

Translation from Romanian

The Energy and Utilities Regulatory Authority in Hungary
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JUDGMENT NUMBER:

E: H1804 /2019

Subject: Limited License for Electricity Trading and Operation, the Energy and Utilities Regulatory Authority in Hungary (headquarters: 1054 Budapest, Bajcsy-Zsilinszky ut 52; hereinafter: the Authority) pronounced the following

JUDGMENT

The Authority recognizes the limited license for electricity trading, submitted by Lazar Indira (8600 Siofok, 40 Siofok St., 11/10), representative of AIK ENERGY LTD (registered office: 2 Fosseyway Court, North Hykeham, Lincoln LN6 8FG, Great Britain, Trade Registry No: 08636666, Tax Code: GB 244365605); hereinafter: License Holder) and issues for

AIK ENERGY LTD

(hereinafter Licensee) subject to the following conditions

LIMITED LICENSE FOR ELECTRICITY TRADING AND OPERATION (hereinafter: License)

Electronically legalized document
To check legalization Click here

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June 2019

the Energy and Utilities Regulatory Authority in Hungary
Judgment Number: H 1804/2019
Limited License for Electricity Trading and Operation
AIK ENERGY LTD



I. General Conditions for limited trading of electricity

I.1 Definitions:

In this limited license for electricity trading and operation (hereinafter: **License**) the notions used shall be understood in accordance with the provisions of Law no. LXXXVI of 2007 on electricity (hereinafter: VET), those stipulated in the Government Ordinance no. 273/2007 (X.19) on the methodology for applying the provisions of the law (Vhr.), The terms used in the License with capital letter, shall have the following meaning:

a). Validity: period defined in point III.1., until when this License is valid.

b). Buyers: Contracting Parties that purchase from the Licensee Electricity or closely related services

Content and meaning of concepts used in this License under point I.1. - regardless of their use in the License text, in singular or plural, in time, forms - will be understood in the same way.

I.1 The rights and obligations of the electricity trader

The license holder may carry out its activities, exercise its rights and perform its duties according to the provisions referred to in VET and according to the powers granted by it,

to those defined by the Regulations approved by the Authority, respectively in accordance with the License. The license holder is required to permanently ensure the conditions under which the license was issued. The obligations defined in the License are without prejudice to the other obligations of the License Holder defined in other legal provisions.

1.2.1. The License Holder under this License is entitled to regularly purchase electricity for trading and - except for users – to sell to those entitled under VET and Vhr., as well as to import and export to and from the territory of the Hungarian Republic, and also to provide and intermediate services related to electricity trading. This activity of the Licensee cannot cause deficiencies in the electricity supply, stipulated in points 138-139 from VET.

1.2.2 The license holder has the obligation to exercise the competences exercised on basis of the License to the highest national and international standards, the VET and Vhr provisions, the requirements set out in the License and the electricity supply regulations, as well as the regulations published by the Authority.

1.3 Other obligations in relation to other licensees

The License Holder is required to collaborate with other licensees to fulfill the provisions of point 68 from VET.

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1.4 Other rights and obligations, other activities, rights and obligations regarding the balance sheet

1.4.1 The License Holder has the obligation to draw up a balance sheet or to affiliate with any balance sheet. If the License Holder does not participate in a balance sheet, it will be considered as an independent balance, under these conditions having the obligation to perform the balance sheet tasks.

1.4.2 The License Holder has the obligation to perform the tasks as responsible for the balance sheet, as a member of the balance sheet as described in the legislation, in the License and in the contract.

1.4.3 If the License Holder performs tasks of person responsible for the balance sheet, it is required to conclude a balance sheet contract with the transfer network coordinator and member contract with the members of the balance sheet. These contracts shall comply with:

a) the conditions described in the electricity setting regulations, the regulation of the transfer network coordinator.

b) the conditions established by the legal framework and the electricity supply regulations regarding the rights and obligations of the members of the balance sheet.

1.4.4 If the License Holder is in charge of the balance sheet, it is required to regulate, in the balance sheet contract, the ways of communication between itself and the members of the balance sheet.

1.4.5 In the event of the termination of the balance sheet contract, the License Holder is required to collaborate with the members of the balance sheet with a view to affiliate without significant loss at another balance sheet.

1.5. Documentation of activities and services

1.5.1 The License Holder is required to develop and apply a record system, which ensures the separate registration of the electricity settlement elements. The License Holder is



required to ensure through the system of evidence the separate record of the products and services traded by the licensees.

1.5.2 The License Holder shall ensure the possibility of verification for 5 calendar years from the date of registration of the electricity trade related data and related activities.

1.6 Obligation to provide data and information

1.6.1 To ensure continuity, safety and quality of the limited electricity trade; compliance with License regulations, VET and relevant legislation, the Authority has the right to control data, records and documents - including information containing business secrets -, make copies and excerpts from them. It may request from the casual or regular License holder - in writing, electronically, on a data medium or in any other form, grouped - information, to prescribe data supply and the License Holder is required to provide them in due time.

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1.6.2 The License Holder is required to fulfill the obligations of data and information supply to other licensees and network users in accordance with the legal regulations and electricity supply regulations.

1.6.3 The License Holder is required to make an annual report and by 31 March to submit it in writing and electronically or on data support to the Authority. The report should analyze and synthesize electricity traffic for that year, i.e. the report must contain the business plan of the License holder for the current year and the following year.

1.6.4 The License Holder shall notify the Authority in writing if any of the activities are carried out by another person, indicating exactly the subject, value, validity of the contract and the contracting parties.

1.7 Separation of activities, accounting

The License Holder shall separate in the accounting records and make it possible to track the tools, resources, receipts and expenses on the activities established in VET as activities with licensing obligation, as well as for the activities without obligation of licensing according to the legal regulations and the regulations in points 105-105A of Vet and Vhr.

1.8 Financial guarantee

The License Holder has the obligation to maintain during the validity period of the License the financial guarantee established in point 6 of the VET and according to the business rules of the transfer network coordination.

1.9 License Modification

1.9.1 The Authority may amend the License in writing on basis of the VET and Vhr regulations and in other cases and conditions set forth in the legislation.

1.9.2 In the event of a change in the data set out in the annexes to the License, within 30 days, the License Holder shall request the modification of the License [the modifications, in the corrected form will be sent in hard copy and electronically (eg e-mail, CD)]

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Ministerul Justiției
Aut.nr.11679



I.10 Legal consequences in the event of non-compliance with the License conditions

I.10.1 In the event that the License Holder breaches the legal regulations, other rulings issued by the Authority, from the electricity supply regulations, the Authority may apply the penalties set out in the legal regulations.

I.10.2 Failure by the License Holder to submit, in due time or in the established form, the documents, data set forth in the License and other decisions of the Authority shall be deemed violation of the regulations under paragraph I.10.1

I.11 License Withdrawal

The Authority may withdraw the License in the cases set forth in the legal framework.

I.12 Observance of rights, obligations, regulations and other provisions

I.12.1 The License Holder, during the period of validity of the License, has the obligation to permanently observe besides the regulations in force:

- a). this License
- b). Decisions related to the Authority
- c). Directives issued by the Authority
- d). all technical and safety provisions
- e). regulations for electricity supply

I.12.2 The License Holder is required to pay particular attention, without limitation of the general validity of the provisions set out in point I.12.1, Regulation 714/2009 /EK (13 July 2009) of the Parliament and the Council of Europe on the abrogation of the regulation 1228/2003 / EK and the access conditions applicable to the crossborder trade of electricity, of the limitation and termination provisions in case of significant failures of the electricity system and crisis situations of the electricity system, all regulations published under this legal framework by the competent ministry, Authority or others, as well as all legal regulations on the state of necessity.

I.13 Information Regulations

I.13.1 Information address for the License

Holder: Name: AIK ENERGY LTD

Address: Lazar Indira, 8600 Siofok, str. Sio,
40.,11./10. Phone: +44 7464 139 575

E-mail: office@aikenergy.com

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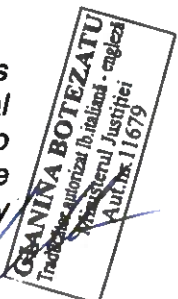
I.13.2 The License Holder may modify his address but has the obligation to inform the Authority of this change. Modifying the information address does not require modification of the License.

I.14 Taxes

The License Holder has the obligation to pay to the Authority the fees set in the legal framework.

II. Litigations

An administrative appeal may be lodged against the judgment within 30 days from its communication (delivery). The appeal shall be addressed to the Law Court of the Capital and shall be filed at the premises of the Authority. The filing of the appeal has no suspensive effect on the entry into force of the judgment. The court shall judge the appeal outside of the court hearing, the client may request judgment in court hearing by appeal.



The court - with the exception of cases of breach of administrative rules that have no effect on the case - in the case of the establishment of unlawfulness may change, annul or void the administrative judgment - with the exceptions set forth by the law; if necessary, in addition to the judgment becoming null, void, may oblige the administrative authority to a new procedure, and may also declare the administrative authority guilty.

III. Validity, mixed regulations

III.1. *This License is valid indefinitely from the date of issue.*

III.2. *Obligations on data provision, the data supplied by those with the obligation to provide regular data, as well as the deadlines for data provision, the regulations on extraordinary data provision, gas network usage fees, special fees, connection fees are described in regulation 11/2016. (XI. 14.)M MEKH about the amount of the tax on the use of the natural gas network, special taxes and the connection charges 13/2016. (XII. 20.) MEKH as amended by Regulation 7/2017. (VII. 13.) MEKH with entry into force with the text amended by Regulation 11/2017. (VIII.25.) MEKH.*

III.3. *The License Holder of the paid the fees for administrative services in accordance with Annex 1, lett. B) 23 of the MEKH Order no. 1/2017 (III.4) (hereinafter Order) on the level of administration fees of the Hungarian Regulatory Authority in the field of energy and public utilities and rules on collection, management, registration and reimbursement of administrative services, supervision fees and other revenues.*

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III.4. *The License Holder has the obligation to pay the Authority, within 30 working days from the entry into force of the License, the supervision fee in accordance with paragraph (1) point 161 of the VET - according to point b) paragraph (1) point (4) of the Judgment.*

III.5. *The Authority was not required to decide on reimbursement of other procedural costs, such expenses were not incurred during the proceedings.*

III.6. *The Authority will ensure publication of the judgment on the Authority's website.*

REASONING

The legally authorized representative of the License Holder submitted to the Authority on 13 June 2019 an application for limited license for electricity trading.

The Authority has examined the application and the documents submitted and found that the applicant complies with the requests described in the legal framework.

The Authority took this decision in the jurisdiction described in point 1. paragraph (1) point 159 of the VET, paragraph (1), point 80, and paragraph (1), point 81 of the CL Law. From 2016 on general public administration (hereinafter Akr). This judgment is based on paragraph (1) point 75 VET, point e) paragraph (1), point 74 VET, paragraph (2), point 88 of VET, points 52-55 Vhr, point 79 Vhr., and point b) paragraph (1) point 4. of the Order.

The License Holder was granted the License during the year, for this reason the Authority, in point III.3 of the ordering party, required the payment of the supervision fee in proportion to the period for the current year 2019.06.28.

Administrative charges had to be set in accordance with paragraph (1) point 81 and paragraph (1) point 129 of the Akr.

Information on litigations is based on paragraph (1) point 81 Akr. Point a) of paragraph 4 point 116 of Akr excludes possibility of appeal against the Authority's judgment. Point 112 and paragraph (1) point 114 of Akr allows the administrative proceedings to be brought against this judgment.

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The start date of the lawsuit is based on paragraph (1) point 39 of law I. from 2017 on administrative processes (hereinafter Kp.). The Authority's notification on the lawsuit and the competent law court are based on paragraph (1) point 81 of the Akr and paragraph (2), point 77 Kp., point a), paragraph (2), point 12 Kp. and paragraph (11) point 13 Kp. in accordance with paragraph (1) point 82 Akr., the judgment becomes **final** by means of communication.

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Publication on the Authority's website of the Authority's judgment which became final was ordered by the Authority according to paragraph (6) point 168 VET.

Budapest, June 2019

By empowerment and mandate
of Chairman
Dr. Dorkota Lajos

Vice President responsible for Energy
Dr. Grabner Péter

Are transmitted:

AIK ENERGY LTD

1 copy

Lazar Indira

1 copy

MEKH General office of electricity supervision and price regulation

1 copy

MEKH General Office of Analysis and Statistics
MEKH Archive

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The undersigned, **Botezatu Gianina**, certified Italian and English interpreter and translator under License no. 11679/28.05.2004, issued by the Romanian Ministry of Justice, hereby certify the accuracy of *the translation into English language of the document written in the Romanian language*, and that the text presented has been fully translated, without omissions, and the content and meaning of the translated document was not distorted.

Certified Interpreter and Translator,

BOTEZATU GIANINA



