

COMMITMENTS SUBMITTED BY
THE NATIONAL GAS TRANSMISSION COMPANY TRANSGAZ S.A.
IN CASE
AT. 40335 - ROMANIAN GAS INTERCONNECTORS

1. The National Gas Transmission Company Transgaz S.A. ("**Transgaz**") hereby enters into the following commitments (the "**Commitments**") vis-à-vis the European Commission (the "**Commission**") to address the Commission's competition concerns under Article 102 of the Treaty on the Functioning of the European Union ("**TFEU**") as expressed in the Preliminary Assessment dated 10 September 2018 ("**the Preliminary Assessment**") in Case AT.40335 - Romanian Gas Interconnectors initiated on 1 June 2017.
2. The Commitments are offered to enable the Commission to adopt a decision (the "**Commitment Decision**") in accordance with Article 9 of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty ("**Regulation 1/2003**").
3. In accordance with Article 9 of Regulation 1/2003, these Commitments may not be construed as an admission that Transgaz would have breached in any way Article 102 TFEU. These Commitments are provided under the assumption that their acceptance by the Commission shall cause the immediate termination of the proceedings initiated against Transgaz in Case AT.40335 - Romanian Gas Interconnectors, without concluding to the existence of an infringement of EU competition rules.
4. The Commitments are without prejudice to Transgaz's position in any other pending or future investigation under Article 101 and/or Article 102 TFEU.
5. The Commitments shall be interpreted in light of the Commitment Decision, the general framework of EU law, and, in particular, Article 102 TFEU and Regulation No 1/2003.

I. Context and Objectives

6. Pursuant to Article 16 (1) of Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 ("**Gas Regulation**") and Article 6 of Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 ("**CAM Regulation**"), Transmission System Operators ("**TSOs**") make available the maximum Capacity of the interconnections and/or the transmission networks affecting cross-border flows to market participants taking into account System Integrity, safety, and efficient network operation. The Capacity made available by the TSOs is subject to Tariffs defined in accordance with Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas ("**TAR NC Regulation**").
7. The Romanian gas transmission network was originally built as a low-pressure and closed domestic system. To improve the export of gas from Romania, Transgaz has implemented interconnecting measures at the border with Bulgaria as well as at the border with Hungary.

In particular, Transgaz and Bulgartransgaz commissioned in 2016 the Giurgiu/Ruse interconnector at the border between Romania and Bulgaria to increase the Capacity between the two Member States.

In parallel, Transgaz, Bulgartransgaz, FGSZ and Gas Connect decided to build the BRUA corridor that will significantly improve Transgaz's ability to transport gas throughout the region.

The completion of BRUA Phase 1 is largely included in the Commitments, in particular the infrastructure for the transportation of 1.5 bcm/y of gas at the Giurgiu/Ruse Interconnection Point ("**IP**"), in the direction Romania-Bulgaria, at a pressure of 40 barg instead of 31 barg, and for the transportation of 1.75 bcm/y at the Csanádpalota IP, in the direction Romania-Hungary.

For the three IPs concerned by the Commitments (i.e., Csanádpalota, Giurgiu/Ruse, and Negru Vodă 1/Kardam), Transgaz has been negotiating with the relevant TSOs the amendments to each Interconnection Agreement ("**IA**") to adjust the Capacity and pressures to the parameters resulting from the new infrastructure built by Transgaz and from the integration of T1 into the Romanian National Transmission System ("**Romanian NTS**"):

- Csanádpalota: Transgaz and FGSZ concluded on 30 May 2019 the necessary amendment to the IA as well as a Joint Method for calculating the technical capacity for the Csanádpalota IP;
- Giurgiu/Ruse : Transgaz and Bulgartransgaz concluded the necessary amendment to the IA on 4 October 2019 as well as a Joint Method for calculating the technical capacity for the Giurgiu/Ruse IP; and
- Negru Vodă 1/Kardam: Transgaz and Bulgartransgaz concluded on 13 December 2019 an amendment to the IA as well as a Joint Method for calculating the technical capacity for the Negru Vodă 1/Kardam IP.

Transgaz already achieved the following to facilitate the proper implementation of the Commitments:

- Physical connection between the Romanian NTS and T1 (31 December 2018);
- GCS Jupa, DN 800 pipeline Jupa - Recas and Băcia - Caransebes pipeline revamping (30 September 2019);
- Commissioning a new DN 800 mm pipeline between Jupa and Recaş - 72.6 km - to offer 0.75 bcm/y at Csanádpalota (finalised on 30 September 2019);
- Revamping some existing infrastructure and commissioning some new segments of pipelines between Jupa and Băcia to offer 0.75 bcm/y at Csanádpalota (finalised on 30 September 2019);
- GCS Podișor (31 October 2019) and Podișor - Giurgiu pipeline reclassification (August 2019).
- Building and commissioning of a Gas Compressor Station at Jupa to offer 0.75 bcm/y at Csanádpalota (finalised on 30 September 2019);
- 0.75 bcm/y Firm Capacities offered at the Csanádpalota IP(1 October 2019);
- Commissioning a Gas Compressor Station at Podișor to offer 0.75 bcm/y at Giurgiu/Ruse (finalised on 31 October 2019)
- Firm capacity of 0.75 bcm/y offered at the Giurgiu/Ruse IP (1 November 2019); and
- Rehabilitating the DN 800 Cosmești - Onești pipeline, across Bacău, Vrancea and Galati counties (31 December 2019).

II. Definitions

8. For the purpose of these Commitments, unless the context otherwise requires, the subsequently listed terms shall have the following meaning:

- **ANRE:** Romanian Energy Regulatory Authority.
- **Auction calendar:** a table displaying information relating to specific auctions which is published by the European Network of Transmission System Operators for Gas (ENTSO-G) by January of every calendar year for auctions taking place during the period of March until February of the following calendar year and consisting of all relevant timings for auctions, including starting dates and standard Capacity products to which they apply.

- **BRUA:** Bulgarian-Romanian-Hungary-Austria gas pipeline project.
- **BRUA Phase 1:** consists of the achievement of the following objectives:
 - Gas transmission pipeline DN 800 Podișor - Receaș with a length of approx. 479 km; and
 - GCS Podișor; GCS Bibești and GCS Jupa, each Gas Compressor Station is equipped with two compressor units (one active and a backup), with the possibility of bidirectional flow.
- **Booking Procedure:** the procedure in place to reserve Capacity at cross-border IPs as well as interconnections between adjacent entry-exit systems within the same member state.
- **CAM Regulation:** Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.
- **Capacity:** the maximum flow, expressed in normal cubic meters per time unit or in energy unit per time unit, to which the Network User is entitled in accordance with the provisions of the transport contract.
- **Capacity Allocation:** the procedure in place to sell Capacity at cross-border IPs as well as interconnections between adjacent entry-exit systems within the same member state.
- **Confidential Information:** any business secrets, know-how, commercial information, or any other information of a proprietary nature to Transgaz that is not in the public domain.
- **Conflict of Interest:** any conflict of interest that impairs the Monitoring Trustee's objectivity and independence in discharging its duties under the Commitments.
- **Congestion Management:** management of the Capacity portfolio of the Gas TSO through the implementation of dedicated measures - oversubscription, buy back scheme, a system for the surrender of Capacity and a mechanism for long term and day-ahead use-it-or-lose-it - with a view to optimal and maximum use of the technical Capacity and the timely detection of future congestion and saturation points.
- **Connection NTS/T1:** the connection of the Romanian NTS with the International Transmission Pipeline 1 ("T1").
- **Cosmești - Onești Pipeline:** pipeline route located North-West of Isaccea that will connect with T1.
- **Effective Date:** the date upon which Transgaz receives formal notification of the Commitment Decision.
- **FGSZ:** the Hungarian Gas TSO.
- **Firm Capacity:** gas transmission Capacity contractually guaranteed as uninterruptible by the TSO.
- **Gas Compressor Station:** a facility with several compressors (i.e., devices that increase the pressure of natural gas) and other equipment to transport natural gas under pressure over long distances.
- **Gas Connect:** the Austrian gas TSO.
- **Gas Metering Station ("GMS"):** pipeline station designed for the continuous and simultaneous analysis of the quantity and quality of the natural gas being transported in the pipeline.
- **Gas Regulation:** Regulation (EC) No 715/2009 of the European Parliament and of the Council of

13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005, as subsequently amended.

- **Interconnection Agreement ("IA"):** means an agreement entered into by adjacent TSOs, whose systems are connected at a particular IP, which specifies terms and conditions, operating procedures and provisions, in respect of delivery and / or withdrawal of gas at the IP with the purpose of facilitating efficient interoperability of the interconnected transmission networks, as set out in Chapter II of Commission Regulation (EU) 2015 / 703 of 30 April 2015 establishing a network code on interoperability and data exchange rules.
- **Interconnection Point ("IP"):** a physical or virtual point connecting adjacent entry-exit systems or connecting an entry-exit system with an interconnector, in so far as these points are subject to Booking Procedures by Network Users.
- **Isaccea - Şendreni - Oneşti Route:** route located North-West of Isaccea that will connect with T1.
- **Monitoring Trustee:** one or more natural or legal person(s) who is/are approved by the Commission and appointed by Transgaz, and who has/have the duty to monitor Transgaz's compliance with the Commitments.
- **Multiplier:** a factor applied to the respective proportion of the Reference Price in order to calculate the Reserve Price for a non-yearly standard Capacity product.
- **Nomination:** the prior reporting by the Network User to the TSO of the actual flow that the Network User wishes to inject into or withdraw from the system.
- **Network User:** natural or legal person supplying to, or being supplied by, the system.
- **Reference Price:** the price for a Capacity product for Firm Capacity with a duration of one year, which is applicable to entry and exit points and which is used to set Capacity-based transmission Tariffs.
- **Reserve Price:** the eligible floor price in the auction. If no auction is held, the reserve Capacity price is the maximum Capacity price.
- **Romanian National Gas Transmission System ("Romanian NTS"):** the transmission system on the territory of Romania which is part of the state public ownership.
- **Seasonal Factor:** a factor reflecting the variation of demand within the year, which may be applied in combination with the relevant Multiplier.
- **Standard Bundled Capacity:** a standard Capacity product offered on a firm basis, which consists of corresponding entry and exit Capacity at both sides of every IP.
- **System Integrity:** any situation in respect of a transmission network including necessary transmission facilities in which the pressure and the quality of the natural gas remain within the minimum and maximum limits laid down by the transmission system operator, so that the transmission of natural gas is guaranteed from a technical standpoint.
- **T1: the International Transmission Pipeline 1** between GMS Isaccea 1 and GMS Negru Vodă 1.
- **Tariffs:** the charges payable by network users for transmission services provided to them.
- **TAR NC Regulation:** Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a

network code on harmonised transmission tariff structures for gas.

- **Transbalkan Corridor:** a project under the supervision of DG ENER whereby the relevant TSOs of the Transbalkan pipeline (Greece, Bulgaria, Romanian, Ukraine and Moldova) define the technical and commercial options for enabling a physical reverse flow on the Transbalkan pipeline in order to create technical and commercial capabilities for physical bi-directional gas flows via the Transbalkan pipelines (or individual lines thereof) by 2020 and, in doing so, to have regard to the entire existing Transbalkan pipeline system, and adjoining transmission infrastructures and to ensure that bi-directional flows capabilities are achieved in the most cost- efficient and most expedient manner.
- **Transmission:** the transport of natural gas through a network, which mainly contains high-pressure pipelines, other than an upstream pipeline network and other than the part of high-pressure pipelines primarily used in the context of local distribution of natural gas, with a view to its delivery to customers, but not including supply.
- **Transmission system:** assembly of pipelines connected to one another and the related equipment for the circulation of natural gas according to the relevant technical regulations ensuring the taking over of the natural gas extracted from the exploitation fields or of the imported gas and its delivery to distributors, direct clients, underground storages and to other beneficiaries.
- **Yearly Capacity:** the sum of the available Capacity and the respective level of incremental Capacity offered for each of the yearly standard Capacity products at an IP.

III. Commitments

A. Definition of the Commitments

9. Taking into account the context and objectives described in Section 1 and in order to meet the concerns expressed by the Commission in the Preliminary Assessment, Transgaz commits to the following:
- (1) Transgaz shall make the maximum Capacity available to Network Users to export gas from Romania towards Hungary and from Romania towards Bulgaria, taking into account the System Integrity, safety and efficient network operation, and shall guarantee the offer of the minimum Firm Capacities defined below:
 - (a) 0.75 bcm/y (8,048,250 MWh/y) ¹ Firm Capacity (continuing since 1 October 2019) that shall be increased to 1.75 bcm/y (18,779,250 MWh/y) on 1 October 2020 at the Csanádpalota IP between Romania and Hungary; and
 - (b) 0.75 bcm/y (8,048,250 MWh/y) Firm Capacity (continuing since 1 November 2019) that shall be increased to 1.50 bcm/y (16,096,500 MWh/y) Firm Capacity at 40 barg starting on 31 August 2020 at the Giurgiu/Ruse IP between Romania and Bulgaria; and
 - (c) 2.2 bcm/y (24,800,433 MWh/y)² Firm Capacity starting on 31 December 2020 at the Negru Vodă 1/Kardam IP between Romania and Bulgaria for gas exports towards Bulgaria via the Connection NTS/T1.
 - (2) Transgaz shall apply the following two principles in the Tariff proposals submitted to ANRE:
 - (a) The Reserve Price (as well as any commodity Tariff) for Capacity bookings at the IPs with Hungary and Bulgaria shall be equal to the Reference Price/Tariff (as well as to any commodity Tariff) for Capacity bookings at domestic points; and
 - (b) The level of Multipliers and Seasonal Factors shall be the same for the IPs and for the domestic points and shall be within the ranges set out in the TAR NC Regulation.
 - (3) Transgaz shall not prevent, hinder, or discriminate against, directly or indirectly, the export of onshore and/or offshore gas produced in Romania and/or transiting through Romania, whether through Tariffs, technical reasons, contractual arrangements or any other means.

B. Capacity Allocation with Bulgaria and Hungary

- 10. Transgaz shall allocate in a transparent and non-discriminatory manner the maximum available Capacities from Romania to Hungary and from Romania to Bulgaria in accordance with the Gas Regulation and the CAM Regulation.
- 11. Transgaz shall offer Standard Bundled Capacity products using auctions in accordance with the CAM Regulation. Transgaz shall allocate the quantities of natural gas to Network Users corresponding to the accepted Nomination.

¹ For the conversion of volume in energy units under (a) (b) and (c) of paragraph 9(1), a GCV of 10,731 (kWh/cm) under standard reference conditions representing the annual average GCV for 2017 is used.

² The 2.2 bcm/y corresponds to the 6 million cubic meters per day (Mcm/d) defined in the IA and in the Joint Method for Calculation with regard to the Negru Vodă 1/Kardam IP. This 2.2 bcm/y capacity will be exported towards Bulgaria at a minimum pressure of 41 barg in the case that there is no physical flow from Ukraine via Isaccea 1 towards Bulgaria via Negru Vodă 1.

12. Transgaz shall apply the EU rules on Congestion Management as provided in the Gas Regulation.

> The Csanádpalota IP

13. The minimum 0.75 bcm/y (8,048,250 MWh/y) Firm Capacity - then to be increased to 1.75 bcm/y (18,779,250 MWh/y) Firm Capacity - between Romania and Hungary at Csanádpalota shall be offered in a transparent and non-discriminatory manner and allocated as a Standard Bundled Capacity product (annual, quarterly, monthly, daily and within day) through an auction on the Regional Booking Platform ("**RBP**"), or any other compliant platform, as per ENTSO-G calendar, in accordance with the CAM Regulation.
14. Products covering yearly Capacities shall be offered first, followed by the products with the next shortest duration for use during the same period. An amount at least equal to 10% of the Capacity provided in paragraph 13 shall be set aside and offered as Capacity with a shorter duration to allow sufficient hedging opportunities. In the gas year 2019-2020, 0.75 bcm/y (8,048,250 MWh/y) Firm Capacity was offered as a yearly product as of 1 October 2019 and shall be followed by quarterly, monthly, daily and within day products, in accordance with the ENTSO-G Auction calendar.

> The Giurgiu/Ruse IP

15. The minimum 0.75 bcm/y (8,048,250 MWh/y) Firm Capacity - then to be increased to a minimum of 1.5 bcm/y (16,096,500 MWh/y) Firm Capacity - between Romania and Bulgaria at Giurgiu/Ruse shall be offered in a transparent and non-discriminatory manner and allocated as a Standard Bundled Capacity product (annual, quarterly, monthly, daily and within day) through an auction on the RBP, or any other compliant platform, as per ENTSO-G calendar, in accordance with the CAM Regulation.
16. Products covering yearly Capacities shall be offered first, followed by the products with the next shortest duration for use during the same period. An amount at least equal to 10 % of the Capacity provided in paragraph 15 shall be set aside and offered as Capacity with a shorter duration to allow sufficient hedging opportunities. In the gas year 2019-2020, the 0.75 bcm/y (8,048,250 MWh/y) Firm Capacity was offered from 1 November 2019 as monthly and daily products, and as quarterly products for the quarters starting on 1 January 2020, and shall be followed by monthly, daily and within day products, in accordance with the ENTSO-G Auction calendar. In the same gas year, the 0.75 bcm/y (8,048,250 MWh/y) shall be increased to 1.5 bcm/y (16,096,500 MWh/y) Firm Capacity as of 31 August 2020 and shall be offered as monthly, daily and within day products, in accordance with the ENTSO-G Auction calendar.

> The Negru Vodă 1/Kardam IP

17. The minimum 2.2 bcm/y (24,800,433 MWh/y) Firm Capacity between Romania and Bulgaria for gas export at the Negru Vodă 1/Kardam IP via the Connection NTS/T1 shall be offered in a transparent and non-discriminatory manner and allocated as a Standard Bundled Capacity product (annual, quarterly, monthly, daily and within day) through an auction on the RBP, or any other compliant platform, as per ENTSO-G calendar, in accordance with the CAM Regulation.
18. Products covering yearly Capacities shall be offered first, followed by the products with the next shortest duration for use during the same period (for example, quarterly, monthly, daily and within day). An amount at least equal to 10% of the Capacity provided in paragraph 17 shall be set aside and offered as Capacity with a shorter duration to allow sufficient hedging opportunities. For the gas year 2020-2021, the minimum of 2.2 bcm/y (24,800,433 MWh/y) Firm Capacity shall be offered as of 31 December 2020 as short-term products (quarterly, monthly, daily and within day, in accordance with ENTSO-G Auction calendar.

19. The bookings of Capacities at Negru Vodă 1/Kardam shall be offered unconditionally (separately from the bookings of the Capacities at Isaccea 1/Orlovka) within the limit of the Firm Capacity of 2.2 bcm/y (freely allocable with access to the Romanian Virtual Trading Point).
20. The minimum of 2.2 bcm/y (24,800,433 MWh/y) Firm Capacity shall form an integral part of the maximum capacity offered at Negru Vodă 1/ Kardam (5.3 bcm/y (56,874,300 MWh/y)).

C. Tariffs

21. Transgaz shall apply the following two principles in the Tariff proposals submitted to ANRE:
 - (a) The Reserve Price (as well as any commodity Tariff) for Capacity bookings at the IPs with Hungary and Bulgaria shall be equal to the Reference Price/Tariff (as well as to any commodity Tariff) for Capacity bookings at domestic points; and
 - (b) The level of Multipliers and Seasonal Factors shall be the same for the IPs and for the domestic points and shall be within the ranges set out in the TAR NC Regulation.

IV. Milestones

22. To enable the minimum firm export Capacities described under Section III "Commitments", Transgaz must achieve, in particular, the following:

- ***Hungary (Csanádpalota IP)***

- Building and commissioning of BRUA Phase 1 (at the latest 1 October 2020).

- ***Bulgaria (Giurgiu/Ruse IP):***

- Commissioning the relevant infrastructure of BRUA Phase 1 to offer 1.5 bcm/y at Giurgiu/Ruse (at the latest 31 August 2020).

- ***Bulgaria (Negru Vodă 1/Kardam IP ; Connection NTS/T1)***

- Installing and commissioning a new gas turbine compressor in the station Siliștea, Brăila county (at the latest on 31 December 2020);
 - Installing and commissioning a new gas turbine compressor in the station Onești, Bacău county, and modernizing the Onești Technological Node (at the latest 31 December 2020); and
 - Modernizing the Technological Node Sendreni, Brăila county (at the latest 31 December 2020).

V. Monitoring Trustee

A. Appointment procedure

23. Transgaz shall appoint a Monitoring Trustee to carry out the functions specified below in relation to the Commitments.
24. The Monitoring Trustee shall:
 - (a) at the time of appointment, be independent of Transgaz and its affiliated undertakings;
 - (b) possess the necessary experience, competence and qualifications to carry out its mandate, have sufficient relevant experience in the implementation of commitments and the operation of natural Gas Transmission Systems; and
 - (c) neither have nor become exposed to a Conflict of Interest.
25. The Monitoring Trustee shall be remunerated by Transgaz in a way that does not impede the independent and effective fulfilment of the Monitoring Trustee's mandate.

B. Proposal by Transgaz

26. No later than two weeks after the Effective Date, Transgaz shall submit the name or names of one or more natural or legal persons whom Transgaz proposes to appoint as the Monitoring Trustee to the Commission for approval. The proposal shall contain sufficient information for the Commission to verify that the person or persons proposed as Monitoring Trustee fulfil the requirements set out in paragraph 24; and it shall include:
 - (a) the full terms of the proposed mandate, with all provisions necessary to enable the Monitoring Trustee to fulfil its duties under these Commitments;
 - (b) the outline of a work plan, that shall describe how the Monitoring Trustee intends to carry out its assigned tasks under these Commitments.

C. Approval or Rejection by the Commission

27. The Commission shall have the discretion to approve or reject the proposed Monitoring Trustee(s) and to approve the proposed mandate subject to any modification it deems necessary for the Monitoring Trustee to fulfil its obligations. If only one name is approved, Transgaz shall appoint or cause to be appointed the individual or institution concerned as Monitoring Trustee, in accordance with the mandate approved by the Commission. If more than one name is approved, Transgaz shall be free to choose the Monitoring Trustee to be appointed from among the names approved. The Monitoring Trustee shall be appointed within one week of the Commission's approval, in accordance with the mandate approved by the Commission.

D. New Proposal by Transgaz

28. If all the proposed Monitoring Trustees are rejected by the Commission, Transgaz shall propose at least two more natural or legal persons within one week of being informed of the rejection in accordance with the above requirements and procedure.

E. Monitoring Trustee nominated by the Commission

29. If all further proposed Monitoring Trustees are rejected by the Commission, the Commission shall nominate a Monitoring Trustee, whom Transgaz shall appoint, or cause to be appointed, in

accordance with a trustee mandate approved by the Commission.

F. Mandate of the Monitoring Trustee

30. The Monitoring Trustee shall assume its specified duties in order to ensure compliance with the Commitments. The Commission may, on its own initiative, at the request of the Monitoring Trustee or at the request of Transgaz, give any order or instruction to the Monitoring Trustee in order to ensure compliance with the Commitments.
31. The Monitoring Trustee shall provide a detailed work plan to the Commission within two weeks of its appointment, sending a copy to Transgaz at the same time, describing how it intends to carry out its mandate and how it intends to monitor compliance with the Commitments.
32. As regards Transgaz's obligations set out under Section III "*Commitments*" as well as under Section IV "*Milestones*", the Monitoring Trustee shall:
 - (a) monitor in particular the commitments regarding: (i) making the maximum Capacities available to Network Users to export gas, in particular the guaranteed minimum firm Capacities, (ii) the allocation of Capacities, (iii) the Tariffs, and (iv) not preventing, hindering or otherwise discriminating the exports through any means;
 - (b) oversee the on-going building works required to enable Firm Capacity export flows with a view to ensuring their completion within the timeframes provided for in Section IV; and
33. The Monitoring Trustee shall:
 - (a) provide the Commission with a first report two months after its appointment on the compliance by Transgaz with the Commitments, and send Transgaz a non-confidential copy of that report at the exact same time;
 - (b) provide the Commission with a report every three months until the completion of the milestones under Section IV on the compliance by Transgaz with the Commitments, and send Transgaz a non-confidential copy of that report at the exact same time;
 - (c) provide the Commission with a general report every six months thereafter during the term of the Commitments on the compliance by Transgaz with the Commitments, and send Transgaz a non-confidential copy of that report at the exact same time; provide the Commission with a special report on the completion of the building work within one month after each Milestone defined under Section IV *Milestones* and send Transgaz a non-confidential version of that report of that exact same time;
 - (d) promptly report in writing to the Commission if it concludes on reasonable grounds that Transgaz is failing to comply with the Commitments and send Transgaz a non-confidential copy at the exact same time. In such a case, the Commission shall invite Transgaz to submit its comments on the report of the Monitoring Trustee in writing, and orally if the Commission deems it necessary;
 - (e) propose to Transgaz any measure that the Monitoring Trustee considers necessary to ensure the proper compliance with the Commitments;
 - (f) provide additional oral or written reports to the Commission upon the Commission's request on any matters falling within the scope of the Commitments;
 - (g) submit to the Commission a report within one week after receipt of a reasoned request from Transgaz as referred to under Section VI Review Process, as regards the suitability of such request and as to whether the request is consistent with the commitments; the Monitoring Trustee shall specifically report on the agreement of Ukrtransgaz and

Bulgartransgaz and on the approval of the relevant national regulatory authorities to the offer of competing capacities by Transgaz at the Negru Vodă 1/Kardam and the Isaccea 1/Orlovka IPs in accordance with CAM Regulation (Article 8 (2)); and

(h) assume the other functions assigned to the Monitoring Trustee under the Commitments.

34. The documents provided by the Monitoring Trustee shall be prepared in English.

G. Duties and Obligations of Transgaz in Relation to the Monitoring Trustee

35. Transgaz shall provide and shall cause its advisors to provide the Monitoring Trustee with all such co-operation, assistance and information as the Monitoring Trustee may reasonably require to perform its tasks.

36. The Monitoring Trustee shall have full and complete access to any of the Transgaz's books, records, documents, management or other personnel, facilities, sites and technical information relating to the completion of the Commitments and reasonably necessary for fulfilling its duties under the Commitments, and Transgaz shall provide the Trustee upon request with copies of any document. Transgaz shall make available to the Monitoring Trustee one or more offices on their premises and shall be available for meetings to provide the Monitoring Trustee with all information reasonably necessary for the performance of its tasks.

37. Transgaz shall indemnify the Monitoring Trustee and its employees and agents (each an "**Indemnified Party**") and hold each Indemnified Party harmless against, and hereby agrees that an Indemnified Party shall have no liability to Transgaz for, any liabilities arising out of the performance of the Trustee's duties under the Commitments, except to the extent that such liabilities result from the wilful default, recklessness, gross negligence or bad faith of the Trustee, its employees, agents or advisors.

38. At the expense of Transgaz, the Monitoring Trustee may appoint advisors, subject to the Transgaz's approval (this approval may not be unreasonably withheld or delayed) if the Monitoring Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the Mandate, provided that any fees and other expenses incurred by the Monitoring Trustee are reasonable. Should Transgaz refuse to approve the appointment of advisors or any individual advisor proposed by the Monitoring Trustee, the Commission may approve the appointment of such advisors instead, after having heard Transgaz. Only the Monitoring Trustee shall be entitled to issue instructions to the advisors. Paragraph 37 of these Commitments shall apply *mutatis mutandis*.

39. Transgaz agrees that the Commission may share Confidential Information proprietary to Transgaz with the Monitoring Trustee. The Monitoring Trustee shall not disclose such information and the principles contained in Regulation 1/2003 regarding Confidential Information and business secrets shall apply to the Trustee *mutatis mutandis*.

40. Transgaz agrees that the contact details of the Monitoring Trustee are published on the website of the Commission's Directorate-General for Competition and it shall inform interested third parties of the identity and the tasks of the Monitoring Trustee. The Commission may request all information from Transgaz that is reasonably necessary to monitor the effective implementation of these Commitments.

H. Replacement, discharge and re-appointment of the Monitoring Trustee

41. If the Monitoring Trustee ceases to perform its functions under the Commitments or for any other good cause, including its exposure to a Conflict of Interest:

(a) the Commission may, after hearing the Monitoring Trustee and Transgaz, require Transgaz to replace the Monitoring Trustee; or

- (b) Transgaz may, with the prior approval of the Commission, replace the Monitoring Trustee.

42. If the Monitoring Trustee is removed according to paragraph 41 of these Commitments, the Monitoring Trustee may be required to continue its function until a new Monitoring Trustee is in place to whom the Monitoring Trustee has effected a full hand-over of all relevant information. The new Monitoring Trustee shall be appointed in accordance with the procedure referred to in paragraphs 23-29 above.

Unless removed according to paragraph 41 of these Commitments, the Monitoring Trustee shall cease to act as Trustee only after the Commission has discharged it from its duties after all the Commitments with which the Monitoring Trustee has been entrusted have been implemented. However, the Commission may at any time require the reappointment of the Monitoring Trustee if it subsequently appears that the Commitments might not have been fully and properly implemented.

VI. Review Process

43. Pursuant to Article 9(2)(a) of Regulation 1/2003, Transgaz may request the Commission to reopen the proceedings where there has been a material change in any of the facts on which the Commission's Commitment Decision was based.

Extension of time limits

44. Without prejudice to Article 9(2) of Regulation (EC) No. 1./2003, in case of unforeseen circumstances, the Commission may extend the time periods provided in the Commitments in response to a reasoned request from Transgaz, or in appropriate cases, on its own initiative.

Where Transgaz requests an extension of a time period under Section III *Commitments*, it shall submit a reasoned request showing good cause to the Commission no later than one month before the expiry of that period. For the time periods provided for under Section IV *Milestones*, Transgaz may submit a reasoned request for extension of the time periods only in cases disrupting the normal course of the building works and not imputable to Transgaz.

45. Any request for an extension of time periods shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time, send a non-confidential copy of the report to Transgaz. Only in exceptional circumstances shall Transgaz be entitled to request an extension within the last month of any period.

Review of Commitments

46. Without prejudice to Article 9(2) of Regulation (EC) No. 1./2003, the Commission may further, in response to a reasoned request from Transgaz showing good cause waive, modify or substitute, in exceptional circumstances, the Commitments as such. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to Transgaz.

In particular, in the context of the implementation of the TransBalkan Corridor, the Commission may authorize Transgaz to offer up to 2.2 bcm/y (24,800,433 MWh/y) Firm Capacity at Isaccea as competing capacities between Isaccea 1/Orlovka IP and Negru Voda 1/Kardam IP, once the necessary agreements and approvals required have been obtained by Transgaz.

Pending the Commission's response, the request shall not have the effect of suspending the Commitments and, in particular, of suspending the expiry of any time period in which the

Commitments have to be complied with.

VII. Entry into force and Duration

48. The Commitments shall enter into force upon the Effective Date and remain in force until 31 December 2026.

[Signature] duly authorised by and on behalf of Transgaz

Director General
ION STERIAN



Date
31.01.2019