

APPROVED
with Decision No [] dated [] [] 2018
of OST Supervisory Board

APPROVED
with Decision No [] dated [] [] 2018
of ERE Board of Commissioners

**COMPLIANCE PROGRAM OF THE TRANSMISSION SYSTEM
OPERATOR FOR ELECTRICITY**

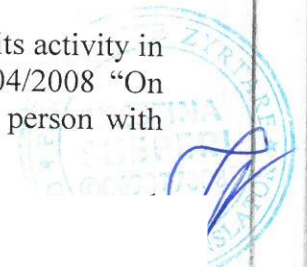
**OPERATORI I SISTEMIT TE TRANSMETIMIT OST SH.A.
“TRANSMISSION SYSTEM OPERATOR” JSC**

I. GENERAL PROVISIONS

1. This Compliance Program (hereinafter referred to as “the Program”) of the transmission system operator for electricity (hereinafter referred to as “the OST”) shall establish the conditions for unbundling and independence of the OST pursuant to the Law No 43/2015 “On the Electricity Sector” and shall set out the measures taken in order to ensure that the discriminatory conduct in OST activities is excluded, specific obligations of the OST’s employees to meet the objectives stipulated herein, and requirements for the implementation and monitoring of this Program.
2. This Program aims at ensuring:
 - 2.1. Proper unbundling and independence of OST;
 - 2.2. Avoidance of the OST's discriminatory behavior towards other natural gas market participants (hereinafter referred to as “participants”) and network users;
 - 2.3. Introduction of a mechanism for the implementation of this Program and definition of functional duties and obligations of the OST employees in this regard; and
 - 2.4. Introduction of a mechanism for the monitoring of and reporting on the implementation of this Program.
3. All terms in this Program shall be used within the meaning prescribed under the Law No 43/2015 “On the Electricity Sector”.

II. LEGAL STATUS AND ORGANISATIONAL CHART

1. Operatori i Sistemit te Transmetimit – OST sh.a. is established and operates its activity in the form of a joint-stock company pursuant to Law No. 9901 dated 14/04/2008 “On Merchants and Commercial Companies” as amended, registered as a legal person with Decision No. 31935, dated 17/04/2004 of the District Court of Tirana.



2. OST sh.a. is organized in the form of a joint-stock company with 100% state-owned capital, with sole shareholder the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (now the Ministry of Finance and Economy, based on DCM No. 503, dated 13/09/2017 "On defining the state responsibility area of the Ministry of Finance and Economy"), as the representative of the State as shareholder of OST sh.a., according to the definition made on DCM No. 317, dated 24/07/2016 "On defining the Public Authority representing the State as the owner of the Electricity Sector companies".
3. Referring to point 2 of DCM No. 317, dated 27/04/2016 "On defining the Public Authority Representing the State as the Owner of the Electricity Sector Companies", the public authority representing the state as owner of the shares of Operatori i Sistemit te Transmetimit, sh.a. (OST), is the Ministry of Economic Development, Tourism, Trade and Entrepreneurship.

Furthermore, point 1 under DCM No. 317, dated 27/04/2016 provides: The public authority representing the state as the owner of the shares of Korporata Elektroenergjetike Shqiptare (Albanian Electro-Energetic Corporation) sh.a. and Operatori i Shperndarjes se Energjise Elektrike (Electricity Distribution Operator) sh.a. is the Ministry of Energy and Industry, currently the Ministry of Infrastructure and Energy.

Moreover, points 3 and 5 under DCM No. 317, dated 27/04/2016 provide:

The Ministry of Energy and Industry and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship appoint the supervision boards' members of the companies set forth under points 1 and 2 within thirty days as of the entry into force of this decision by applying the restrictions set forth by Law No. 43/2015 "On the Electricity Sector".

As above, since the activities of electricity transmission, production and supply are exercised by entities organized as commercial companies (state-owned joint-stock companies), the above-mentioned authorities perform the function of the Shareholder Assembly for the respective companies, by making all decisions under the competence of the Shareholder Assembly of an anonymous company pursuant to the provisions of Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended.

The Ministry of Energy and Industry and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (currently the Ministry of Infrastructure and Energy and the Ministry of Finance and Economy, pursuant to DCM No. 504, dated 13/09/2017 and DCM No 503 dated 13/09/2017) are the two high level bodies of the government organized according to Law No. 90/2012 "On the organization and operation of the state administration".

Law No. 90/2012, "On the organization and operation of the state administration" regulates the organization and operation of the state administration under the Council of Minister's responsibility, by defining the criteria for the establishment and operation of the state institutions.

Article 4, "the bodies and institutions of state administration" provides:



1. The Prime Minister and the ministers are high level bodies of the state administration. They govern and supervise the state administration within the respective area of the state activity.
2. The State Administration is composed of these institutions:
 - a) The Prime Ministry;
 - b) The ministries;
 - c) the institutions depending on the Prime minister or the ministries;
 - ç) direct service provision units;
 - d) autonomous agencies;
 - dh) Prefect's administration.

The relations between the ministries and the Council of Ministers are defined by article 5 "Ministries" as follows:

1. Any ministry is governed and represented by the minister, hereinafter referred to as "the responsible minister". The Minister is responsible before the Council of Ministers and the Assembly for the activity of the ministry, the institutions under its administration and the autonomous agencies hereinafter referred to as "ministerial system" within the respective area of the state activity.
2. The Council of Ministers, with the Prime Minister's proposal, defines the state activity area under the responsibility of each ministry, hereinafter referred to as "the state administration area".
3. The ministry performs the administrative functions within the respective area of state responsibility, except those delegated to the depending institutions or that are charged by law to the autonomous agencies.

As above, each Ministry performs the administrative functions within the respective area of state responsibility.

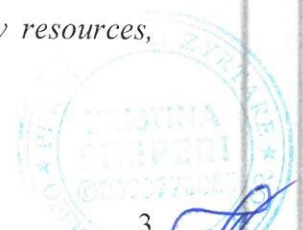
- ✦ The respective responsibility area for the Ministry of Infrastructure and Energy is defined in the Decision of the Council of Ministers No. 504, dated 13/0/2017 "On defining the state responsibility area for the Ministry of Infrastructure and Energy" and respectively:

"II. The mission of the Ministry of Infrastructure and Energy is to draft and implement the general state policy in the urban planning and development sector, in the infrastructure and transport sector, in telecommunication and postal service sector, in the energy sector, in the exploitation of the energy and mineral resources and in the industry sector.

III. The Ministry of Infrastructure and Energy operates its activity in these state responsibility areas:

.....9. Sector of energy, energetic resources, including the renewable energy resources, energy efficiency and the climatic changes.

....."



- ✦ The respective legislation based on which the Ministry of Infrastructure and Energy operates its activity in the electricity sector is Law No. 43/2015, "On the electricity sector" and the bylaw acts issued for its implementation.

Namely, the role of the Ministry of Infrastructure and Energy relating to OST sh.a. is defined in the following articles of Law No. 43/2015, "On the electricity sector":

Article 4 "Electricity sector policies":

"1. The Council of Ministers is responsible for the overall policy of the Albanian electricity sector in compliance with the policies of economic development and other sectors of the country."

2. The Ministry responsible for energy:

a) drafts the National Energy Strategy, which is approved by the Council of Ministers and is updated at least every five years. The National Energy Strategy defines the objectives of the energy sector development and how they are to be accomplished, providing a sustainable development of the national economy in a medium- and long-term period;

b) drafts midterm programs for the electricity sector development, which are approved by the Council of Ministers in compliance with the National Energy Strategy;

c) assesses the necessity of constructing new generation capacities and strengthening the grids in compliance with the midterm programs by taking into consideration the following:

i) the general estimated electricity balances in the future;

ii) the security and stability of electricity supply;

iii) the cost, including any mechanisms for costs minimization for such new production capacities;

ç) supervise the implementation of policies and programs of the power sector development, in line with the country's economic and social development.

Article 5 "Data and information on electricity balance":

"1. Any natural or legal person that produces, transmits, distributes, imports, exports or supplies electricity is obliged to submit data related to its activity to the ministry responsible for energy in order to draft development policies of the power sector and communication with specialized institutions in the frame of international commitments of Albania as well as preparation for publications of annual energy balance.

2. The minister responsible for energy approves the type and format of data reporting."

Article 6 "Rules of electricity supply security":



"1. The Council of Ministers shall, upon proposal of the minister responsible for energy, in collaboration with other relevant institutions or undertakings in the energy sector, approve the rules on electricity supply security, which include:

- a) the measures for providing the electricity supply;*
- b) the measures to be taken in cases when the supply security is at risk;*
- c) the measures to be taken in case of emergency situations;*
- ç) the role and obligations of electricity market participants regarding the electricity supply security".*

Article 31 "Construction of new interconnection lines":

"1. The new interconnection lines constructed by the Transmission System Operator or private investors, shall be approved by the Council of Ministers upon proposal of the minister responsible for energy."

Article 33 "Direct lines":

"1. All electricity producers and suppliers within a given territory may supply their facilities, branches and clients, via a direct line.

2. The direct lines constructed for electricity export purposes from the domestic producers to the foreign customer are approved upon Decision of the Council of Ministers, after receiving ERE's opinion.

3. The direct lines constructed for connecting a domestic producer to a domestic customer or supply company which supplies its facilities or its qualified customers, are approved upon decision of the ministry responsible for energy, after receiving ERE's opinion.

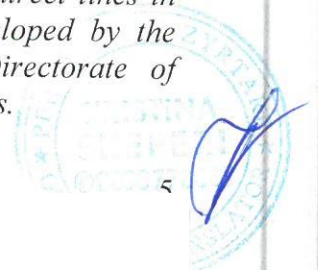
4. The criteria and procedures for constructing direct lines are approved upon Decision of the Council of Ministers.

5. The Minister authorizes the construction of a direct line even in the case when the applicant is refused access to the grid for cases defined under Article 29 of this law, or when a procedure for dispute settlement has been initiated according to the provisions of Article 24 herein;

6. The Minister may refuse to grant its authorization for the construction of a direct line if the granting of such authorization would obstruct the fulfilment of public service obligations and customer protection, defined by the provisions of this law. The explanations for such a refusal should be fully reasoned and notified to the applicant."

Article 34 "Technical and safety standards in the electricity sector":

"1. The technical rules for design, construction and operation of electricity production plants, transmission system, distribution system, interconnection lines or direct lines in the Republic of Albania, including the technical safety rules, are developed by the ministry responsible for energy in cooperation with the General Directorate of Standardizations and are approved with Decision of the Council of Ministers.



4. The control of implementation and compliance of the technical rules provided under paragraph (1) of this article in the electricity sector shall be carried out by the responsible inspectorate subordinate to the ministry responsible for energy, in compliance with the legislation in force.

Article 60 “Transmission network development”:

“1. The Transmission System Operator drafts a ten-year network development plan in consultation with the stakeholders and present it for ERE’s approval.

6. In case when ERE finds out that the Transmission System Operator has failed during three years to accomplish the investment projected in the 10-year plan and deems that such investment is necessary and may be financed without impeding the normal operation of the network, then ERE requires them to take one of the following measures:

- a) to accomplish such investment;
- b) to organize a competitive procedure for accomplishing such investment, open to any investors;
- c) to accept capital increase in order to finance the necessary investments.

7. Where ERE takes measures according to letter “b” of point 6 of this article, they may oblige the Transmission System Operator to apply one or more of the following options:

- a) to provide the financing of any third party;
- b) to require the construction by any third party;
- c) to manage new assets after construction.

In such cases, the relevant tariffs shall cover the costs of such investments.

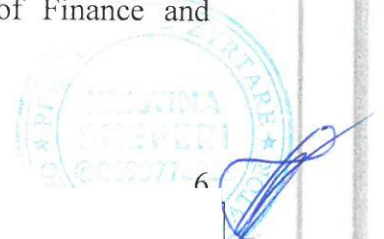
8. While exercising its competences provided under points (1), (6) and (7) of this article, ERE shall receive the opinion of the minister responsible for energy.”

Lastly, Article 97 “Electricity market”

“3. The minister responsible for energy in collaboration with other stakeholders in the electricity sector and after receiving the opinion of the Competition Authority, shall draft the electricity market model which is approved upon decision of the Council of Ministers, defining at least:

- a) the ways the participants of the electricity market cooperate;
- b) the relevant contractual relationships;
- c) the main information and data exchanges required between market participants”.

‡ The respective responsibility area of the Ministry of Finance and Economy is defined by the Decision of the Council of Ministers No. 503, dated 13/09/2017 “On defining the state responsibility area for the Ministry of Finance and Economy”, namely:



III. The Ministry of Finance and Economy operates its activity in these state responsibility areas pursuant to the respective legislation:

“

17. *Administration of the state property:*

“

VII. The Ministry of Finance and Economy represents and defends the state's interests within the responsibility area according to point III of this decision;

- ✦ Regarding the role of the Ministry of Finance and Economy (former Ministry of Economic Development, Tourism, Trade and Entrepreneurship) concerning OST sh.a., we hereby explain as follows:

It results that Operatori i Sistemit të Transmetimit OST sh.a. is organized in the form of a 100% state-owned joint stock company. This is according to the definitions made under Law 43/2015 “On the Electricity Sector”, whose article 53 provides:

“- *Transmission System Operator:*

1. *The Transmission System Operator is a legal person licensed to conduct the activity of operating an electricity transmission system, which owns the transmission system and complies with the independence criteria set forth by article 54 of this law.*

3. *The Council of Ministers appoint the public authority representing the state as owner of the Transmission System Operator shares, who shall be independent of any production or supply activity according to the provisions of article 54”.*

Pursuant to point 3 under article 53 of this law, the Decision of the Council of Ministers No. 317, dated 27/04/2016 “On defining the Public Authority representing the State as the owner of the shares of the electricity sector companies”, designating the Ministry of Energy and Industry as the Public Authority representing the state as the owner of the shares for Korporata Elektroenergjetike Shqiptare sh.a. (Albanian Power Corporation Jsc) and Operatori i Shpërndarjes së Energjisë Elektrike sh.a. (Electricity Distribution Operator Jsc), as well as the Ministry for Economic Development, Tourism, Trade and Entrepreneurship as the Public Authority representing the state as the owner of shares for Transmission System Operator sh.a..

Point 3 of the DCM provides that the Minister of Energy and Industry and the Minister of Economic Development, Tourism, Trade and Entrepreneurship appoint the supervisory boards members for the companies defined under points 1 and 2, by applying the restrictions set forth by Law No 43/2015, “On the electricity sector”.

Likewise, article 1 under Law No. 8/2016 “On an addition and amendment to Law No. 7926, dated 20/04/1995, “On transforming the state companies into commercial companies”, as amended, provides:

“Exercising the state property owner representative right of, including the right to appoint the members of the supervisory boards of the power sector companies, is made in compliance with the provisions of Law No. 43/2015 “On the electricity sector”, and for the natural gas

companies, in compliance with the provisions of Law No. 102/2015 "On the natural gas sector."

Thus, according to the definitions mentioned hereinabove, it results that each of the mentioned ministries shall perform the function of the owner of the shares in the respective companies.

Furthermore, we explain that the organization of the economic activity in Albania is regulated by Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended. This Law defines and regulates the status of the merchant, the establishment and administration of commercial companies, the rights and obligations of the founders, partners and shareholders, the reorganization and liquidation of the commercial companies. This law is obligatory even for the state companies.

OST sh.a., for the legal organization point of view is subject to Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended. Thus, the role of the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (now the Ministry of Finance and Economy, as the Public Authority representing the state as the owner of the shares for OST sh.a. is the owner of 100% of the shares. For OST sh.a., this ministry exercises the rights and obligations as any other private owner performs to the shares of the joint stock company, established and operating its activity in Albania pursuant to Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended.

Thus, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (now the Ministry of Finance and Economy) has the role of the sole shareholder taking every decision in the authority of the General Assembly in a joint stock company according to the provisions of Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended.

This role for the Albanian Energetic Corporation and the Electricity Distribution Operator, based on article 1 under DCM No. 317, dated 27/04/2016 "On defining the public authority representing the State as the owner of shares for the electricity sector", is performed by the Ministry of Energy and Industry (now the Ministry of Infrastructure and Energy).

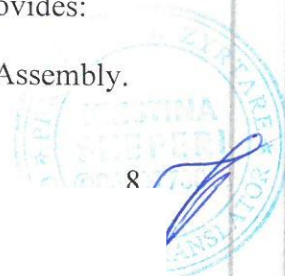
Regarding the Supervisory Board appointment, article 135 "Rights and obligations" of Law No. 9901, dated 14/04/2008 "On merchants and commercial companies" as amended, provides:

2. The general assembly takes the decisions for the following company issues:

- a) defining the commercial policies;
- b) amending the Articles of Association;
- c) Appointing and dismissing the administration council members (one-tier system) and the supervisory board members (two-tier system).

The Articles of Association of OST Sh.a. (Article 13 "The Supervisory Board") provides:

The Supervisory Board is composed of 6 (six) members appointed by the General Assembly.



Therefore, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (now the Ministry of Finance and Economy) appoints the members of the Supervisory Board of OST sh.a.. It results that the Ministry of Economic Development, Tourism, Trade and Entrepreneurship represents the State as the owner of shares for electricity sector companies as the General Assembly of OST sh.a. and pursuant to point 3 under DCM No. 317, dated 27/04/2016 "On defining the public authority representing the state as the owner of shares for electricity sector companies", which provides:

The Ministry of Energy and Industry and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship appoints the supervisory boards members for the companies defined under points 1 and 2, by applying the restrictions provided by Law No. 43/2015, "On the electricity sector".

The Ministry of Economic Development, Tourism, Trade and Entrepreneurship has approved upon Decision No. 4911, dated 14/06/2016 "On the change of the Supervisory Board" the new members of the Supervisory Board of OST sh.a..

Likewise, the Ministry of Energy and Industry (now the Ministry of Infrastructure and Energy) as the owner of the Albanian Power Corporation JSC and the Electricity Distribution Operator JSC pursuant to point 3 under DCM No. 317, dated 27/04/2016 "On defining the public authority representing the state as the owner of the shares of the companies of electricity sector" upon Instruction No. 210, dated 30/06/2016 has approved the Supervisory Board members of KESH sh.a. and upon Instruction No. 209, dated 30/06/2016 has approved the Supervisory Board members of OSHEE sh.a.

As above, we conclude that the Supervisory Board members of OST sh.a. are appointed by the Ministry of Economic Development, Trade, Tourism and Entrepreneurship (now the Ministry of Finance and Economy) in compliance with the restrictions imposed by article 54, Law No. 43/2015, "On the electricity sector".

- Pursuant to article 54, points 3, 4, 5, 6 provide:

"3. Starting from January 1st 2016, the same person shall not be entitled that at the same time to:

a) exercise direct/indirect control on a licensee performing any of the electricity and natural gas generation or supply activities, and exercise control or any other right to the Transmission System Operator or the transmission grid;

b) exercise direct/indirect control over the Transmission System Operator or the transmission grid and exercise control or exercise any right over a licensee performing any of the electricity and gas generation or supply activities;

c) appoint members of the supervisory board, management board or other bodies legally representing the Transmission System Operator or the grid operator and directly/indirectly exercise control or any right over a licensee performing any of the electricity and gas generation or supply activities;

c) be a member of the supervisory board, management board or other bodies representing the licensee at the licensees performing any of the electricity and natural gas generation or supply activities and the Transmission System Operator or the transmission grid.

4. *The prohibitions in letter “a”, “b”, and “c” point 3, of this article shall apply in particular to:*

a) the ability to exercise voting rights;

b) the power to appoint the members of the supervisory board, management board or other bodies representing the licensee;

c) the right to hold the majority of shares.

5. *The obligation provided in point 3, herein above, is considered completed if two or more companies that have their transmission grids have established a joint venture, which operates as a transmission system operator in two or more countries. No other company may be part of this joint venture, unless the company is defined as independent transmission system operator and is certified according to the conditions provided on this law.*

6. *In case the person mentioned in point 3 of this Article is a public body controlled by the state, then two separate public bodies exercising the control, one over the Transmission System Operator or the transmission grid and the other over the licensee performing the electricity generation or supply activities shall be considered as they are not the same person.”*

As evidenced hereinabove, pursuant to DCM No. 317, dated 27/04/2016 "On defining the Public Authority representing the State as the owner of the shares of companies of the electricity sector" it results that the Ministry of Economic Development, Tourism, Trade and Entrepreneurship is the holder of 100% of shares at OST sh.a., while the Ministry of Energy and Industry is the holder of 100% of the shares of KESH sh.a. and OSHEE sh.a. companies respectively performing the electricity generation and distribution and universal supply activities.

Therefore, due to unbundling the ownership of the OST from the electricity production, distribution and supply, it results that this unbundling is performed according to the provisions of point 6, article 54 of Law No. 43/2015 "On the electricity sector" as well as in compliance with what is defined in article 8, letter "a" of the "Rules for certification of electricity transmission system operator" which defines that one of the criteria to be fulfilled by the applicant to enable the decision-making and the certification from the Regulator is: *a) the legal person that owns the electricity Transmission System Operator should not have the right to directly or indirectly control the production, distribution and supply activities or vice-versa”;*

Article 8, point 2, letter “b” of the Regulation provides: *“The legal entity that owns the Transmission System Operator for Electricity does not appoint, control or is a member of the board or management structures in the generation, distribution, supply activities or vice versa, as well as does not have the right to vote or the right of the majority of shares”;*

This requirement of the Regulation has found a solution within the provisions of DCM No. 317, dated 27/04/2016 “On defining the Public Authority representing the state as the owner of the companies of the electricity sector” and Instruction No. 4911, dated 14/06/2016 of the Ministry of Economic Development, Tourism, Trade and Entrepreneurship on appointing the new members of the Supervisory Board of the OST explained in details hereinabove.

Based on article 54/1 of Law No. 43/2015 "On the electricity sector", the Transmission System Operator exercise its own activity independent of other activities in the electricity sector such as the production, distribution, trade and supply of electricity, and in accordance with the principles and requirements prescribed by this law.

Currently, OST is licensed for the electricity transmission activity referring to ERE Decision No. 24, dated 26/03/009 "On renewing the license for electricity transmission activity". Regarding the other activities, such as production, distribution, trade and supply, it does not result for OST to operate such activities.

4. The OST is co-owner with equal votes of the company "Zyra per Koordinimin e Ankandevne ne Europen Jug-Lindore "Coordinated Auction Office in South East Europe (SEE CAO)". The SEE CAO is established as a company with limited liabilities, registered with the Central Business Register of Podgorica, Montenegro, with its head seat in Podgorica, Montenegro. SEE CAO performs the following services: the available allocation of the transmitted capacity (ATC) by Auction processes defined with the Auction Regulation, in both directions between the co-owners. SEE CAO is directed by a Board of Directors where each founding company defines its representative in the Board of Directors responsible for selecting the company's Executive Director. Regarding the business relations between SEE CAO and co-owner TSOs, we explain that SEE CAO acts as an agent to all TSOs, by performing in the name of the SEE CAO and for the account and interest of the TSOs the capacities allocation auctions. This relation is regulated according to the definitions set out in the service agreement. While the contractual agreement for the capacities allocation of the interconnection is regulated between SEE CAO and the winners from the auctions results.

5. The OST is organized and operates as a joint stock company according to Law No. 9901, dated 14/04/2008, "On merchants and commercial companies", as amended, the company's articles of association and its internal acts. The company's Managing Bodies are: the General Assembly, the Supervisory Board and the Administrator which exercise their competences according to the definitions of the above-mentioned Law and the Company's Articles of Association.

Referring to point 2 of DCM No. 317, dated 27/04/2016 "On defining the public authority representing the State as the owner of the company of the electricity sector", the public authority representing the State as the owner of shares of OST is the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (MZHETTS) (now the Ministry of Finance and Economy), which acts as the sole shareholder of the OST sh.a., taking any decision in the competence of the General Assembly in a joint stock company according to the provisions of Law No. 9901, dated 14/04/2008, "On merchants and commercial companies" as amended.

Referring to article 135 point "b" which defines that the General Assembly takes decisions for appointing and dismissing the administration board members (one-tier system) and the supervisory board members (two-tier system) as well as article 13 of the Articles of Association of OST which defines that the Supervisory Board is composed of 6 (six) members appointed by the General Assembly. MZHETTS, as the General Assembly, has appointed the Supervisory Board members of OST, respecting the provisions of point 3, under DCM No. 317, dated 27/04/2016, "On defining the public authority representing the State as the owner of the companies of electricity sector" and the provisions of article 54 of Law No. 43/2015, as explained in details hereinabove.

Pursuant to article 158 of the Law which defines that the administration board nominate one or more natural persons as the company administrators for a term established by the articles of association, not exceeding 3 years, as well as article 20.1 of the Articles of Association of the OST which defines that the Supervisory Board appoints the Company Administrator, upon Decision No. 17, dated 30/06/2017, the OST administrator is reappointed from the new abovementioned Council.

6. The OST Organizational chart approved upon Supervisory Board Decision No. 30, dated 11/10/2017, is conceived with some directorates performing the administrative functions depending on the company Administrator and 4 departments, three out which are directly related to the fulfilment of the obligations defined under article 56 and 57 of the Law on the electricity sector and 1 department covers the administrative functions and the daily services in the company. The company's organizational chart is as follows:

- Cabinet
- Economic Directorate
- Legal Directorate
- International Projects Directorates
- Directorate of Transmitted, Lost and Imbalance Energy
- System Operator Department
- Market Operation Department
- Transmission Grid Department
- Administration Department

The Directorate of Transmitted, Lost and Imbalances Energy is organized as a separate directorate because of its importance and as a structure charged for ensuring energy for the losses and the ancillary services in the energy market by competitive and transparent procedures and ensuring the system balancing through the organization and operation of the disbalances market, it is considered as a necessity imported by the new electricity sector law and a necessary condition for the well-functioning of the electricity sector in a transparent way in order to avoid any discrimination.

The International Projects Directorate which guarantees the optimal implementation of the network development projects financed by the international donors' community follows and implements the respective legislation to fulfil and implement the foreign project from the initial stages of funding to the completion and delivery of work.

The System Operation Department ensures the continuity and reliability of electricity supply performing the coordination of the work in the electricity production, transmission and distribution system, implementing the Transmission Grid Code, Albanian Electricity Market Model and Rules and all the laws, bylaws and the regulations in force. This department includes 3 directorates: The Directorate of Standards and Codes, Operations Directorate and Market Monitoring Directorate.

The Market Operation Department is composed of two directorates: Market Monitoring Directorate and Market Administration Directorate. It is conceived as an entity that is legally and financially unbundled by OST, upon Decision of the Council of Ministers, according to the provisions of article 57/2 under Law No. 43/2015. This department, according to the rights and obligations provided by the Law, is charged for the electricity market operation, organization and administration of financial statements for electricity between the market participants, keeping the accounts on the name of trading parties for the sale-purchase of



electricity transactions between the parties, management of the process to register the parties in the market, management of the proposal process, approval and any amendment of the Market Rules in compliance with the Law, etc.

The Transmission Grid Department manages and supervises the project, construction and maintenance activities of the Transmission Grid (lines, substations and communication means) which guarantee the electricity supply in a safe and efficient way.

This department includes three directorates:

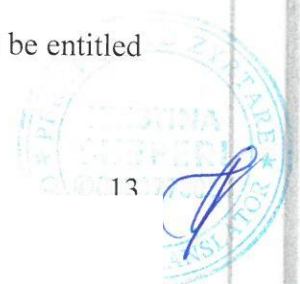
- The System Development Directorate which is responsible for the project, construction and modification of the OST Transmission Grid (lines, substations and ancillary facilities) in compliance with the defined plans of the investments and reinforcements, adapting them with the system planification requirements and with the technical, financial and environmental specifications of the company; follows the progress and implementation of the projects drafted or adopted by this directorate, defines OST environmental policy and ensures its implementation to minimize the environment impact of its activities and facilities and performs the legal actions and drafts the necessary documentation for opening the expropriation procedures and real estate registration of OST.
- The Directorate of Transmission Utilization and Maintenance utilizes and maintains the 400 kV, 220 kV, 154 kV and 110 kV transmission lines and connecting substations between each other and the substations near electricity production resources with a high voltage of 220 kV; utilizes and maintains the telecommunication system of OST sh.a. and KESH sh.a.; utilizes and maintains the electricity metering system in the facilities within OST and especially at the interconnection lines and the boundaries with OSHEE and KESH production facilities and maintains the protection relay system; and
- The Directorate of Monitoring and Regional Coordination that is the structure responsible for coordinating and monitoring the activities between “the Directorate of Transmission Utilization and Maintenance”, its subordinate sectors, Planification Operation Unit and Project Management Unit as well as their subordinate sectors.

The organizational structure of the company is attached as an Annex of this Program.

III. OST UNBUNDLING AND INDEPENDENCE

A. OST Unbundling

1. OST shall be unbundled from other activities not related to the transmission of natural gas in compliance with Article 36 of the Law No. 102/2015 “On the Natural Gas Sector”.
2. OST shall be a separate legal entity which is not part of the vertically integrated companies or part of the structure and which does not perform nor is engaged in activities of production and/or supply of natural gas and electricity.
3. To ensure a proper unbundling of the OST, the same person or persons shall not be entitled at the same time:



- a. directly/indirectly exercise control over decision taking of a licensee, perform any of the functions of production or supply of natural gas and/or electricity and exercise control or any other right over the Transmission System Operator or the transmission system;
 - b. directly or indirectly exercise control over the Transmission System Operator or over the transmission system, and directly or indirectly exercise control or exercise any right over a licensee performing any of the functions of production or supply of natural gas and/or electricity;
 - c. appoint members of the supervisory board, the administrative board or bodies legally representing the Transmission System Operator or the transmission system, and directly or indirectly exercise control or exercise any right over a licensee performing any of the functions of production or supply of natural gas and/or electricity; and
 - d. be a member of the supervisory board, administrative board or other bodies representing the licensee at the other licensees performing any of the functions of production or supply of natural gas and/or electricity and of the Transmission System Operator or the transmission system.
4. The rights referred to in Paragraph 3 shall include, in particular:
- 4.1. the power to exercise voting rights;
 - 4.2. the power to appoint members of the supervisory board, administrative board or bodies legally representing the company;
 - 4.3. the right of holding a majority share.

B. Managerial independence of the OST

1. The OST's managers, such as the Chair and Members of the Supervisory Board, the Administrator and managing staff (heads of structural units) shall be independent from the vertically integrated companies or any part thereof. For this purpose, the following requirements shall be implemented:
- a. OST's managers shall not be employed or otherwise professionally engaged by the vertically integrated companies or any part thereof;
 - b. OST's managers' salaries shall be established based on the activity or performance of vertically integrated companies, but based on the structure and Instruction on salaries for the OST sh.a. personnel, as specified in the internal acts of the company and in the respective employment contracts;
 - c. The OST's managers shall hold no interest or receive any financial benefit, directly or indirectly, from the vertically integrated companies or any part thereof.;
 - d. Transfer of the OST's managers to the vertically integrated companies or to any part thereof, and vice versa, shall be made as per the transparent conditions clearly spelt out in the OST's internal acts and individual employment contract and shall be duly followed accordingly;
 - e. OST shall not hold any shares of the vertically integrated companies or of any part thereof;

C. Operational and decision making independence of OST

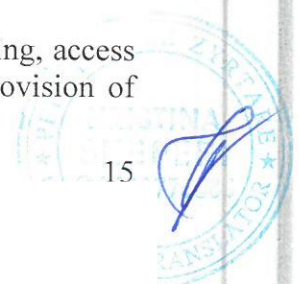


5. The OST shall act as a transmission system operator for electricity under the terms and conditions stipulated under the Law No. 43/2015 “On the Electricity Sector”, other applicable legal acts and the Transmission Grid Code.
6. The OST shall inter alia be responsible for granting and managing third-party access, including collection of access charges and congestion charges, for operating, maintaining and developing the transmission system, as well as for ensuring the long-term ability of the transmission system to meet reasonable demand through investment planning.
7. When developing the transmission system, the OST shall be responsible for planning, construction and commissioning of the new infrastructure.
8. The OST shall be independent in the investment planning as regards the transmission system pursuant to the requirements of the Law No. 43/2015 “On the Electricity Sector” and other applicable legal acts, and shall therefore comply with the ten-year transmission network development plan approved and monitored by the Energy Regulatory Authority (hereinafter – “ERE”).
9. OST shall maintain at its disposal the required financial, technical, physical and human resources to carry out its tasks as the transmission system operator for electricity in compliance with the requirements for its independence set on Paragraphs 15-18 of this Program.
10. None of the OST operational activities and/or decision-making rights may be affected by commercial or any other interest of the vertically integrated companies or any part thereof.

IV. EXCLUSION OF THE DISCRIMINATORY CONDUCT

A. Access to the transmission system

11. OST shall ensure equal access to the transmission system to all participants and network users who meet the requirements set forth under the Law No. 43/2015 “On the Electricity Sector”, other applicable legal acts and the Transmission Grid Code.
12. OST may refuse granting the access to the transmission system only on the grounds and in cases directly specified under the Law No. 43/2015 “On the Electricity Sector”, other applicable legal acts and the Transmission Grid Code.
13. Granting access to the transmission system or refusal to grant such an access, as well as provision of the OST’s services shall not result in any preferential treatment of individual participants and network users or, on the contrary, shall not be discriminatory towards any of such individual participants or network users.
14. OST employees shall deal with the requests for the OST services received from participants or network users in a fair and non-discriminatory manner, not favoring any individual participant or network user that could result in an unfair commercial advantage.
15. Paragraphs 23 and 24 shall apply to the procurement and sale of services, pricing, access to exclusive services and customer services, including the promptness of the provision of individual services and their efficiency.



16. Tariffs and other charges for OST services shall be regulated under the terms and conditions stipulated in applicable legal acts, and shall be published on the OST website and equally applied to all participants and network users matching respective criteria set in applicable legal acts and the Transmission Grid Code.

B. Competition and commercial relations

17. OST activities shall not restrict or otherwise adversely affect fair competition in the electricity market.

18. Any commercial and financial transactions by the OST, including loan, credit and other financial agreements, as well as all transactions with unrelated companies shall be arranged exclusively on market conditions and in no case they may adversely affect the OST's independence.

19. In accordance with the obligations provided under the legal acts and bylaws, OST shall notify ERE of any concluded commercial and financial transactions referred to in Paragraph 28 and, upon ERE's request, provide copies of such transactions and relevant source documents commercial offers, statements of acceptance, memoranda, invoices, etc.

20. Copies of all contracts concluded by OST with other participants, network users and/or other third parties and relevant source documents (commercial offers, statements of acceptance, memoranda, invoices, etc.) shall be diligently stored and archived at the OST's premises and shall be available to the OST's compliance officer (hereinafter –“the Compliance Officer”).

C. Conflict of interest

21. Conflict of interest cases shall be handled pursuant to Law no. 9367, dated 07/04/2005 “On prevention of conflict of interest in the exercise of public functions”, as amended, Law no. 9049, dated 10/04/2003 “On the declaration and audit of assets, financial obligations of elected persons and certain public officials”, as amended, bylaws issued in their application, Code of Ethics for OST employees as well as the definitions of this Program.

22. In case of an existing or potential conflict of interest, the OST's manager or employee shall notify the OST's General Manager and the Compliance Officer without any delay, but in any case not later than the next business day, after he/she became aware of an existing conflict of interest or of any circumstance that may potentially cause a conflict of interest.

23. A conflict of interest shall mean any situation in which an occurred personal interest of the OST's manager or employee, whether directly or through other related persons, or potentially may be incompatible with the OST's unbundling, independence, market conduct and/or operational activities of OST company or in which the OST's manager or employee is or potentially may be in a position to derive a personal benefit from actions or decisions made in his/her official capacity as the OST's manager or employee.

24. Within 10 (ten) days upon the notification of the conflict of interest, the OST's manager or employee in question shall hold consultations with the OST's General Manager and the

Compliance Officer in order to prevent or eliminate the conflict of interest, or to terminate the employment or other relevant professional relations with the OST in case of the failure or unwillingness of such a manager or employee to resolve the existing or potential conflict of interest.

55. All employment contracts concluded between the OST and its managers or employees, as well as professional instructions for appointed managers shall provide the possibility of termination of employment contracts or removal from the office of an appointed manager at the discretion of the OST in case of the failure to prevent or resolve the conflict of interest or unwillingness of a manager or employee to resolve the existing or potential conflict of interest.

V. INFORMATION POLICY OF THE OST

A. Provision of information

26. The OST shall provide the operational and other relevant information of the transmission system and its services which is not protected as commercially sensitive information under the terms and conditions of applicable legal acts and this Program. Provision of information shall be done in a fair, transparent and non-discriminatory manner. The OST shall prevent any provision of information in a way that could, directly or indirectly, bring competitive advantage to any individual participant or network user. Public information shall be published on the OST's website, as required by the Law No. 43/2015 "On the Electricity Sector" and other applicable legal acts.

27. The OST shall provide any other transmission system operator, neighboring transmission system operators with sufficient information to ensure safe and efficient supply of electricity between interconnected electricity systems. Such information shall be provided under the terms and conditions stipulated under the Law No. 43/2015 "On the Electricity Sector", other applicable legal acts and relevant network codes.

28. The OST shall provide participants and network users with information necessary for efficient and unrestricted access to the transmission system. Such information shall be provided in an understandable and clear form and in a non-discriminatory manner under the terms and conditions stipulated in the Law No. 43/2015 "On the Electricity Sector", other applicable legal acts and the Transmission Grid Code.

B. Confidentiality of information

29. The OST shall ensure the confidentiality of commercially sensitive information obtained by OST in the course of its operational and/or commercial activities, and shall take all reasonable and prudent measures to prevent commercially sensitive information regarding its own activities which may contain commercial value for other persons from any discriminatory disclosure.

30. For the purposes referred to in Paragraph 38, commercially sensitive information shall mean:



30.1. Information about management, operation and development of the transmission system, except for public information defined as such by the Law No. 43/2015 "On the Electricity Sector" and this Program;

30.2. Information containing trade secrets and other commercially sensitive information obtained by the OST in the course of carrying out its activities;

30.3. Other information of commercial, financial or technical nature that came to the knowledge of the OST's managers or employees in the course of and due to carrying out their professional activities, which is commercially sensitive and may, if obtained by certain participants, provide for a competitive advantage in the natural gas market; and

30.4. Information classified as confidential or in confidentiality and/or non-disclosure agreements concluded by the OST.

31. The OST shall not disclose commercially sensitive information to any third party, except where:

31.1. Disclosure of information is expressly required by law, provided that such a disclosure takes place in the legally stipulated manner.

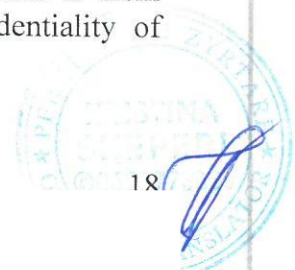
31.2. A prior written consent for disclosure is given by the person to whom the OST has the obligation to preserve the confidentiality of information; or

31.3. When the information is no longer confidential due to its lawful public disclosure.

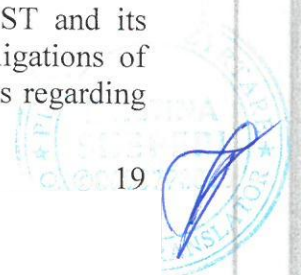
32. In case of disclosure of commercially sensitive information by the OST to any third party under conditions stipulated in Paragraph 30, such a disclosure shall take place to the extent necessary for the OST to provide its services and shall be in conformity with the confidentiality and/or non-disclosure agreement establishing the obligation of a third party regarding confidentiality of information received from the OST, as well as establishing liability of such a third party in the event of non-performance or improper performance of its confidentiality obligations.

33. The OST shall preserve confidential information qualified as such under relevant contracts. Such contractual parties shall also ensure that their managers and employees, who receive confidential information from the OST, maintain confidentiality regarding any such information and do not disclose it to any third party unless otherwise expressly stipulated in relevant contract. Obligation to preserve confidentiality of information shall last during the entire period of contractual relations and after their termination until relevant confidential information becomes publicly disclosed in a lawful manner.

34. Pursuant to the provisions of the Code of Ethics for OST's employees, company's internal regulations and the provisions of this Program, OST managers or employees shall ensure the confidentiality of commercially sensitive information which is available to them because of their professional duties. In particular, in order to secure confidentiality of commercially sensitive information the OST's managers and employees:



- 34.1. Shall not leave the materials containing commercial sensitive information (i.e documents, electronic data storages, computers, tablets, smart-phones, etc.) unattended in public places;
- 34.2. Shall not discuss commercially sensitive information in public; and
- 34.3. When using electronic mail or any applications of online communication, shall carefully check the content of messages and addresses of recipients to avoid possible disclosure of commercially sensitive information to any third party.
35. Any written documents of the OST containing commercially sensitive information shall be marked as such on their cover page.
36. Access rights to the OST's information systems and databases, as well as access rights to shared disk drives and files shall be set so as not to favor any participant or network user. For this reason, any online transactions or actions posing a risk of disclosure of commercially sensitive information shall be clearly identified and a list of active access authorizations shall be maintained by the Compliance Officer and updated annually or, when necessary, more frequently.
37. All OST's managers and employees, its authorized representatives, auditors and advisers shall not disclose commercially sensitive information to any third party throughout the duration of their appointment, employment or collaboration with the OST and at least 3 (three) years onwards after the termination of such appointment, employment or collaboration unless:
- 37.1. A prior written consent for disclosure is given by the person to whom the OST has the obligation to preserve the confidentiality of information;
 - 37.2. The information is no longer confidential due to its lawful public disclosure;
 - or
 - 37.3. Disclosure of relevant information is required by applicable law.
38. In case of disclosure pursuant to Paragraph 36, the OST's managers, employees, its authorized representatives, auditors and advisers are obliged to ensure that commercially sensitive information is disclosed to all participants and network users simultaneously so as not to give any respective person an unfair commercial advantage in the electricity market.
39. In compliance with the OST's transparency requirements, it shall be ensured that all participants and network users are treated in a non-discriminatory manner and on equal terms when providing operational and other relevant information concerning the OST's activities. If any commercially sensitive information is to be disclosed, it shall be ensured that all participants and network users are provided with this information simultaneously by publishing it on the OST's website.
40. Confidentiality agreements with the OST's appointed managers, employment contracts with the OST's employees, as well as agreements concluded between the OST and its authorized representatives, auditors and advisers shall provide for relevant obligations of respective managers, employees, authorized representatives, auditors and advisers regarding



confidentiality of commercially sensitive information and shall establish the liability in the event of non-performance or improper performance of such obligations.

41. Any breach of the obligation to preserve confidentiality of commercially sensitive information, as required under this Program and respective contracts, may be qualified as a gross violation of obligations of the OST's manager, employee, authorized representative, auditor or advisor, and may give the OST the right to claim for the compensation of damages.

C. Public information

42. Public information shall mean any information that is generally known as possessing a public character, or any information to which mandatory disclosure requirements established by applicable law are applied. Such information cannot be classified as confidential or commercially sensitive and shall be available to all participants, network users and any other third parties.

43. The OST shall place on its website the following information:

43.1. The list of services offered by the OST, information on tariffs and other conditions of provision of such services, including technical conditions for access and connection to the transmission system;

43.2. The methodology for determination of transmission tariffs and the methodology for determination of the fee for connection to the transmission system;

43.3. Information related to the transmission system capacities and relevant transactions in accordance with the applicable legal acts and their bylaws;

43.4. Data on planned and actual volumes of electricity being transported through the transmission system; and

43.5. Other information specified in the Law No. 43/2015 "On the Electricity Sector", other applicable legal acts and the Transmission Grid Code.

44. The OST shall store the information referred to in Paragraph 42 for 5 (five) years from the date of its placement and shall produce it at the request of competent authorities of the Republic of Albania and of the Energy Community Secretariat.

VI. IMPLEMENTATION OF THE PROGRAM

A. Binding character of the Program

45. Provisions of this Program are binding to all the OST's managers and employees and, in cases referred to in this Program and contracts concluded by the OST or in applicable legal acts, implementation of certain provisions of this Program is binding to the OST's authorized representatives, auditors, advisors, contractors, participants, network users and other third parties.



46. All the OST's managers and employees, its authorized representatives, auditors and advisors shall confirm by signing thereof that they are informed about this Program and shall implement it. In case of changes of or amendments to this Program, the Compliance Officer shall as soon as possible notify the OST's managers, employees, authorized representatives, auditors and advisors of the content of such changes or amendments and respective managers, employees, authorized representatives, auditors and advisors shall confirm by signing thereof that they were duly notified regarding changes of or amendments to this Program.

47. All the OST's managers and employees shall be instructed on the implementation of this Program on a regular basis (at least annually). New managers and employees shall be respectively instructed before starting their mandate or employment. Respective instructions shall be given by the Compliance Officer.

48. If any OST's manager or employee becomes aware of a violation of any provisions of this Program, such a manager or employee shall immediately notify the Compliance Officer.

49. Violation of any provision of this Program may be qualified as a gross violation of obligations of the OST's manager, employee, authorized representative, auditor or advisor, and may give the OST the right to apply disciplinary actions under the terms and conditions stipulated in applicable legal acts, relevant contracts and/or the OST's internal acts.

B. Monitoring the implementation of the Program

50. Continuous monitoring of proper implementation of this Program shall be performed by the Compliance Officer who shall operate on the basis and within the powers provided by the Law No. 43/2015 "On the Electricity Sector" and the contract concluded between the OST and the Compliance Officer.

51. Pursuant to the definitions set out in ERE's decision no. 43, dated 15/03/2015 "On final approval of certification of the Operation Transmission System of Electricity OST sh.a., pursuant to article 54, point 6 of the Law no. 43/2015 "On the Electricity Sector" and article 9, point 6 of the Directive 2009/72/EC, after taking the opinion of the Electricity Community Secretariat", as well as article 21 of the Directive 2009/72/EC, the Compliance Officer shall be appointed by the Supervisory Board of the OST upon Decision no. 20, dated 30/05/2017, subject to the prior approval by ERE with Decision No. 147, dated 28/09/2017. Minimum requirements for the Compliance Officer's professional qualities and other relevant selection criteria shall be established by the Supervisory Board of the OST and approved by ERE.

52. The contract between the OST and the Compliance Officer which has been already approved by ERE, shall encompass the requirements stipulated in article 21 of the Directive 2009/72/EC and of this Program. For this purpose the OST shall provide ERE with all the data and information necessary to justify the compliance with respective requirements. This contract shall be signed by the parties following its approval by ERE.

53. The Compliance Officer shall be independent in carrying out its duties. For this purpose:

53.1. The Compliance Officer shall not perform any other professional duty and shall not be allowed to either directly or indirectly perform any other function or participate in business or be a business partner with any part of the vertically integrated company



or with its majority shareholders, or with any company engaged in activity on the electricity market other than transmission of electricity;

53.2. The Compliance Officer shall have not been performing any other professional duty and either directly or indirectly performing any other function or participating in business or being a business partner with any part of the vertically integrated company or with its majority shareholders for a period of at least 3 (three) years before the date of its appointment as the OST's Compliance Officer;

53.3. Upon termination of contractual relations with the OST, the Compliance Officer shall not perform any other professional duty and shall not be allowed to either directly or indirectly perform any other function or participate in business or be a business partner with any part of the vertically integrated company or with its majority shareholders, or with any company engaged in activity on the electricity market other than transmission of electricity for a period of not less than 4 (four) years; and

53.4. The Compliance Officer shall hold no economic interest in activities of or receive any financial benefit, directly or indirectly, from the vertically integrated companies or any part thereof, or from any company engaged in activity on the electricity market other than transmission of electricity.

54. The Compliance Officer shall have sufficient powers as well as adequate financial and organizational conditions enabling, *inter alia*, to propose measures ensuring implementation of this Program and to require for cooperation from the OST's managers and employees when verifying and ensuring compliance with this Program.

55. Remuneration of the Compliance Officer shall not be based on any performance evaluations by the OST's management. Respective remuneration policies shall be clearly elaborated in the contract between the OST and the Compliance Officer.

56. The Compliance Officer shall have access to all necessary data and premises of the OST and to all information needed to carry out its duties. The Compliance Officer shall have access to the OST's premises without prior notification.

57. The Compliance Officer shall have a right to attend all meetings of the OST's managers and corporate bodies, including the general assembly, supervisory and management bodies, which have the obligation to notify the Compliance Officer of scheduled meetings and to provide with all information and materials necessary to participate at the meeting. The Compliance Officer shall attend all meetings that address the following matters:

57.1. conditions for access to the transmission system and use of the transmission network, in particular regarding prices and services related to access to the transmission system and use of the transmission network, as well as regarding capacity allocation and congestion management, transparency, balancing and secondary markets;

57.2. projects undertaken in order to manage the transmission system and to maintain and develop the transmission network, including investments in cross-border interconnection lines and connections; and



67.3. purchases or sales of energy necessary for the operation of the transmission system, including ancillary services and balancing service.

58. Apart from the right stipulated in Paragraph 56, the Compliance Officer shall have a right to take part in all meetings of the OST's corporate bodies, managers or employees, including operational meetings. Responsible managers and/or employees shall notify the Compliance Officer of scheduled or unscheduled meetings.

59. In order to ensure the implementation and monitoring of this Program and to fulfil its duties, the Compliance Officer shall in particular be in charge of:

59.1. monitoring the implementation of this Program;

59.2. elaborating an annual report, setting out the measures taken in order to implement this Program and submitting it to ERE;

59.3. reporting to competent corporate bodies of the OST and issuing recommendations on this Program and its implementation;

59.4. investigation of and reporting to competent corporate bodies of the OST on any alleged violations with regard to the implementation of this Program, and submission of proposed solutions for necessary remedial measures;

59.5. investigation of potential or existing conflict of interest of the OST's managers and employees, provision of consultations with regard to the prevention of such potential and remedying existing conflict of interest, as well as provision of proposed solutions for necessary remedial measures;

59.6. notifying ERE of any substantial breaches with regard to the implementation of this Program;

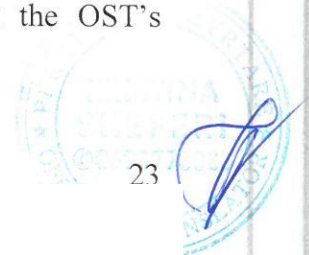
59.7. reporting to ERE on any commercial and/or financial relations between the OST and the vertically integrated company or any part thereof;

59.8. submitting proposals to the OST's competent corporate bodies, following prior approval by ERE, as regards the ten-year transmission network development plan or individual investments in the transmission network;

59.9. monitoring the OST's compliance with the provisions of the Law No. 43/2015 "On the Electricity Sector" and this Program regulating confidentiality in the OST's activities;

59.10. monitoring legislative and regulatory changes relevant for the application and implementation of this Program;

59.11. providing consultations in relation to drafting and approving the OST's internal acts and reflecting legal and regulatory changes in these acts;



59.12. responding to the questions of the OST's managers and employees regarding this Program;

59.13. instructing the OST's managers and employees on this Program, its implementation and, where relevant, its amendments, as stipulated in Paragraph 56;

59.14. coordinating communication with ERE, other competent authorities, participants and/or other third parties with regard to the implementation of this Program.

60. While performing its activities, the Compliance Officer shall be entitled to provide opinions regarding any proposed OST's internal document or action with regard to their compliance with applicable legal acts, including any legal and regulatory changes at stake, and with this Program.

61. The Compliance Officer shall refuse any instruction or request from the OST, its corporate bodies, managers, employees and/or any other representatives which are or potentially may be in conflict with the mandate and/or independence of the Compliant Officer.

62. The Compliance Officer may be dismissed by the Supervisory Board of the OST following the prior approval by ERE on grounds of lack of independence or professional capacities.

C. Reporting on the implementation of the program

63. Each year, no later than by [31 March], the Compliance Officer shall prepare and submit to ERE a report on the OST's compliance with this Program, which shall be published on the OST's and ERE's websites. The first report shall be submitted within 31/03/2019.

64. The Compliance Officer shall submit a report referred to in Paragraph 62 to the Energy Community Secretariat.

65. The Compliance Officer shall report on a regular basis, either in an oral and/or written form, to the competent corporate bodies of the OST with regard to the implementation of this Program.

VII. FINAL PROVISIONS

66. This program shall be approved with the decision of the Supervisory Board of OST company and within 5 (five) days shall be submitted at ERE for approval. This Program shall come into effect the next day after its approval by ERE.

67. Any amendments to this Program shall be accepted and come into effect in the manner specified in Paragraph 65.

Compliance Officer
Brunilda Veizi

