

**This document serves solely for internal purposes. Only Czech documents shall be used for entering into contracts.**

## **Contract on the Establishment and Maintenance of an Account in the Emission Trading Registry**

### **Article 1 Contractual Parties**

**a) OTE, a.s.**

Praha 4, Jihlavská 1558/21, PSČ 140 00,

Entered in the Commercial Register held at the Municipal Court in Prague under Section B, Insert 7260,

Represented by:

Ing. Michal Puchel, Chairman of the Board,

Ing. Alena Lobotková, Member of the Board,

Company Registration No.: 264 63 318

Tax Identification No.: CZ26463318

Banking details: Komerční banka Praha, Account No.: 35-4544560207/0100

hereinafter referred to as the "Registry Administrator"

**b) Name of the Company**

Address of registered offices:

Entered in the Commercial Register held at..... Court in .....,  
under Section....., Insert.....,

Represented by:

Title, Name, Surname, Function Company,

Title, Name, Surname, Function Company,

Registration No.: .....

Tax Identification No.: .....

Banking details: .....

hereinafter referred to as the "Account Holder"

have on this day, month and year, entered into this Contract on the Establishment and Maintenance of an Account in the Emission Trading Registry (hereinafter referred to as the "Registry") in accordance with Section 1746, Paragraph 2 of Act No. 89/2012 Coll. (Civil Code), as amended.

### **Article 2 Preamble**

- a) Act No. 383/2012 Coll. on Conditions for Greenhouse Gas Emission Allowance Trading (hereinafter referred to as the "Act") sets out as a national registry administrator of the standardised Union Registry for trading with allowances for the emission

of greenhouse gases (hereinafter referred to as the "Registry") a market operator established under the Energy Act (hereinafter referred to as the "Registry Administrator") so called OTE, a.s. and sets out the duty and activity of the Registry Administrator. The relevant regulations of the European Union have been processed by this Act, i.e. Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the European Union and amending Council Directive 96/61 /EC.

- b) Directive 2003/87/EC on the Amendment to Some Acts sets out the duty for member states to create and maintain a Registry for the purpose of securing precise records of the issue, holding, transfer and cancellation of allowances.
- c) Commission delegated Regulation (EU) 2019/1122 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry (hereinafter referred to as "Regulation") specifies the general requirements and requirements for operation and maintenance on the Union Registry.
- d) The Ministry of the Environment shall perform state administration to the scope as set by Act No. 383/2012 Coll. and in accordance with the legal regulations of the European Union.
- e) According to Act No. 383/2012 Coll., the Registry shall be administered by the Registry Administrator in accordance with the legal regulations of the European Union and for a fee that shall be publicised in compliance with the Regulation.

### **Article 3**

#### **Terms and Definitions**

- a) The terms and definitions used in this Contract, barring the below-stated, shall comply with the definitions set in the Regulation:
  - i. Fee – as according to the Regulation and the Act;
  - ii. Emissions – the release of greenhouse gasses into the atmosphere;
  - iii. ISR – information system of the Registry;
  - iv. Permit – a decision allowing for the emission of greenhouse gasses to the scope of allowances granted, and for the setting of conditions for the determining, monitoring and reporting, and verification thereof;
  - v. Allowance – an asset value corresponding to the entitlement of the operator to release a CO2 tonne equivalent into the atmosphere in a given calendar year;
  - vi. Registry – a registry established, operated and maintained in accordance with Article 10 of Regulation (EU) No 525/2013 of the European Parliament and of the Council and a registry established in accordance with Article 19 of Directive 2003/87/EC and by the Act;
  - vii. Registry board – a joint managing body made up of two representatives from the Ministry of the Environment and two from the Registry Administrator.

### **Article 4**

#### **Subject of Contract**

- a) The subject of this contract shall be the establishment and maintenance of an account in the Registry by the Registry Administrator for a fee according to the legal regulations of the European Union, the Act and implementing regulations, for the purpose of trading with allowances, specifically with the precise recording of the issuing, holding, transfer and cancellation of allowances.

## **Article 5**

### **Rights and Responsibilities of the Contractual Parties**

- a) The rights and responsibilities of the Registry Administrator shall be as follows:
  - i. The rights and responsibilities of the Registry Administrator shall stem from the respective Regulation provisions.
  - ii. The Registry Administrator shall be bound to the decisions of the Registry board and shall particularly respect the ISR terms and conditions and the fees charged to account holders by the Registry Administrator that are dealt with by the Registry board.
  - iii. The Registry Administrator shall be obliged, in accordance with the Regulation, to publicise the fees charged to account holders by the Registry Administrator after approval thereof by the Registry board.
  - iv. The Registry Administrator shall be obliged to activate the account, thereby allowing the account holder to transfer allowances upon an account holder meets the conditions to establish an account set up by the legislation and the ISR terms and conditions.
  - v. The registry administrator is entitled to block the account due to non-compliance of the account holder under this Contract and in accordance with applicable ISR terms and conditions.
- b) The rights and responsibilities of the account holders shall be as follows:
  - i. The rights and responsibilities of the account holders shall stem from the respective Regulation provisions.
  - ii. The account holder and authorised representatives shall be bound by the decisions of the Registry board and shall be particularly obliged to respect the ISR terms and conditions and the fees charged to the account holders by the Registry Administrator as dealt with by the Registry board.
  - iii. The account holder and the authorised representatives shall be obliged to adhere to security regulations with respect to user names, other access information and to Registry website access. In doing so, they shall abide by the respective Regulation provisions.

## **Article 6**

### **Information System of the Registry**

- a) The operation of the ISR shall be governed by the Regulation. Further details on the operation of the ISR shall be stated in the ISR terms and conditions, which form Appendix No. 2 to this contract.

### **Article 7**

#### **Fees Charged to Account Holders by the Registry Administrator, Terms of Payment and Invoicing**

- a) The method for setting of fees charged to account holders by the Registry Administrator shall be stipulated in the ISR terms and conditions.
- b) The fees charged to account holders by the Registry Administrator shall form Appendix No. 3 to this contract.
- c) The terms of payment and invoicing shall be stated in the ISR terms and conditions.
- d) In accordance with Act No. 235/2004 Coll., the Value Added Tax, as amended, the account holder agrees that invoices-invoices for fees charged by the Registry Administrator may be issued in electronic form.

### **Article 8**

#### **Interest on Late Payment**

- a) For every commencing day of default on payment duties accordance to this contract, the affected party shall be entitled to request of the defaulting party the payment of interest on late payment of the amount due the amount of which shall be determined by generally binding legal regulations.
- b) Where a Contracting Party shall pay interest on late payment that has been improperly invoiced, interest will be returned immediately after proving this fact.

### **Article 9**

#### **Settlement of Disputes**

- a) The contractual parties shall make all effort to settle any disputes stemming from this contract in a conciliatory manner.
- b) Should disputes not be settled in a conciliatory manner, either contractual party may file an action at the general court having local jurisdiction in the area of the Registry Administrator. Such change in local court jurisdiction shall be by agreement between the contractual parties as according to Section 89a) of the Civil Procedure Code.

### **Article 10**

#### **Prevention of Damages and Compensation for Damages**

- a) Compensation for damages shall be governed by relevant provisions of the Civil Code, the Terms and Conditions and by subsequent agreement between the parties.
- b) The contractual parties undertake to inform each other about all facts of which they are aware that they could lead to damages and seek to avert potential damage.
- c) The contractual parties shall be entitled to request compensation for damages caused to them by the breaching of duties of the other party, even in the event that such breach of duties is subject to contractual penalty. The entitled contractual party may enforce compensation for damages to an amount exceeding the contractual penalty.

- d) Registry administrator may enforce any claims against the account holder under this contract. These claims are barred five-year limitation period.

### **Article 11**

#### **Communication**

- a) In Appendix No. 1 of this contract, the contractual parties shall identify the following:
- i. a contact person of the account holder who is designated to negotiate with the Registry Administrator. This shall particularly involve contractual negotiations, mainly proposals for amendments to this contract, including appendices thereto. Contact details of this person are given in Appendix No. 1 to this contract. Should the account holder decide that such contact person shall be entitled to perform amendments to this contract, the formal authorisation for such person shall also form part of this contract,
  - ii. a contact person for each individual installation, in the event that the account holder is an operator,
  - iii. at least two authorised representatives for each account of the account holder. In the event that the account holder shall decide to designate more authorised representatives for individual accounts, also such representatives shall be stated in Appendix No. 1 of this contract.

### **Article 12**

#### **Confidentiality**

- a) The contractual parties shall both undertake to maintain the confidentiality of confidential information and to protect such from third parties. In doing so, the parties shall abide by the respective Regulation provisions. Such undertaking shall not apply to the provision of information if such is required by generally binding legal regulations.
- b) The account holder shall be aware of the fact that information stemming from this contract shall also be accessible to the supplier of the information system of the Registry Administrator, where also such supplier shall regard such information as being confidential.
- c) In accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and Act No. 110/2019 Coll. on the Processing of Personal Data, the Registry Administrator shall undertake to utilise the personal data provided by the account holder solely for the purpose for which such data has been collected to the extent and for the period stipulated by law.
- d) Personal data shall be understood as being any data relating to a designated or determinable subject of data, where the data subject shall be regarded as being designated or determinable if such subject's identity can be ascertained directly or indirectly on the basis of one or more personal data items (i.e. name, surname, birth registration number, etc.).

- e) The Registry Administrator shall process only truthful and accurate personal data and shall be entitled to verify whether such personal data are truthful and accurate.

### **Article 13**

#### **Final Provisions**

- a) This contract shall be entered into for an indefinite period and shall come into effect on the day of signature thereof by both contractual parties.
- b) Upon the day of expiration of the validity and efficacy of this contract, all rights and responsibilities of the contractual parties based on this contract shall cease to exist, with the exception of such obligations in the contract which shall continue further.
- c) The provisions on data protection, compensation for damages and settlement of disputes shall remain applicable after termination of this contract.
- d) The Registry Administrator may withdraw from this contract in the event that the account holder does not, unless stipulated otherwise in this contract, fulfil its obligations stemming from this contract and does not do so despite written warnings and within the periods stipulated in such warnings.
- e) In case of withdrawal, this contract shall be terminated on receipt of the resignation of the account holder. The withdrawal must be in this case filed by registered post to the address stated in this Contract, or to the headquarters of the company according to a recent extract from the Commercial Register.
- f) Withdrawal from the contract shall not affect the payment of contractual penalties or interest for late payment, if you have reached the right to damages arising from the breach of a contractual obligation or arrangement which, due to their nature, bind the parties even after the withdrawal, in particular the provisions on the method of dispute resolution.
- g) Each of the contractual parties may terminate this contract in writing. The termination period shall be 3 months, commencing of the first day of the calendar month following the delivery of termination to the other contractual party.
- h) If in doubt about a delivery of the withdrawal from the contract and termination of the contract sent using the postal service shall be deemed to have occurred on the third working day after dispatch, however, if sent to an address in another state, then the fifteenth day after dispatch.
- i) The contractual parties declare that should some provisions of this contract or its appendices become invalid in the future, the remaining arrangements of the contract shall remain unaffected. The provisions of the Regulation and similar acts shall be used in the assessment of the invalid provisions of the contract.
- j) The legal relations of the contractual parties shall be governed by Czech law. The language used in negotiations shall be Czech.
- k) Should some provisions of this contract be amended by law, the contractual parties shall undertake to replace such with the new provisions stemming from the amendment, or shall agree on provisions that best reflect the purpose intended by the contractual parties when creating this contract. The remaining provisions of this contract shall remain unaltered.

- l) The contractual parties hereby declare that they have entered into this contract as a free act and deed, and not under duress or under obvious disadvantageous circumstances.
- m) Both contractual parties shall fully accept the integral parts of this contract, which are as follows:
- i. Appendix No. 1 – Representatives for communication; such appendix shall include authentication (of the signatures) of authorised representatives for individual accounts.
  - ii. Appendix No. 2 – ISR Terms and Conditions approved by the Registry board; such approved appendix shall be made public by the Registry Administrator on the Registry website (<https://www.povolenky.cz>).
  - iii. Appendix No. 3 – The fees charged to account holders by the Registry Administrator, as approved by the Registry board; such approved appendix shall be posted by the Registry Administrator on the Registry website.
  - iv. Appendix No. 4 – ISR User Manual; is available in a non-public section of the ISR.
- n) The contractual parties declare that they have become closely acquainted with the contents of this contract, that they understand the contents thereof and that they are not aware of any obstacles, claims of third parties or other legal defects that would prevent the entering into thereof or cause such contract to become invalid. As proof thereof, the authorised representatives of the contractual parties hereunto set their signatures.
- o) The condition of the contract is acceptance of its proposal by the other party without any reservations, amendments, variations or restrictions within 14 days of the date of dispatch of the other party. The condition of the contract is also its conclusion in writing, with signatures of the authorised representatives of the contracting parties must be on the same document. These conditions also apply for the conclusion of amendments to this contract.
- p) This agreement shall be made out in 2 copies, of which each contractual party shall retain one copy.

In Prague on .....

In .....on.....

OTE, a.s.:

Account Holder:

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Ing. Michal Puchel  
Chairman of the Board

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Ing. Alena Lobotková  
Member of the Board

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