in written form by authorised representatives of APE, unless as otherwise prescribed on the Market Rules.

10.2. Entire Agreement

- 10.2.1. This agreement and the Market Rules contain the whole agreement between APE and the Market Maker relating to the subject matter of this agreement and the Market Rules and supersede any previous arrangement, agreement between them relating to that subject matter.
- 10.2.2. Each Party acknowledges that, in entering into this agreement, it (the party) has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty other than as expressly set out in this agreement and the Market Rules.
- 10.2.3. Nothing on this article 10.2 shall limit or exclude any liability for fraud.

10.3. Severability

- 10.3.1. In the event that any one or more provisions of this agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions shall remain valid and enforceable.

10.4. Assignment

- 10.5.1 The Participant may not transfer, substitute or assign this agreement or its rights under the Market Rules without the prior written consent of APE.

10.5. Counterparts

- 10.5.1. This agreement may be executed in any number of counterparts, each of which when executed shall constitute an original of this agreement, but all the counterparts shall together constitute the same agreement.

10.6. Waiver

- 10.6.1. No failure or delay by a party to exercise any right or solution provided under this agreement or by law, shall not constitute a waiver of that or any other right or solution.

11. LAW AND DISPUTE SETTLEMENT

- 11.1. This agreement shall enter into force in accordance with the Albanian legislation.
- 11.2. The Albanian courts shall have exclusive jurisdiction to settle any claim, dispute or difference that may arise out of or in connection with this agreement, including any question as to its existence, validity or termination.
- 11.3. Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the Albanian courts and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any proceedings brought in the Albanian courts shall be conclusive and binding upon such Party and may be enforced in any other jurisdiction in accordance with the effective legislation.

IN WITNESS OF THEIR AGREEMENT each Party has realized that the authorized representative to execute this effective agreement from the date it is signed by both Parties.

This agreement has been made in two (2) originals, and each Party keeps one (1).

For and on behalf of the MEMBER

Signature

Name and title (printed letters)

Date:

For and on behalf of Albanian Power Exchange

Signature

Name and title (printed letters)

Date:

SIGNATURES

Authorised signatures are necessary to realize this Market Maker Agreement. Authorised signatures are executed by person(s) having general signing authority for the Member.

ANNEX 1: Minimum volume and requirements of distribution (Albanian Day Ahead Market)

ANNEX 2: Trading fees and compensation for Market Maker in the Albanian Day Ahead Market

ANNEX 1: Minimum volume and requirements of distribution

The price interval in the table below define the **Albanian** Area Prices. The Market Maker shall quote Orders in all price intervals in Bidding Areas **Albanian Day Ahead Market**.

The Market Maker Volume in an Order is [**insert volume MW and Bidding area**]. The Market Maker is obliged to fill same volume max [**insert number**] time after first fill.

The Market Maker Hours are from [insert hours] on all Trading Days

| | | | | | |
|---|-----|---------|---------|---------|-----|
| Albanian Day Ahead Market Price EUR/MWh | <20 | 20 – 40 | 40 - 60 | 60 - 80 | >80 |
| Market Maker Distribution | | 5 | 10 | 15 | - |

For and on behalf of the Company

Signature

Name and title (printed letters)

Data:

For and on behalf of the Albanian Power Exchange

Signature

Name and title (printed letters)

Date:

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ANNEX 2: Trading Fees and compensation for Market Maker in the Albanian Day Ahead Market

1. The trading and annual fees shall be paid as described in the Market Rules.
2. The compensation for Market Maker:

The compensation for the Market Maker shall be calculated on a monthly basis. The compensation for the Market Maker is a XXX% discount on annual membership fees in the Albanian Day Ahead Market and a XXX% discount on the trading fee on all traded Day Ahead volume by the Market Maker.

The discount is paid to the Market Maker, no more than 30 days after the end of the month.

For and on behalf of the Company

Signature

Name and title (printed letters)

Date:

For and on behalf of the Albanian Power Exchange AS

Signature

Name and title (printed letters)

Date:

SIGNATURES

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