

CENTRAL COUNTERPARTY GENERAL CONDITIONS

Energy Segment

BME CLEARING

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VERSIONS

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20/11/2023	2.0	05/12/2023	Adaptation to CCP RRR standards	1.12 and 1.13
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1. General Characteristic

GENERAL CONDITIONS

Energy Segment



1.1. INTRODUCTION

These General Conditions develop the Rule Book of BME CLEARING, S.A., SOCIEDAD UNIPERSONAL (“BME CLEARING” or “CCP”) in the Energy Segment, pursuant to Article 1.1. of the Rule Book of BME CLEARING, and therefore are a part of the Rule Book and regulations. These General Conditions identify the Contracts belonging to the Energy Segment and determine the functions that BME CLEARING will perform in relation to the same.

Included in the Energy Segment are the Transactions on MIBEL Electricity Contracts and Gas Contracts which are detailed under section 1.4.

These General Conditions are structured in separate sections, the first one being General Characteristics which are applicable to all Contracts of this Segment. Subsequent sections refer to specifications of each one of these Contracts.

These General Conditions, as well as the sections relating to each of the Contracts, as the case may be, will enter into force, on the date to be determined which will be published in a Notice, once the pertinent authorisation is received.

As a result of the Registration of Contracts of the Energy Segment, the parties (BME CLEARING, the Members and Clients) acquire the rights and obligations set in the Rule Book and in these General Conditions.

1.2. REGULATION APPLICABLE TO THE ENERGY SEGMENT

In its role as Central Counterparty for contracts in the Energy Segment, BME CLEARING shall be subject to the provisions of the BME CLEARING Rule Book, with the particularities contained in the General Conditions of each Contract in relation with the following chapters of the Rule Book:

General Provisions. - The General Provisions of the Rule Book will be applicable, articles 1 and 2, with the particularities established in these General Conditions. The definitions described in these General Conditions shall apply with regards to the regulation of the Power and Gas Contracts.

Participants. - The Member and Client regime contained respectively in Chapter 2, articles 3 to 9, both inclusive, and in Chapter 4, articles 15 to 17, both inclusive of the BME CLEARING Rule Book.

The present General Conditions establish specific requirements for Members and Clients, pursuant to articles 3.4 and 18.2.I) of the BME CLEARING Rule Book.

The solvency requirements of Members shall be as laid down in these General Conditions, in accordance with articles 4.2, 4.3 and 6.4.c of BME CLEARING Rule Book.

These General Conditions contain specific requisites applicable to the contractual relationship between Non-Clearing Members and their Clients which are holders of ISA Agency Accounts, according with articles 7.3.p) and 16.3 of the Rule Book.

Registration. - The regime envisaged for Registration in Chapter 6 of the BME CLEARING Rule Book shall also apply to the aforementioned Central Counterparty activity, including the regulation from Article 19 to Article 25 of the BME CLEARING Rule Book, both inclusive, with the particularities established in these General Conditions pursuant to Article 18.2 E) of the Rule Book.

Central Counterparty. - The regulation of the Central Counterparty function and the regime for the posting of collateral by participants shall apply as set forth in Chapter 7 of the aforementioned Rule Book, including Articles 26 to 33 of the BME CLEARING Rule Book, both inclusive, with the particularities foreseen in these General Conditions pursuant to Articles 18.2 F) and 31 of the Rule Book.

Clearing and Settlement. - The Regulation of the Central Counterparty function in relation to Clearing and Settlement of Contracts in this Segment shall apply as set forth in Chapter 7 of the aforementioned Rule Book, specifically in Articles 34 and 37 of the BME CLEARING Rule Book.

In addition, the provisions contained in these General Conditions, established under the article 18.2.C) of the Rule Book, will apply to Settlement.

Default. - The default regime applicable in BME CLEARING as Central Counterparty for this Segment shall apply as envisaged in Articles 38 to 46, both inclusive, Chapter 9, of the BME CLEARING Rule Book, with the particularities established in these General Conditions, under Article 18.2.M) of the Rule Book, with the particularities foreseen in the Contributions for the Continuity of the Service, and Voluntary Contributions pursuant to article 45.8.c) of the Rule Book.

1.3. DEFINITIONS

The terms used in the regulation of Contracts in the Energy Segment have the meaning as specified in the Rule Book, except where a different scope or meaning in this section of these General Conditions. The following terms shall also apply:

Underlying Asset: Power or Gas which is the object of a Contract.

Underlying Asset of Natural Gas or Liquefied Natural Gas: Title (ownership) over Natural Gas or Liquefied Natural Gas which may be acquired or disposed of by means of a title Transfer in accordance with the gas system Regulations.

Underlying Asset of Electricity or Power: The underlying asset is the delivery of notional electricity, during all the relevant hours depending on the type of product, on the Polo español del Mercado Ibérico de Energía (MIBEL).

Settlement Bank: for the purposes of the Energy Segment, the entity which, in compliance with the eligibility criteria established by BME CLEARING by means of a Circular, provides the accounts for the deposit of the cash Margins.

Close a Contract: To perform a Transaction of opposite sign to another already registered.

Contract: Power Futures Contract, Natural Gas or Liquefied Natural Gas Futures Contract, Natural Gas or Liquefied Natural Gas Spot Contract, Natural Gas or Liquefied Natural Gas Loan Contract and Natural Gas or Liquefied Natural Gas Deposit Contract. It is also a generic term used in these General Conditions synonym of Transaction.

Futures Contract or Future: Forward contract whereby the buyer is obliged to buy the Underlying Asset and the seller must sell it at an agreed price on a future date (Settlement Date). Since the Settlement of the Contract may be done in cash, the obligation of buying and selling may be substituted by the obligation of fulfilling the Cash Settlement.

Power Contract: Generic term which refers to all Contracts with Underlying asset of Electricity.

Gas Contract: Generic term which refers to all Contracts with Underlying asset of Natural Gas or Liquefied Natural Gas

Settlement Bank Accounts: For the purposes of the Energy Segment, an account opened by BME CLEARING in a Settlement Bank for the posting of the cash Margins, which may be broken down into segregated sub-accounts, each of them being assigned to each Clearing Member that so requests.

Settlement Date: Date on which the settlement of a Contract takes place. The Exercise Date shall be set forth in the General Conditions of each Contract.

Expiration Date: Date on which a Contract expires. The Expiration Date of each Contract shall be set forth in these General Conditions.

Variation Margin: Regular cash settlement of the differences between the Contract Price and the Settlement Price, or between the last Settlement Price and that of the calculation date for Contracts which were already be open at the start of the calculation date. After this process, all affected Contracts shall be considered agreed at the Settlement Price. These General Conditions, in the technical specifications of each Contract may set forth that the Variation Margin be incorporated to the Initial Margins, in which case, this concept will be called Market Value Adjustment.

The Variation Margin shall be made with the regularity set forth in these General Conditions for each Contract. Unless otherwise expressly provided, the Variation Margin shall be made on a daily basis.

Cash Settlement: Procedure whereby performance of the Contract on the Settlement Date takes place only by transferring cash for the difference between the price or prices agreed in the Contract and the Settlement Price.

MEFF: MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A., Sociedad Unipersonal, a regulated market with which BME CLEARING has signed an agreement to act as CCP in accordance with Article 27 of the Rule Book.

Trade: Generic term which refers to any act of Registering, Clearing or Settlement which is done in respect to Transactions where BME CLEARING acts as CCP, pursuant to the Rule Book and complementary regulations, and derives in making book-entries to the Accounts.

Trading Venue: Regulated market (different to MEFF), Multilateral Trading Facility (MTF) or Organized Trading Facility (OTF) with whom BME CLEARING has signed a clearing agreement in order to act as CCP as per article 27 of the BME CLEARING Rule Book, mentioned in the corresponding circular.

Settlement Price: Price based on which a Cash Settlement is calculated, either on the Expiration Date or in advance.

Settlement Price at Expiration: Price based on which a Cash Settlement is calculated on the Expiration Date of the MIBEL Power Contracts, or price on which an outstanding amount is calculated in the Settlement by Physical Delivery at Expiration of the Future Contracts, according to the terms established in these General Conditions for each type of Contract.

Periodical Settlement Price: Price based on which the Variation Margin and the Margins are calculated, with the regularity determined in these General Conditions of the Contracts for each Contract.

Daily Settlement Price: Price based on which the Variation Margin and the Margins are calculated, on a daily basis.

Transaction: Generic term which refers to trading on Financial Instruments or Contracts as BME CLEARING determines, where BME CLEARING acts as CCP, pursuant to the Rule Book, these General Conditions and complementary regulations.

In all that concerns or refers to Contracts belonging to the Energy Segment, the following is applicable:

The term Transaction used in the Rule Book has the meaning foreseen in these General Conditions.

References made in the Rule Book and General Circulars with regards to demanding or delivering Financial Instruments or assets, must be understood as referring to the Delivery of the Underlying Asset of the Gas Contracts, in the terms set forth in these General Conditions.

ETD transaction: Transaction on a Financial Instrument or Contract admitted for negotiation in MEFF or in a Trading Venue, and which results from trades executed according to the different systems and operative processes determined by MEFF or such Trading Venues.

OTC transaction: Transaction on a Financial Instrument or Contract which results from trades executed outside a Trading Venue, in relation to Financial Instruments or Contracts admitted or not to negotiation in such Trading Venue.

1.4. CONTRACTS

The following Transactions and Contracts with Underlying Assets Power and Gas are part of the Energy Segment. Their general characteristics are defined in these General Conditions:

1.4.A) ETD on the following Contracts admitted for negotiation at MEFF with whom BME CLEARING has reached the corresponding agreement to act as Central Counterparty:

- Sales and purchases on MIBEL Power Futures Contracts:
 - MIBEL Electricity Futures, and
 - MIBEL Electricity Swaps.

1.4.B) ETD and OTC Transactions on the following Contracts admitted for negotiation in the Trading Venues identified in the corresponding Circular:

- Sales and purchases on Gas Futures Contracts:
 - Natural Gas Futures, and
 - Liquefied Natural Gas Futures or LNG Futures.
- Spot Contracts on Natural Gas or LNG

1.4.C) OTC transactions on the following Contracts:

- Loan Contracts on Natural Gas or LNG, and
- Deposit Contracts on Natural Gas or LNG.

1.5. SERVICES AND DUTIES OF BME CLEARING

BME CLEARING shall perform the following functions on listed Contracts in the Energy Segment, subject to the provisions of the BME CLEARING Rule Book, the provisions of these General Conditions and of the correspondent Circulars:

Registration

ETD Transactions on the Contracts referred to in the previous section 1.4.A) and 1.4.B) will be booked in the Trades Register of BME CLEARING, under art.20.1 A) of the Rule Book, once BME CLEARING has accepted the Communication for Registration (block trade) undertaken by MEFF or by the corresponding Trading Venue.

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OTC Transactions on the Contracts referred to in the previous section 1.4.B) and 1.4.C) will be booked in the Trades Register of BME CLEARING, under art. 20.1 B) of the Rule Book, once BME CLEARING has accepted the Registration Request in accordance with the procedures established in these General Conditions and developing Circulars, with the particularities established in section 3.8 with regards to the Initial Transaction of the Loan and Deposit Contracts.

Counterparty

BME CLEARING will act as Central Counterparty for these Contracts according to art. 28.1 A) and 28.1 B) of the Rule Book, from the moment in which the ETD and OTC Transactions are registered in the Accounts of the Central Register.

Clearing and Settlement

The functions of Clearing and Settlement of BME CLEARING with regards these Contracts will be carried out according to arts. 34 and 35 of the Rule Book, as described in these General Conditions.

1.6. MEMBERS

BME CLEARING Clearing Members, Non-Clearing Members and Ordinary Non-Clearing Members, which have applied for admission in this Segment, will have access to the services of BME CLEARING on the Energy Segment Contracts, to the extent determined by the kind of membership, and in accordance with the specific requisites which as set forth in art. 18.2.I) of the Rule Book, are established in the following sections 1.7 and 3.3 of these General Conditions.

Unless a particular rule is specifically established, the references in these General Conditions to Non-Clearing Members and Ordinary Non-Clearing Members include (with the exception of the references to Clients), the Proprietary Non-Clearing Members and Proprietary Ordinary Non-Clearing Members.

The limits to the open Positions of Members shall be established by Circular under the terms of the Rules and General Conditions.

Members will need to make available to BME CLEARING, in relation to the Contracts belonging to this Segment, all information required by BME CLEARING, with the timing and formats set for each case, to comply with the CNMV or Competent Authority on BME CLEARING requirements on Transactions performed by those Members.

The solvency requirements for Members to act in BME CLEARING in relation to Contracts in this Segment shall be as determined in these General Conditions.

- a) Proprietary Non-Clearing Members and Proprietary Ordinary Non-Clearing Members shall maintain an equity level in accordance with requirements

established by BME CLEARING by Circular, with a minimum of Euro FIFTY THOUSAND (50,000 €).

- b) To become an Individual Clearing Member, interested entities must have minimum equity of Euro THREE AND A HALF MILLION (3,500,000 €).
- c) To become a General Clearing Member, interested entities must have minimum equity of Euro TWENTY-FIVE MILLION (25,000,000 €).

BME CLEARING may establish via Circular alternative Funds and requisites to those amounts of minimum equity level, which must provide with an equivalent level of solvency, availability and financial assurance, maintaining in any case a minimum equity level requirement of 20% the amounts indicated above, for each type of Member.

1.7. NON-CLEARING MEMBERS AND ORDINARY NON-CLEARING MEMBERS THAT ARE NOT INVESTMENT SERVICES COMPANIES OR CREDIT INSTITUTIONS

Entities that are not investment services companies or credit institutions requesting being a Non-Clearing Member or an Ordinary Non-Clearing Member for the Energy Segment must comply with the following requirements, as established in articles 3.1.e) and 18.2.l) of the Rule Book, in addition to the requirements which may be established for Members with regards each Contract type in sections 3.3 of these General Conditions:

Experience and professionalism

Prove previous use of similar products to the ones described in these General Conditions in OTC markets or being familiar with the underlying electricity or gas market. Certain criteria shall be taken into account, such as the entity's corporate purpose, activity range, accessibility to the Underlying Asset spot market, or participation in similar derivatives markets.

The following types of entities are understood to comply with this condition:

- a) Those which are normally and indistinctively in the business of energy (Power or Gas) production, commercialization, distribution, dealing, or strategic reserve.
- b) Those entities which, being part of a group of entities that carry out any of the said activities in the previous section, have the corporate purpose of doing business in MEFF or in the Trading Venues which have agreements with BME CLEARING.
- c) Those entities whose corporate purpose are doing business in the energy derivatives financial markets and whose members carry out any of the activities mentioned in section a) without forming a group.
- d) Consumers with access to the Underlying Assets Production market according to the applicable legislation.

- e) With regards to Gas Contracts, consumers who are enabled or licensed Users which can perform title Transfers of Gas in the Delivery Areas or Points admitted in Circular “Delivery Areas or Points admitted for each Contract type”, in keeping with the gas system Regulations.

In addition, other entities that meet the aforementioned requirements must provide evidence that they have the minimum operational resources to operate in BME CLEARING. In this respect, their membership of another CCP or Exchange may be taken into consideration.

Solvency

Maintain a minimum equity amount of at least Euro FIFTY THOUSAND (50,000), or any higher quantity which may be established by Circular.

1.8. SETTLEMENT VARIATION MARGIN (APPLIES ONLY TO FUTURES CONTRACTS)

1.8.1 Settlement

1.8.1.1 Settlements carried out by BME CLEARING, resulting from Contracts of the Energy Segment registered in the Accounts, may consist of the following:

- a) Variation Margin
- a) Premiums Settlement
- b) Cash Settlement
- c) Settlement by Physical Delivery of the Underlying Asset
- d) Settlement of fees
- e) Settlement due to change of Margin amounts
- f) Settlements derived from measures adopted in case of Default

1.8.1.2 BME CLEARING shall make, to the relevant Clearing Member, and this to BME CLEARING, payment of any cash Settlement and delivery of the Underlying Asset corresponding to Contracts registered in the Central Register Accounts of the Clearing Members, their Non-Clearing Members, their Ordinary Non-Clearing Members and Clients.

Non-clearing Members and Ordinary Non-Clearing Members will pay Settlements in cash and carry out the delivery of the Underlying Asset corresponding to the Contracts registered in their Accounts to their Clearing Members and the Clients to their corresponding Members, and vice versa.

1.8.1.3 BME CLEARING fulfilment of its obligations with respect to cash Settlements occurs when the cash is made available by BME CLEARING to the corresponding Clearing Member, credited to the Clearing Member, Non-Clearing Member, Ordinary Non-Clearing Member or Client, as the case may be.

Members and Clients shall be deemed to have fulfil its cash Settlement obligations from the moment on which the Clearing Member makes such cash available to BME CLEARING.

Cash Settlement may be performed by the multilateral set-off of cash credit and cash debit balances of each Clearing Member, including fees owed to BME CLEARING. In certain cases, according to procedures established by Circular, cash Settlement may be bilateral.

1.8.2 Variation Margin (applies only to Futures Contracts)

Each day, prior to the Margin calculation, the Variation Margin corresponding to the Futures position for each expiration shall be carried out.

The settlement shall correspond to the net amount of the following operation on each Account:

- a) Futures bought: if the Price of the Futures is lower than the Daily Settlement Price, the sum corresponding to the difference multiplied by the registered MW and the Contract Size amount shall be credited; if the Price of the Futures is higher than the Daily Settlement Price, the sum corresponding to the difference shall be charged.
- b) Futures sold: if the Price of the Futures is lower than the Daily Settlement Price, the sum corresponding to the difference multiplied by the registered MW and the Contract Size amount shall be charged; if the Price of the Futures is higher than the Daily Settlement Price the sum corresponding to the difference shall be credited.
- c) Futures bought and sold on the day of the calculation: the same operations as in a) and b) shall be carried out with the applicable Price of the Futures being the one agreed in each Transaction.

Cash Settlement date shall be the business day following the day of the calculation.

1.9. MARGINS: ELIGIBLE ASSETS AND METHODS OF POSTING

Assets accepted as Collateral

The assets eligible as Collateral shall be established by Circular.

Methods of posting Margins

Securities and assets that BME CLEARING also determines by Circular may be provided as Collateral, in the manner to be determined.

1. General Characteristic

Cash collateral may be provided in accordance with the provisions of the Circular:

- i) on BME CLEARING accounts on the TARGET2 platform for EUR currency
- ii) in the relevant BME CLEARING Settlement Bank Accounts provided by the Settlement Banks for all currencies accepted by BME CLEARING as Collateral.

1.10. INFORMATION BME CLEARING WILL PUBLISH REGARDING THE CONTRACTS

BME CLEARING shall publish daily and historical data of the volume registered, the Position and the Daily Settlement Prices, (including the Settlement Prices at Expiration) of all Contracts admitted in the CCP.

1.11. SPECIFIC REQUISITES IN THE CONTRACTUAL RELATIONSHIP BETWEEN THE NON-CLEARING MEMBER AND ITS CLIENTS

In accordance with Article 7.3.P), in the Energy Segment, Non-Clearing Members must include in their contractual documentation vis-à-vis their Clients, holders of ISA Agency Accounts the specific content mentioned in Article 16.3 of the Rule Book.

1.12. SPECIFIC RULES APPLICABLE IN CASE OF DEFAULT

BME CLEARING may apply, as a Default management measure, the measure of closing out positions and cash settlement (*Tear up* in Default), in those cases in which, after the Default of a Clearing Member, and the corresponding Default management measures have been adopted, it is impossible for BME CLEARING to carry out otherwise the orderly closing of the Positions of the Defaulting Member under market conditions, including the hedging Positions for the default management, provided that the adoption of this measure, due to the volume of the Positions to which it refers, does not compromise the financial soundness of the CCP, and in the opinion of BME CLEARING it is not possible to return to the matching of the Positions registered in its Central Registry.

The procedure for the closing out of Positions and cash settlement (*Tear up* in Default) shall be the same as that applicable to the *Tear up* in Recovery, which shall be as described in the following section 1.13.1 of these General Conditions, *mutatis mutandis*, without it being necessary for the closing of Positions and cash settlement as a Default management measure, the activation of BME CLEARING's Recovery Plan.

1.13. SPECIFIC RULES FOR THE RECOVERY AND RESOLUTION OF BME CLEARING

1.13.1 CLOSING OF POSITIONS AND CASH SETTLEMENT (*TEAR UP IN RECOVERY*)

BME CLEARING may adopt, as a recovery measure, the closing-out of Positions and cash settlement (*Tear-up in recovery*), in the cases in which a Default of a Clearing Member has occurred, and the corresponding Default management measures have been adopted, and it is not otherwise possible to close the Positions of the Defaulting Clearing Member, including hedging Positions for the default management, if any, when the volume of such Positions is so significant that it could jeopardize the financial stability of the CCP, and in the opinion of BME CLEARING it is not possible to return to the matching of the Positions registered in its Central Register.

This recovery measure will entail that the Positions of the Defaulting Clearing Member that could not otherwise be closed, including hedging Positions for default management, if any (Positions to be closed out) are allocated to the Non-Defaulting Clearing Members as to their respective Non-Defaulting Non-Clearing Members and Non-Defaulting Clients, whose net open Position is a Position opposite to that of the Defaulting Clearing Member (affected Members and Clients).

BME CLEARING will proceed to distribute the volume of the Positions to be closed out on a pro rata basis among the affected Members and Clients (with a Position opposite to the Position to be closed out) up to the maximum limit of their Position.

The volume of the Positions to be closed out that is allocated to each affected Member and Client shall be distributed among each of their respective Accounts of the Central Registry with an open Position. The allocation per Account will be made according to the registration type, gross or net, of each Position Account.

In the event that it is not possible to allocate the entire volume of the Positions among the affected Members and Clients, due to the indivisibility thereof, the volume of the positions to be closed shall be allocated in order to the Members or Accounts affected, which have most recently registered a transaction with the opposite sign to the Position to be closed.

One unit of volume will be assigned to each affected Account of the Central Register, with the maximum limit of its corresponding Position.

The *Tear-up in recovery* will be made at the price to be determined by BME CLEARING, according to the procedure and criteria to be established by Circular (*Tear-up Price*).

BME CLEARING may describe by Instruction the details of the procedure to be followed in the application of the *Tear-up in recovery*.

Once this recovery measure has been adopted, and the close out and cash settlement (*Tear-up in recovery*) has been agreed, the calculation of the Settlement of Profits and Losses corresponding to the Futures and Swaps Position for each maturity of the affected Members and Clients and the Defaulting Clearing Member shall be carried out.

For the Futures Contracts Position, the provisions foreseen for the Daily Settlement in section 'Daily Settlement of Profits and Losses' of these General Conditions shall apply, although, instead of the Price agreed in each Transaction described in this section, the *Tear-up Price* shall be used.

Regarding the Swap Contracts Position, the amount in cash that the affected Members and Clients, as well as the Defaulting Clearing Member, shall pay or receive as a consequence of the *Tear-up in recovery*, shall be the difference between the cash of the affected Position and the cash calculated with the *Tear-up Price*.

- The cash valuation of the affected Position of the affected Members and Clients will be the result of applying to the cash of the total Position of each Contract, the ratio of the volume of the Position to be closed over the volume of the total Position of each Contract for each affected Account of the Central Registry.
- The valuation of the Position to be closed of the Defaulting Member shall be the effective value of such Position to be closed.

BME CLEARING will generate a debit or credit Settlement for each affected Central Register Account.

The settlement of Profit and Loss shall be effected on the first Business Day following the date on which the *Tear-up in recovery* is agreed.

Following the calculation of the Daily Profit and Loss Settlement, the Final Net Balance of the Defaulting Clearing Member shall be determined in accordance with the provisions of Article 42.3 and Articles 43 and following of the Rule Book. In the event that the Final Net Balance is in debit, BME CLEARING shall proceed to carry out the default management actions indicated in article 45.8.c of the Rule Book.

1.13.2 CONTRIBUTION TO CONTINUITY OF THE SERVICE AND VOLUNTARY PAYMENTS

According to article 45.8.C, sections 8 and 9, of BME CLEARING Rule Book, the following rules regarding Continuity of the Service and Voluntary Payments will be applicable to the Energy segment.

Definitions

The following terms will apply in relation to this section of these General Conditions:

Available Resources: in relation to any Loss Distribution Period, the amounts available to BME CLEARING to recover the net debit balance caused by the Default, obtained from the actions established in Sections 45.8.C.1 to 45.8.C.6 of the Rule Book and calculated on the Day Preceding Default.

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Total Available Resources ("TAR"): on any day during the Loss Distribution Period, the sum of the Available Resources and any resources obtained from the action established in Section 45.8.C.7 of the Rule Book.

Loss Distribution Day: any business day during a Loss Distribution Period on which BME CLEARING, prior to the Margins and Settlements requirement that the CCP must issue in accordance with its regulation, determines that the CCP Loss Not Covered for that day is greater than zero.

Loss Distribution Period: the period as of, but not inclusive, of the day on which Default is claimed in relation to a Clearing Member, until the day on which the first of the following events occurs:

- i. The day on which all Contributions to Continuity of the Service in relation to this Default have been paid in full.
- ii. The day on which two calendar weeks have elapsed since the declaration of Default.

CCP Loss Not Covered: the amount, calculated on any business day during the Loss Distribution Period, that is the positive difference between the net sum payable, in respect of all the items established in the BME CLEARING Rule Book, by a Defaulting Clearing Member, calculated by BME CLEARING on that day, less the resources obtained from the actions established in Sections 45.8.C.1 to 45.8.C.7 of the Rule Book, still available on that day.

Contribution to Continuity of the Service

On each Loss Distribution Day, each Non-Defaulting Clearing Member must pay BME CLEARING the "Contribution to Continuity of the Service", which will be equal to the product of multiplying the CCP Loss Not Covered on that Loss Distribution Day by the Contribution of the Non-Defaulting Clearing Member to the Segment Default Fund, divided by the total contributions by Non-Defaulting Clearing Members to the Segment Default Fund.

The sum of the Contributions to Continuity of the Service by a Non-Defaulting Clearing Member will not exceed 100% of the contribution to the Segment Default Fund by that Clearing Member.

All calculations stipulated in this section in relation to the Default Fund of Non-Defaulting Clearing Members will be made in due consideration of contributions to the Default Fund made the day before the declaration of Default.

If any amounts are recovered from the Defaulting Clearing Member, they will be allocated in accordance with the provisions of Section 45.8.D of the Rule Book.

Utilisation of Contributions to Continuity of the Service

BME CLEARING will use any other payments it receives as Contributions to Continuity of the Service for the sole purpose of covering any losses incurred by BME CLEARING in relation to the Default, pursuant to the Rule Book.

The amounts paid by Non-Defaulting Clearing Members as Contributions to Continuity of the Service will be considered final, and BME CLEARING will not be obliged to restore these amounts or pay interest on them.

Voluntary Contributions

When, following a Default by one or more Clearing Members, BME CLEARING determines that all the resources obtained from the actions established in Sections 45.8.C.1 to 45.8.C.8 of the Rule Book have been used, and a Net Debit Balance still remains when these resources have been used, BME CLEARING may publish an Instruction informing all Non-Defaulting Clearing Members that it does not have sufficient resources to clear this Net Debit Balance and that consequently it is likely to apply Section C.10 of Article 45.8 of the Rule Book, which would lead to a cessation of activities by BME CLEARING with respect to the CCP Segment or Segments in which the Default occurred, and asking each Non-Defaulting Clearing Member to make a Voluntary Contribution, pursuant to Section 45.8.C.9 of the Regulations, in a bid to cover the Net Debit Balance.

No Clearing Member will be obliged to make a Voluntary Contribution. Any Voluntary Contributions must be made before the end of the business day following notification of the Instruction concerning the Voluntary Contribution. When the Voluntary Contribution has been made, the Clearing Member will not be entitled to ask for it to be returned. BME CLEARING will be entitled to take the decision to accept or refuse any Voluntary Contribution.

If the Voluntary Contributions are sufficient to cover the Net Debit Balance and there are surpluses, the surpluses from the Voluntary Contributions by each Non-Defaulting Clearing Member will be calculated as contributions towards the new Default Fund by these Clearing Members.

2. MIBEL Electricity Contracts

GENERAL CONDITIONS

Energy Segment



2.1. INTRODUCTION

This Part 2 of the General Conditions describes the characteristics of the MIBEL electricity Contracts that belong to the Energy Segment.

2.2. UNDERLYING ASSET AND TYPES OF CONTRACTS

The Underlying Asset of the Power Contracts is notional electricity at a constant power, during all the Relevant Hours of the Delivery Period, according to the type of Contract in the Spanish zone of the Iberian Energy Market (MIBEL).

BME CLEARING will act as Central Counterparty with respect to the Market Transactions on Future Contracts on MIBEL Electricity admitted for negotiation at MEFF and described below.

These General Conditions describe two types of Futures Contracts, called Futures and Swaps for the purposes of these General Conditions.

The difference between Futures and Swaps lies in the Variation Margin and in the Market Value Adjustment, as shown in the following table and, in more detail, in the following sections of these General Conditions

Contract Type	Delivery Period	Variation Margin	Settlement at Expiration	Market Value Adjustment
Futures	Calendar	Yes	By Cascading it is broken down into Quarterly Futures Contracts	No
	Quarter	Yes	By Cascading it is broken down into Monthly Futures Contracts	No
	Month	Yes	Cash settlement with respect to the Settlement Price at Expiration	No
	Week	Yes	Cash settlement with respect to the Settlement Price at Expiration	No
Swaps	Calendar	No	By Cascading it is broken down into Quarterly Swap Contracts	Yes
	Quarter	No	By Cascading it is broken down into Monthly Swap Contracts	Yes
	Month	No	Cash settlement with respect to the Settlement Price at Expiration	Yes
	Week	No	Cash settlement with respect to the Settlement Price at Expiration	Yes
	Day	No	Cash settlement with respect to the Settlement Price at Expiration	Yes

2.3. THE TECHNICAL SPECIFICATIONS

BME The technical specifications of the Futures and Swaps include a full description of these Contracts, for which Registration, Clearing, Settlement and Counterparty is carried out by BME CLEARING.

2.3.1. Technical specifications common to Futures and Swaps

Type of product	<ul style="list-style-type: none"> a) Base-load Product: Delivery/receipt of the Underlying Asset during the Relevant Hours of all the days which are included in the Delivery Period. b) Peak-load Product: Delivery/receipt of the Underlying Asset during the Relevant Hours set in the Contract every Monday, Tuesday, Wednesday, Thursday and Friday which are included in the Delivery Period. c) Wind Profile Product: Delivery/receipt of the Underlying Asset during the Relevant Hours of all the days which are included in the Delivery Period.
Relevant Hours of the Contract	<ul style="list-style-type: none"> a) Base-load Product: From the first hour of the day (that is from 00:00 to 00:59 hours) to the last hour of the day (23:00 to 23:59 hours) of all days included in the Delivery Period. The days we change our clocks to Daylight Saving Time there will either be an additional hour or an hour less. b) Peak-load Product: From the ninth hour of the day (08:00 to 08:59 hours) to the twentieth hour of the day (19:00 to 19:59 hours) of every Monday, Tuesday, Wednesday, Thursday and Friday included in the Delivery Period. c) Wind Profile Product: From the first hour of the day (that is from 00:00 to 00:59 hours) to the last hour of the day (23:00 to 23:59 hours) of all days included in the Delivery Period. The days we change our clocks to Daylight Saving Time there will either be an additional hour or an hour less. d) The hours shall be designated according to the Spanish time (peninsular zone).
Delivery Period	<p>Contracts shall have a Daily, Weekly, Monthly, Quarterly and Yearly Delivery Period, as defined in section 2.3.2 for each Contract type.</p> <ul style="list-style-type: none"> a) The Delivery Period shall be the same day of the Contract for daily Contracts and for the rest of the Contracts the days comprised in the week, month, quarter or year of the Contract, as indicated below. b) Weekly products may be: business week, full week and week-end. c) For Weekly Contracts, the first day of the Delivery Period for the Contract 'business week' shall be Monday and the last day shall be Friday, the first day of the Delivery Period for the Contract 'full week' shall be Monday and the last day shall be Sunday, and the first day of the Delivery Period for the Contract 'week-end' shall be Saturday and the last day shall be Sunday.

- d) For Monthly Contracts, the first day of the Delivery Period shall be the first day of the month and the last day of the Delivery Period shall be the last day of the month in question.
- e) For Quarter Contracts the first day of the Delivery Period shall be the first day of the quarter (January, April, July and October as the case may be) and the last day of the Delivery Period shall be the last day of the quarter (March, June, September or December as the case may be).
- f) For year Contracts the first day of the Delivery Period shall be the first day of January, and the last day of the Delivery Period shall be the last day of December..

Contract Unit	1 MW or 100KW (0.1 MW)
Contract Size	In MWh (or in KWh in case that the registration unit is 100 KW) according to the formula: <i>MW * Number of days of the contract * Number of Relevant Hours of Type of Product</i>
Contract Price	In Euros per MWh (or in Euros per 100 KWh when the registration contract unit is 100 KW) with at least two decimals
Daily Settlement Price	The business day prior to the first day of the Delivery Period
Daily Settlement Price	It shall be approximate to the 'market price'. The criteria shall be established by Circular. It shall be used to calculate the margins
Settlement of Commissions	First business day following the date of the register of the Trade
Margins	Variable in function to the portfolio (see Margin Calculation section). Margins shall be supplied the business day following the date of the calculation as determined by Circular
Procedure of Cascading	Through this procedure, on the date established by these General Conditions, a year or quarterly Contract splits into quarterly or monthly Contracts respectively
Contract Profile	<ul style="list-style-type: none"> a) Base Load Product: Has a flat profile; all Relevant Hours compute the same. See section 2.4. b) Peak Load Product: Has a flat profile; all Relevant Hours compute the same. See section 2.4. c) Wind Profile Product: Has a variable profile; which shall vary in accordance with the wind forecast published by BME CLEARING.

2.3.2. Technical Specifications not common to Futures and Swaps

2.3.2.1. Futures Contracts

Delivery Periods entered in the register	Yearly, Quarterly, Monthly and Weekly.
Final Settlement Price	It is the Daily Settlement Price at which is settled at Maturity. It shall be calculated the same way as the Daily Settlement Price. It is the price at which the yearly and quarterly futures contracts cascading take place (see section 2.5.1).

Variation Margin	It shall be carried out daily, cash settlement with respect to the Daily Settlement Price of the previous session (see section 2.7).
Expiration Date	For Yearly and Quarterly Contracts as prescribed in Section 2.5.1 of these General Conditions and as prescribed in section 2.5.2 for Monthly and Weekly Contracts.
Settlement Price at Expiration	This is the arithmetic average of the daily market hourly price of all the Relevant Hours of the Contract every day in the Delivery Period. Calculated as established in section 2.4 of these General Conditions. (Applicable only to Monthly and Weekly Contracts).
Means Settlement at Expiration	For Yearly and Quarterly Contracts by Cascading, as prescribed in section 2.5.1 of these General Conditions. For Monthly and Weekly Contracts by cash settlement as prescribed in Section 2.5.2 of these General Conditions.

2.3.2.2. Contratos Swap

Delivery Periods entered in the register	Yearly, Quarterly, Monthly, Weekly and Daily
Market Value Adjustment	Added to the Initial Margin. Difference, positive or negative between the Session's Daily Settlement Price and the price registered in each trade multiplied by the registered MW.
Expiration Date	For Yearly and Quarterly Contracts as prescribed in Section 2.5.3 of these General Conditions, and as prescribed in section 2.5.4 for Monthly, Weekly and Daily Contracts.
Settlement Price at Expiration	This is the arithmetic average of the daily market hourly price of all the Relevant Hours of the Contract every day in the Delivery Period. Calculated as established in section 2.4 of these General Conditions. (Applicable to Monthly, Weekly and Daily Contracts)
Means of Settlement at Expiration	For Yearly and Quarterly contracts by Cascading, as prescribed in section 2.5.3 of these General Conditions. For Monthly, Weekly and Daily contracts by cash settlement of the difference between the Contract Settlement Price at Expiration and the registered price in the trade, as prescribed in Section 2.5.4 of these General Conditions.

2.4. SETTLEMENT PRICE AT WEXPIRATION (APPLIES ONLY TO MONTHLY, WEEKLY AND DAILY SWAP CONTRACTS AND MONTHLY AND WEEKLY FUTURES)

Settlement at Expiration of Contracts shall be for differences against the Settlement Price at Expiry, in cash.

- 2.4.1. For Contracts with Flat Profile (Base and Peak Load) Weekly and Monthly products the Settlement Price at Expiration shall be the arithmetic average of the daily

market hourly price of all the Relevant Hours of the Contract every day in the Delivery Period.

- 2.4.2. For Contracts with Variable Profile (Wind Profile) Weekly products the Settlement Price at Expiration shall be the weighted average of the daily market hourly price of all the Relevant Hours of the Contract every day in the Delivery Period. The weighted average will be calculated multiplying the percentage assigned for each hour of the weekly period (published by BME CLEARING) with respect to the total relevant weekly period, times the corresponding hourly price.
- 2.4.3. For Contracts with Flat Profile (Base and Peak Load) daily products the Settlement Price at Expiration shall be the arithmetic average of the daily market hourly price of all the Relevant Hours of the day's contract in question.
- 2.4.4. For Contracts with Variable Profile (Wind Profile) Daily products the Settlement Price at Expiration shall be the weighted average of the daily market hourly price of all the Relevant Hours of the Contract on such day. The weighted average will be calculated multiplying the percentage assigned for each hour of such day with respect to the total hours in the day (published by BME CLEARING by Instruction), times the corresponding hourly price.
- 2.4.5. The daily market hourly price shall be the price published by the Operador del Mercado Ibérico de Energía- Polo Español for that specific day and hours.
- 2.4.6. If different prices are published for the Spanish zone and the Portuguese zone, the price of the Spanish zone published by the Operador del Mercado Ibérico de Energía shall be used.
- 2.4.7. Section 2.6 of these General Conditions governs Market Disruption Events. If a Market Disruption Event is declared, this shall be done as set out in Section 2.6 of these General Conditions, an Early Settlement at Expiration may be performed on the Contracts. Section 2.6 also regulates the criteria that shall be applied to fix the Settlement Price at Expiration in these circumstances.

2.5. MEANS OF SETTLEMENT AT EXPIRATION

2.5.1. Yearly and Quarterly Futures Contracts

Yearly and Quarterly Futures Contracts shall be settled at expiration by Cascading and as follows:

- 2.5.1.1. After the Last Trading Day, year Futures split into quarter Futures.

For example, on the 31th December 2021, the Base Year Futures Contract for 2022 closes splitting into the following Base Quarterly Futures Contracts: the Futures Contract of the first quarter 2022, the Futures Contract of the second quarter 2022,

the Futures Contract of the third quarter 2022 and the Futures Contract of the fourth quarter 2022.

2.5.1.2. After the Last Trading Day, Quarterly Futures close splitting into three Monthly Futures.

For example, on the 31th December 2021, the Base Futures Contract of the first quarter 2022 closes splitting into the following Base Futures Contracts: January 2022 Futures Contract, February 2022 Futures Contract, and March 2022 Futures Contract.

2.5.1.3. For Yearly and Quarterly Futures Contracts, the Expiration Date is the date of the last Trading Day of the Contract.

2.5.1.4. The Cascading of Yearly and Quarterly Futures shall take place at the Final Settlement Price of the closing Contract.

2.5.2. Month and Weekly Futures Contracts

Monthly and Weekly Futures Contracts shall be settled in cash at expiration as follows:

2.5.2.1. Expiration Date shall be the last day of the delivery period, unless this falls on a Saturday, Sunday or bank holiday, in which case it shall be calculated on the first business day following the last day of the delivery period.

2.5.2.2. Settlement shall be calculated as the difference between the Settlement Price at Expiration and the Daily Settlement Price of the previous session multiplied by the registered MW and the Nominal amount of each Contract.

2.5.2.3. Cash settlement date shall be the first business day following the last day of the delivery period, unless the last day of the delivery period falls on a Saturday, Sunday or bank holiday, in which case the cash settlement date shall be the second business day following the last day of the delivery period.

2.5.3. Year and Monthly Swap Contracts

Year and Monthly Swaps shall be settled at expiration by Cascading and as follows:

2.5.3.1. After the Last Trading Day, year Swaps close splitting into four quarterly Swaps.

For example, on the 31th December 2021, the year Base Swap Contract of 2022, closes splitting into the following Base Swap Contracts: the Base Swap of the first quarter 2022, the base Swap of the second quarter 2022, the Swap of the third quarter 2022 and the Swap of the fourth quarter 2022.

2.5.3.2. After the Last Trading Day, Quarterly Swaps close splitting into three Monthly Swaps.

For example, on the 31th December 2021, the Base Swap Contract of the first quarter 2022, closes splitting into the following Base Swap Contracts: the Swap of January 2022, the Swap of February 2022 and the Swap of March 2022.

2.5.3.3. For Yearly and Quarterly Swaps, the Expiration Date is the date of the last Trading Day of the Contract.

2.5.3.4. Cascading shall take place at the registered Price of the trade.

2.5.4. Monthly, Weekly and Daily Swaps Contracts

Monthly, Weekly and Daily Swaps shall be settled in cash at expiration as follows:

2.5.4.1. For Monthly, Weekly and Daily Contracts, the Expiration Date shall be the last day of the delivery period, unless this falls on a Saturday, Sunday or bank holiday, in which case it shall be calculated on the first business day following the last day of the delivery period.

2.5.4.2. It shall be calculated as the difference between the Settlement Price at Expiration and the registered Price of each transaction multiplied by the registered MW and the Nominal amount of each Contract.

- a) BME CLEARING shall carry out a final cash settlement taking into account the difference between the Settlement Price at Expiration and the registered price for all registered Swap Contracts.
- b) Buyers of Swaps with a price agreed for the transaction lower than the Settlement Price at Expiration, and sellers of Swaps with a price agreed for the transaction higher than the Settlement Price at Expiration shall receive the cash settlement.
- c) Sellers of Swaps with a price agreed for the transaction lower than the Settlement Price at Expiration, and buyers of Swaps with a price agreed for the transaction higher than the Settlement Price at Expiration shall pay the cash settlement.

2.5.4.3. Cash settlement date shall be the first business day following the last day of the delivery period, unless the last day of the delivery period falls on a Saturday, Sunday or bank holiday, in which case the cash settlement date shall be the second business day following the last day of the delivery period.

2.5.5. Market Disruption Events and possible Early Settlement at Expiration for all affected Contracts (Futures and Swaps)

Section 2.6 of these General Conditions governs Market Disruption Events. If a Market Disruption Event is declared, this will be done as provided for in Section 2.6 of these General Conditions, an Early Settlement at Expiration may occur, and this shall be carried

out in accordance with the provisions of Section 2.6. Section 2.6 also regulates the criteria that shall be applied to fix the Settlement Price at Expiration in these circumstances.

2.6. MARKET DISRUPTION EVENTS AND THE ENERGY COMMISSION

Market Disruption Event (MDE): Definition

2.6.1. The following are considered to be Market Disruption Events (MDE):

- a) The failure of the Reference Market to announce or publish information necessary for determining the Reference Market Hourly Prices
- b) The temporary (b.1), or permanent (b.2) objective unavailability of the Reference Market, which prevents partial or total calculation of the Hourly Prices, resulting in the objective unavailability of any of the aforementioned Hourly Prices.
- c) Temporary (c.1) or permanent (c.2) closing of the Reference Market.
- d) The discontinuance (d.1), or suspension of (d.2), or the imposition of a material limitation on trading (d.3), in power trading in the Reference Market.
- e) The occurrence of a material change in the details of the composition of or specifications of the electricity negotiated in the Reference Market daily market (i) which are used to calculate the Hourly Prices or (ii) which are used by the Reference Market to obtain necessary information for determining the Hourly Prices.
- f) A material change in the method of calculation used by the Reference Market to determine the Hourly Prices necessary for determining the Settlement Price at Expiration.

2.6.2. For the purposes of this Section 2.6, the Reference Market is considered to be the Market from which the Settlement Prices at Expiration are taken, in accordance with Section 2.4.3 of these General Conditions; and Hourly Prices are considered to be the prices used as the basis for calculation the Settlement Price at Expiration, in accordance with Section 2.4 of these General Conditions of Contracts.

Action by the Chief CCP Supervisor

2.6.3. If the Chief CCP Supervisor considers that an MDE of type a, b.1, or c.1 has occurred, it will declare the MDE and will act in accordance with the provisions of Section 2.6.8.

2.6.4. If the Chief CCP Supervisor considers that an MDE of type b.2, c.2, d.1 or d.2 has occurred, it will declare the MDE and will communicate it to all participants and convene a meeting of the Energy Commission to establish the type of adjustment that must be made to contracts and the corresponding prices in accordance with Sections 2.6.20 to 2.6.24, and will inform the competent authorities.

- 2.6.5. If the Chief CCP Supervisor considers that publication of a regulation may have caused an MDE of type d.3, e or f, it will communicate this to all market participants and the authorities and will convene an Energy Commission meeting in order to determine if an MDE exists and, if so, any measures to be taken. Similarly, Members who represent 30% of the open position of the affected contracts in BME CLEARING may call upon the Chief CCP Supervisor to convene a meeting of the Energy Commission under the same conditions.
- 2.6.6. If more than five business days have elapsed since the Regulation, which alters or modifies the market conditions, came into force and none of the aforementioned suppositions have applied, an MDE of type d.3, e or f cannot be claimed after that date, in relation to the said Regulation.
- 2.6.7. The Energy Commission must meet within five business days following the convening notification issued by the Chief CCP Supervisor.

Actions in the event of temporary exceptional circumstances which make it difficult to obtain Settlement Prices

- 2.6.8. If an MDE of type a, b1 or c1 exists, the procedure that will be implemented is as follows:
- a) If there are problems resulting in delayed publication of the Hourly Prices or temporary problems in accessing the Reference Market Hourly Prices, BME CLEARING will expect the Reference Market to publish all hourly prices that have not been published. In the meantime, a Provisional Settlement Price will be calculated on which the corresponding Provisional Settlement will be made and subsequently a definitive calculation will be made when the Reference Market situation has returned to normal and the definitive prices have been published, which shall be within a maximum period of 2 days.
 - b) In the event of the Reference Market problems that prevent partial or total calculation of Hourly Prices, as could be the case of a temporary closure of the Reference Market, BME CLEARING will calculate the Settlement Price at Expiration and to do so, for those hourly prices which have not been published, BME CLEARING will use approximate values by interpolating or extrapolating the hourly prices of other hours in the same session, or hourly prices from later or earlier days. Similarly, hourly prices from other European markets may be used (taking into account the price differential that exists between a particular market and the Reference Market). In these circumstances, if the General Supervisor deems it to be appropriate, it will convene a meeting of the Energy Commission in accordance with the provisions of Sections 2.6.19 to 2.6.24.

Energy Commission (hereafter EC)

- 2.6.9. The EC shall be appointed for each case when it is convened by the Chief CCP Supervisor.

- 2.6.10. The members of the EC shall represent the Members of BME CLEARING that participate in the Energy Segment with the largest open positions up to a proportion of 75% of the open long position and 75% of the open short position that exists in BME CLEARING in the affected contracts, measured in MWh and at the Member level, on the day preceding the convening of the EC.
- 2.6.11. The number of members representing the Members must be sufficient to reach the percentage of the open position as stated in Section 2.6.10. In the event that this percentage is reached with less than nine members, further members will be appointed, based on their open positions, until the minimum number of nine members who are representatives of the BME CLEARING Members has been reached. Each Member may only have one representing member. The members shall have the right to speak and vote and may not delegate their vote.
- 2.6.12. The Chief Market Supervisor shall appoint two independent members of reputed experience in the markets, and preferably with experience in the electricity markets. These members shall have the right to speak and vote and may not delegate their vote.
- 2.6.13. The following persons shall belong to the EC with the right to speak and vote: The Chairman of the Supervision and Surveillance Commission, the Managing Director of BME CLEARING and the Chief CCP Supervisor (these 3 persons shall be the representatives of BME CLEARING).
- 2.6.14. The EC shall be chaired by the Chairman of the Supervision and Surveillance Commission.
- 2.6.15. The members of the EC must abide by the limits to their actions as set forth in Article 47 of the Rule Book.
- 2.6.16. The decisions of the EC shall have the same scope as a decision of the Supervision and Surveillance Commission and shall be applied immediately, without prejudice to a Member's right to submit the decisions of the EC to arbitration at law, subject to the terms and conditions described in Article 50 of the Rule Book as permitted in respect of the decisions of the Supervision and Surveillance Commission.
- 2.6.17. The Energy Commission and the Chief CCP Supervisor must act in a fair and reasonable way and must be guided by the principles of protection for the Central counterparty participants and equal treatment for buyers and sellers of live Contracts.
- 2.6.18. The Chief CCP Supervisor shall inform BME CLEARING Members that participate in the Energy Segment and the competent authorities of the decisions taken by the Energy Commission.

Decision on whether an MDE has occurred in accordance with Section 2.6.5

- 2.6.19. If the Chief CCP Supervisor has convened a meeting of the EC, the EC must, at first instance, decide if it is declaring an MDE. This decision must be taken within five

business days after the first meeting of the EC, in accordance with the following rules:

- a) The EC's decision on whether a type d.3, e, or f MDE has occurred, shall be taken by a qualified majority of at least two thirds of the members representing the Members (without counting the independent members or the BME CLEARING representatives) and which represents a majority of 51% of the total open position of the affected contracts in BME CLEARING (both of these conditions must be fulfilled).
- b) When applying the above point, if an agreement does not exist, the majority shall be modified for the purposes of making a decision and considered as the affirmative vote of:
 - i. 55% of the members representing the Members, who represent at least 51% of the open position and
 - ii. Two votes in favour, from the independent members and the BME CLEARING representatives.
- c) If the Energy Commission concludes that an MDE does not exist or has not reached an agreement in due time and manner, it will declare that an MDE does not exist, the EC will be dissolved and the Chief CCP Supervisor will communicate this to the Members and the authorities.
- d) If the EC considers that publication of a Regulation constitutes an MDE, the Chief CCP Supervisor will communicate this to the Members and the authorities and the EC must decide on the treatment of affected Contracts in accordance with the provisions of the following Sections.

Decision on how to treat the affected Contracts and the prices to be applied

2.6.20. Treatment of affected Contracts. If it has been decided that an MDE has occurred, the EC must decide if the affected contracts shall be adjusted or whether an Early Settlement at Expiration shall take place.

- a) The EC may decide that the affected Contracts shall be modified with an adjustment that reflects the difference between the estimated value of the contracts before publication of the regulation and the estimated value of the Contracts after publication of the regulation,
- b) Alternatively, it may decide on Early Settlement at Expiration of those contracts.

2.6.21. Prices to be applied. If the decision has been taken to adjust Contracts or perform Early Settlement at Expiration, the EC must also decide on the prices that must be used for the adjustment or the price at which the Early Settlement at Expiration must be made for the Contracts, as appropriate. The Energy Commission may set the aforementioned prices or may delegate the task of setting the aforementioned prices to one or more entities. The EC must set the criteria under which such entity or entities to which this is delegated, must act in setting the prices.

- 2.6.22. The majorities that are required to take a decision regarding the specific type of adjustment or to perform Early Settlement at Expiration (as per Section 2.6.20) or on the prices to be used in accordance with Section 2.6.21, shall be the same as those established in Sections 2.6.19.a and 2.6.19.b.
- 2.6.23. If an MDE has been declared and no decision has been reached as stated in Section 2.6.22, the two independent members and the three BME CLEARING representatives must reach an agreement concerning the treatment of the affected Contracts. The decision shall be taken by a majority of at least two votes of the BME CLEARING representatives and one independent member or a majority of both independent members and at least one of the BME CLEARING representatives from this group of 5 members. If a majority cannot be obtained, the Chairman of the Supervision and Surveillance Commission shall take the decision.
- 2.6.24. The decision concerning the treatment of the affected contracts (Section 2.6.20) and the prices to be applied (Section 2.6.21) must be taken within 10 business days after the day on which the MDE declaration was decided, except if the EC has not reached an agreement and the independent and BME CLEARING members must take the decision. In this case, the decision must be taken within 15 business days after the day on which the MDE declaration was decided.
- 2.6.25. In the event that an Energy Commission meeting is convened, by application of Sections 2.6.4 or 2.6.5, BME CLEARING may decide to suspend the affected series and open new series, so that:
- a) Trades in the new series are registered once the convening of the Energy Commission is notified and they are not therefore affected by the potential MDE.
 - b) All new trades to be registered must be registered in the new series.
 - c) No trades may be registered in connection with the affected Contracts, unless this is to close them. If as a result of any such closure trade by one of the counterparties the other counterparty opens a position, then before accepting the trade, BME CLEARING will explicitly ask the counterparty that is opening the position if it is aware that it is registering trades that may be the subject of an MDE.
 - d) While a decision is pending on whether or not an MDE has occurred, and/or the treatment of affected Contracts, and any of these Contracts reach their Expiration Date, these Contracts shall remain "live" with BME CLEARING as their counterparty and Initial Margins and, if applicable, Extraordinary Margins will be required in respect of them until the decision has been taken and the Contracts have been finally settled.
 - e) If a decision is not taken about the existence of an MDE, in accordance with Section 2.6.19.c of these General Conditions, and if a position has been opened in the new series, both positions will remain open until their expiration.
 - f) If a decision is taken that an MDE exists and the EC takes the decision to make an adjustment in accordance with Section 2.6.20.a of these General Conditions, the

adjustment may be accomplished by closing the position in the previous series and opening a position in the new series.

2.7. REGISTRATION OF CONTRACTS. SECOND-TIER REGISTER

REGISTRATION OF CONTRACTS

BME CLEARING will act as the counterparty to the Contracts, from the time when they are recorded in the Central Register, once the Communication for Registration done by MEFF has been accepted, in accordance with the provisions of the corresponding agreement with the Market, which may establish the automatic acceptance by BME CLEARING of the trades originating from MEFF, subject to the application of the mechanisms and controls agreed by the two entities, in accordance with the provisions of Articles 20.1.A, 27 and 28.1.A) of the Rule Book and as BME CLEARING may implement via Circular.

The registration calendar and daily timetable will be determined by BME CLEARING, by means of the corresponding Circular.

SECOND-TIER REGISTER

Under Article 18.2 E) of the Rule Book, the following specific rules for the Energy Segment shall apply in relation to the Account structure of BME CLEARING 's Trades Register.

In the Energy Segment there may be Members with the Capacity to run a Second-Tier Register.

The Second-Tier Accounts, whose account holders are Clients, will be managed in relation to OSA Accounts at the Central Register, and they shall register the Transactions, Positions, Margins and Collateral of the Client holder of the account, reflecting at all times the Position of each Client with respect to the Member with the Capacity to run a Second-Tier Register.

In accordance with Article 25.2 of the Rule Book, in order to run a Second-Tier Register, Clearing Members must meet the following minimum equity level requirements:

- a) Individual Clearing Members: Three and a half million (3.5) euro.
- b) General Clearing Members: Twenty-five million (25) euro.

BME CLEARING may establish via Circular alternative Funds and requisites to those amounts of minimum equity level, which must provide with an equivalent level of solvency, availability and financial assurance, maintaining in any case a minimum equity level requirement of 20% the amounts indicated above, for each type of Clearing Member.

2.8. MARGIN CALCULATION

Calculation shall be carried out on the basis of portfolio analysis, taking into account all Contracts in a portfolio and arriving at the positive or negative value of the portfolio in the simulated worst-case scenario.

The valuation model to be used shall be specified by Circular, as shall be the model adjustments, the simulated scenarios and the parameters necessary for the full calculation.

In the case of Swap Contracts, the Initial Margin shall include the Market Value Adjustment, which may have a positive sign or a negative sign depending on the Register Price of the Contract, the Daily Settlement Price and the long or short position of the Account that is being calculated.

2.9. SPECIFIC RULES WITH REGARDS TO MARGINS

In accordance with Article 31 of the Rule Book, in the Energy Segment Members with the Capacity to run a Second-Tier Register must request from their Clients holders of Second-Tier Register Accounts (subaccounts of an Omnibus Segregated Account) the corresponding Margins, in order to cover the risk corresponding to the Position of each of those Accounts, as well as the Client's risk circumstances.

In accordance with Article 31 of the Rule Book, in the Energy Segment Members must request from their Clients with ISA Principal to Principal Accounts and from Ordinary Non-Clearing Members the corresponding Margins, in order to cover the risk corresponding to the Position of each of those Accounts, as well as the Client's risk circumstances or the Ordinary Non-Clearing Member risk circumstances.

Members shall calculate the Margins which are required from their Clients using similar portfolio risk assessment criteria as those used by BME CLEARING. The resulting Margins may not be lower than those BME CLEARING would require for the same Position.

The Client holding a Second-Tier Register Account, Clients with ISA Principal to Principal Accounts and Ordinary Non-Clearing Members shall be obliged to post, vis-à-vis the Member and in favour of it, the Margins which the latter, where appropriate, requests at any time.

3. Gas Contract

GENERAL CONDITIONS

Energy Segment



3.1. INTRODUCTION

Section 3 in these General Conditions set out the characteristics of Gas Contracts belonging to the Energy Segment.

3.2. DEFINITIONS

The terms used in the regulations on Gas Contracts belonging to the Energy Segment have the meaning set out in the Rule Book and in section 1.3 of these General Conditions, except those for which another scope or meaning is expressly established in this section of these General Conditions. The following additional terms shall also be applicable:

Delivery Area or Point: Is the point of interchange where Members and Clients, in their status as Users of the gas system may carry out the Delivery of the Underlying Asset of Gas Contracts; that is, the title Transfer of Natural Gas and Liquefied Natural Gas, in accordance with the provisions of the gas system Regulations.

Balancing Portfolio: Is the account of a gas system User where the Transmission System Operator registers the entries and exits of Gas produced in the gas transmission system, if it pertains to Natural Gas or in a Virtual Balancing LNG Tank, in the case of Liquefied Natural Gas, in accordance with the provisions of the gas system Regulations.

Spot Contract: Contract through which the purchaser undertakes to purchase Natural Gas or Liquefied Natural Gas and the seller to sell it at an agreed price (Contract Price) on a date (Settlement Date) no greater than two calendar days from the day of trading.

Loan Contract (Loaning): Contract through which the lender undertakes to lend a quantity of Natural Gas or Liquefied Natural Gas to the borrower on a day or set of consecutive days. At the same time, the borrower undertakes to return to the lender the same quantity, on another day or set of subsequent consecutive days, in exchange for an agreed amount which the borrower shall pay to the lender, without a Gas title transfer.

Deposit Contract (Parking): Contract through which the depositor undertakes to deposit a quantity of Natural Gas or Liquefied Natural Gas to the depositary on a day or set of consecutive days. At the same time, the depositary undertakes to return to the depositor the same amount, on another day or set of subsequent consecutive days, in exchange for an agreed amount which the depositor shall pay to the depositary, without a Gas title transfer.

Delivery Day: Is the period of time which begins at 06:00 hours (CET) of the day on which the Gas title Transfers must be done, in accordance with the gas system Regulations, and which ends at 06:00 hours on the following day.

Delivery of the Underlying Asset: Valid notification of the title Transfer of Natural Gas or Liquefied Natural Gas, whether on the Virtual Balancing Point of the transmission system for the purpose of the Natural Gas balance, or in the Virtual Balancing LNG Tank of Liquefied Natural Gas for control of Liquefied Natural Gas stocks, in accordance with the

gas system Regulations. The valid Notification determines in compliance with the obligations derived from the Settlement by Delivery of the Gas Contracts cleared in BME CLEARING in the terms and conditions set out in these General Conditions.

Gas: generic term used to refer jointly to Natural Gas or Liquefied Natural Gas.

Transmission System Operator or TSO: Entity that receives for each Delivery Day the Notifications of title Transfers between two Balancing Portfolios of Natural Gas on the Virtual Balancing Point and of Liquefied Natural Gas in the Virtual Balancing LNG Tank, in accordance with the gas system Regulations.

Settlement by Delivery: Procedure through which there is compliance with the obligations arising from Gas Contracts cleared by BME CLEARING through, on the one hand, the Delivery of the Underlying Asset produced by the valid issuing of Notifications of title Transfers of Gas (Physical Settlement), and on the other, the payment by the other party, of an amount in cash which shall be equal to the quantity of Natural Gas or Liquefied Natural Gas delivered times the Settlement Price at Expiration, plus the relevant taxes and fees (Monetary Settlement),.

Physical Settlement: Delivery of the Underlying Asset of the Gas Contracts in a Delivery Area or Point through Notifications of title Transfer.

Monetary Settlement: Delivery of the cash amount corresponding to the Physical Settlement that will be equal to the Natural Gas or Liquefied Natural Gas Delivered times the Expiry Settlement Price, plus the relevant taxes and fees.

Gas system Regulations: regulations applicable to the gas system, applicable at all times, comprising but not limited to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009, on the conditions of access to the natural gas transmission networks, Regulation (EU) No 312/2014 of the Commission of 26 March 2014 establishing a network code on transmission networks, and other regulations and resolutions issued by the gas authorities, and the regulations that govern the operation and functioning of the gas system.

Notification: Information sent, through telematic procedures, by BME CLEARING or, where applicable, by a Service Provider for Notifications to the Transmission System Operator, in accordance with the gas system Regulations, that communicate to it the Natural Gas and Liquefied Natural Gas title Transfers that correspond to Gas Contracts cleared in BME CLEARING and which, validly issued, determine compliance with the obligations of Delivery of the Underlying Asset resulting from Settlement by Delivery, in the terms and conditions set out in these General Conditions.

Delivery Period: Delivery Day or set of Delivery Days that begins on the first Delivery Day and includes consecutive Delivery Days on which title over a quantity of Gas is transferred. It ends when the Delivery Day or the last Delivery Day ends, in accordance with the provisions of the gas system Regulations, based on the technical specifications of the Contract.

Virtual Balancing Point (PVB): Is a Delivery Area or Point. Virtual exchange point of a Natural Gas transmission system where title Transfers of Natural Gas take place.

Notifications Service Provider: Legal entity with which BME CLEARING may reach an agreement for it to submit Notifications on behalf of BME CLEARING in accordance with the provisions of the gas system Regulations.

Disqualified User in the gas system (Disqualified User): Member or Client holding an Account in BME CLEARING, which according to the gas system Regulation, is no longer authorized to operate or have a Balance Portfolio in the gas system.

Suspended User in the gas system (Suspended User): Member or Client holding an Account in BME CLEARING, which according to the gas system Regulation, is not permitted to carry out Notifications while the suspension declared by the Technical System Operator lasts.

User in Non-Payment Situation in the gas system (Non-Payment User): Member or Client holding an Account in BME CLEARING, which according to the gas system Regulation, the Transmission System Operator establishes it is in non-payment situation due to a breach of its payment obligations in the gas system.

Virtual Balancing LNG Tank (TVB): It is a Delivery Area or Point. Virtual Balancing LNG Tank of Liquefied Natural Gas of the regasification plants, where Users can storage Liquefied Natural Gas and where title Transfers of Liquefied Natural Gas take place.

Title Transfer of Gas: Notification of a Gas disposal in the Balancing Portfolio of an enabled or licensed User and of the associated acquisition of Gas in the Balancing Portfolio of another enabled or licensed User that is issued telematically to the Transmission System Operator, in accordance with the procedures set out in the gas system regulations and which determines the physical delivery of Gas.

User: Member or Client holder of an Account in BME CLEARING for the registration of Gas Contracts that holds the status of Commercial Entity or Shipper that acts in the gas system, is a holder of a Balancing Portfolio and is enabled or licensed by the Transmission System Operator to send Gas title Transfer Notifications, in accordance with the gas system Regulations.

3.3. ADDITIONAL REQUIREMENTS APPLICABLE TO MEMBERS AND CLIENTS

ADDITIONAL REQUIREMENTS

The following additional requirements will apply to Members and Clients, pursuant to article 18.2.I) of the Rule Book:

- To register Gas Contracts in their Accounts at BME CLEARING's Trades Register, Members and Clients shall have Balancing Portfolios and the ability to issue

Notifications in each Delivery Area or Point they designate, among those that have been admitted by BME CLEARING; all of which must be in accordance with that established by BME CLEARING in the Circular on “Delivery Areas or Points admitted for each type of Contract”. Through a Circular, BME CLEARING shall establish the legal documents that Members and Clients shall provide to BME CLEARING to provide evidence of such circumstances.

- For BME CLEARING to be able to issue unilateral Notifications in accordance with the provisions of the gas system Regulations, Members and Clients in their status as Balancing Portfolio holders, shall submit to BME CLEARING the authorisation granted in favour of BME CLEARING or, where applicable, of the Gas Notifications Service Provider, allowing to issue on behalf of the Member or Client, Notifications to the Transmission System Operator of Natural Gas title Transfers on the Virtual Balancing Point or of Liquefied Natural Gas in each Virtual Balancing LNG Tank, arising from Gas Contracts cleared in BME CLEARING. Through a Circular, BME CLEARING may establish the conditions and requirements applicable in relation to this authorisation.
- BME CLEARING may establish in a Circular in relation to Futures Contracts, that the previous requirements shall not apply in cases where the Member or Client holder of a BME CLEARING account, assume the commitment to close open contracts at least five days before the date established in section 3.10.2.2 or when so required by BME CLEARING, so that the Delivery of the Underlying Asset of the Contracts does not take place. This commitment shall be formalised in writing, subject to the requirements and conditions that BME CLEARING determines in the said Circular.
- Through a Circular, BME CLEARING may establish, alternative requirements to those set out in the preceding paragraphs for cases in which Members or Clients that are not Balancing Portfolio holders, have reached an agreement with a Balancing Portfolio holder with the authority to issue Notifications in each Delivery Area or Point designated by the Member or Client among those admitted by BME CLEARING, for Notifications relating to Gas Contracts registered in BME CLEARING accounts owned by Members or Clients, to be issued in relation to said Balancing Portfolio. The BME CLEARING Circular may establish the minimum contents of the agreement that the Member or Client must reach with the Balancing Portfolio holder, the conditions and requirements applicable to the authorisation that said Balancing Portfolio holder must grant to BME CLEARING or, where applicable, to the Gas Notifications Service Provider for issuing Notifications in relation to its Balancing Portfolio, as well as the legal documents that Members and Clients shall submit to BME CLEARING to provide evidence of such circumstances.

POSITION LIMITS

BME CLEARING may establish in a Circular, limits to the open Positions in each Account or in relation to each Delivery Area or Point designated for each Account, in order to avoid excessive risk concentration. In a Circular, BME CLEARING will implement the procedure for Positions to return to within the established limits in case these are temporarily exceeded.

RESPONSIBILITY OF CLEARING MEMBERS

Clearing Members in the Energy Segment, with respect to the Gas Contracts registered in the Accounts of their Non-clearing Members, Ordinary Non-Clearing Members or Clients are not subject to the obligations derived from the gas system regulations or those defined in these General Conditions on holding a Balancing Portfolio and to the Delivery of the Underlying Asset.

Clearing Members shall be responsible, in any event, for compliance with all remaining obligations arising from Contracts registered in the Accounts for which they are responsible, under the terms established in the Rule Book, in these General Conditions and in their implementing regulations and in particular, the relevant financial Settlements in relation to the aforementioned Contracts.

3.4. UNDERLYING ASSET AND TYPES OF CONTRACTS

The Underlying Asset of Gas Contracts is Natural Gas or Liquefied Natural Gas, the acquisition or disposal of which takes place by means of a valid Notification of the title Transfer under the terms provided for in the gas system Regulations.

The types of Natural Gas and Liquefied Natural Gas Contract in the BME CLEARING Energy Segment for which BME CLEARING acts as Central Counterparty, are the following:

- Natural Gas Spot Contract
- Liquefied Natural Gas Spot Contract
- Natural Gas Futures Contract
- Liquefied Natural Gas Futures Contract
- Natural Gas Loan Contract
- Liquefied Natural Gas Loan Contract
- Natural Gas Deposit Contract
- Liquefied Natural Gas Deposit Contract

BME CLEARING shall act as Central Counterparty for the following Natural Gas Contracts and Trades:

- ETD or Market Trades for the following Contracts:
 - Purchase and sale of Natural Gas Futures Contracts and Liquefied Natural Gas Futures Contracts, admitted to trading in a Trading Venue, according to that established in the corresponding Circular.

- Purchase and sale of Natural Gas Spot Contracts and Liquefied Natural Gas Spot Contracts, admitted to trading in a Trading Venue, according to that established in the corresponding Circular.
- OTC trades for the following Contracts:
 - Natural Gas or Liquefied Natural Gas Spot Contracts
 - Natural Gas or Liquefied Natural Gas Future Contracts
 - Natural Gas or Liquefied Natural Gas Loan Contracts and
 - Natural Gas or Liquefied Natural Gas Deposit Contracts.

Each Contract shall refer to a specific Delivery Area or Point as determined in the following section of these General Conditions and as implemented by BME CLEARING in a Circular.

3.5. GENERAL ASPECTS OF SETTLEMENT ON EXPIRATION. DELIVERY AREA OR POINT

The Settlement of open Positions of Gas Contracts cleared by BME CLEARING is by Delivery, under the terms defined in these General Conditions and in the Circulars that implement them.

Settlement by Delivery of Gas Contracts is carried out through:

- the Physical Settlement by one of the parties and
- the Monetary Settlement by the other party.

DELIVERY OF THE UNDERLYING ASSET

Delivery of the Underlying Asset takes place through the valid issuance of Gas title Transfer Notifications for each Delivery Day. BME CLEARING or, where applicable, a Notifications Service Provider shall send to the Transmission System Operator via telematic procedures, in accordance with gas system regulations, the information on Natural Gas title Transfers on the Virtual Balancing Point and on Liquefied Natural Gas in each Virtual Balancing LNG Tank corresponding to Natural Gas and Liquefied Natural Gas Contracts cleared in BME CLEARING.

Compliance with BME CLEARING's obligations in relation to the Delivery of the Underlying Asset takes place when the Transmission System Operator telematically confirms receipt of the validly issued Notification by BME CLEARING or, where applicable, by the Gas Notifications Service Provider on behalf of BME CLEARING. In the absence of express confirmation, once 30 minutes have passed after the issued Notification compliance is achieved also, all in accordance with the provisions of the relevant Circulars on Natural Gas and Liquefied Natural Gas Delivery.

Once Notification is validly issued, the Transmission System Operator shall take note of a Gas disposal and the correlating Gas acquisition on the Balancing Portfolios of Users corresponding to each Delivery Area or Point, in accordance with the procedures defined in the gas system Regulations.

The Delivery Area or Point of Natural Gas Contracts is the Virtual Balancing Point of the transmission system. The Delivery Area or Point of Liquefied Natural Gas Contracts is the Virtual Balancing LNG Tank. The Delivery Areas or Points admitted in relation to each Type of Contract shall be defined in the Circular “Delivery Areas or Points admitted for each type of Gas Contract.

BME CLEARING may use the services of a Gas Notifications Service Provider to carry out the Notification and Delivery of the Underlying Asset processes of Gas Contracts defined in these General Conditions, as set out in the “Delivery of Natural Gas and Liquefied Natural Gas. Notifications” Circular.

Alternative procedures may be issued in a Circular on Delivery of the Underlying Asset in relation to Liquefied Natural Gas Contracts applicable in cases where it is impossible to make a physical delivery in a Virtual Balancing LNG Tank.

DELIVERY OF THE CASH

The Monetary Settlement to be paid shall be calculated under the terms defined in these General Conditions and implementing Circulars, taking into consideration the amount of Natural Gas or Liquefied Natural Gas that was subject of Delivery, times the Settlement Price at Expiration, plus relevant taxes and fees.

3.6. TECHNICAL SPECIFICATIONS APPLICABLE TO SPOT CONTRACTS

The technical specifications of Spot Contracts include the complete description of these Contracts, for which Registration, Clearing and Settlement and Counterparty are performed by BME CLEARING under the terms established in these General Conditions.

Delivery Period	The Contracts shall have an Intraday, Daily and Weekend Delivery Period.. a) The Delivery Period will be the gas day for Intraday and Daily Contracts and gas days on the Saturday and Sunday for Weekend Contracts, as indicated in the following sections. b) The first day of the “weekend” Contract Delivery Period will be Saturday and the last day will be Sunday.
Unit of registration	1 MWh/day
Minimum Batch	1 Unit.
Nominal Value of the Contract	Is established in MWh/d according to the formula:

	<i>MWh/day * No of days of the contract</i>
Contract Prices	In Euros per MWh/d with three (3) decimal places.
Last Day of Registration	For Weekend Contracts, the second Business Day before the last day of the Delivery Period. For Daily Contracts, the business day before the day of the Delivery Period. For Intraday Contracts, the same business day of the Delivery Period.
Daily Settlement Price	Will be an approximation of the "market price". The criteria for determining the price will be established by a Circular. It will be used for calculating margins..
Fees settlement	First Business Day subsequent to the registration of the Transaction..
Margins	Variable based on the portfolio (see Margin Calculation section). Margins will be posted on the following Business Day to the calculation date, as determined by a Circular..
Delivery Periods admitted to Registration	The following Contracts may be open for registration: Weekend, Daily and Intraday. The specific periods open to registration by Contract type shall be defined by a Circular.
Final Settlement Price	Is the Trade Price for Physical Delivery in PVB and TVB.
Expiration Date	Is stipulated in section 3.10.2 and 3.10.3.
Form of Settlement at Expiration	By delivery, according to the provisions of sections 3.10.2, 3.10.3 and 3.10.4 of these General Conditions..

3.7. TECHNICAL SPECIFICATIONS APPLICABLE TO FUTURE CONTRACTS

The technical specifications of Future Contracts include the description of these Contracts, for which Registration, Clearing and Settlement and Counterparty are performed by BME CLEARING under the terms defined in these General Conditions.

Delivery Period	The Contracts shall have a Weekly, Monthly, Quarterly, Seasonal or Annual Delivery Period. a) The Delivery Period shall be the gas days included in the week, month, quarter, season or year of the Contract, as indicated in the following sections. b) The Weekly Contracts may be: business week and whole week. The first day of the "business week" Contract Delivery Period will be Monday and the last day will be Friday. The first day of the "whole week" Contract Delivery Period will be Monday and the last day will be Sunday.
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- c) For Monthly Contracts, the first day of the Delivery Period will be the first day of the month and the last day of the Delivery Period will be the last day of the month in question.
- d) For Quarterly Contracts, the first day of the Delivery Period will be the first day of the quarter (of January, April, July and October, as the case may be) and the last day of the Delivery Period will be the last day of the quarter (of March, June, September or December, as the case may be).
- e) For Seasonal Contracts, the first day of the Delivery Period will be the first day of the season (of October or April, as the case may be) and the last day of the Delivery Period will be the last day of the season (of March or September, as the case may be).
- f) For Annual Contracts, the first day of the Delivery Period will be the first day of January and the last day of the Period will be the last day of December.

Unit of registration	1 MWh/day
Minimum Batch	1 Unit.
Nominal Value of the Contract	Se establecerá en MWh/d según la fórmula: <i>MWh/día * N° de días del contrato</i>
Contract Prices	In Euros per MWh with three (3) decimal places.
Last day of Registration	For Quarterly, Seasonal and Annual Contracts, the third Business Day before the first day of the Delivery Period. For full Monthly and Weekly Contracts, the Second Business Day before the first day of the Delivery Period. For Balance of the Month and Balance of the Week Contracts, as those Contracts are defined in Section 3.10.2.10, the second Business Day before the last day of the Delivery Period..
Daily Settlement Price	Will be an approximation to the "market price". The criteria for determining the price will be established by a Circular. It will be used for calculating margins
Fees settlement	First Business Day subsequent to the registration of the Trade.
Margins	Variable based on the portfolio (see Margin Calculation section). Margins will be posted the Business Day following the calculation date as determined by a Circular.
Cascading Proceeding	Procedure through which, on the date established in these General Conditions, a Contract with an Annual, Seasonal or Quarterly Delivery Period is broken down into Quarterly or Monthly Contracts, respectively.
Delivery Periods admitted for Registration	The following Contracts may be open at Registration: Annual, Seasonal, Quarterly, Monthly and Weekly. A Circular shall define the specific periods open at Registration by Contract type.
Final Settlement Price	Is the Daily Settlement Price of the Last Day of Registration. It shall be calculated as determined in section 3.9. It is the price at which the cascading of the Annual, Seasonal and Quarterly Futures Contracts takes place (see section 3.10.1). It is the price applied for the delivery of the open position of the full Monthly and Weekly Contracts. For the open position created by Transactions during the delivery period of Balance of

	the Month and Balance of the Week Contracts, as defined in section 3.10.2.10, it is the Trade Price.
Variation Margin	Shall be done daily, in cash, by differences in respect of the Daily Settlement Price of the previous session. Once in the delivery period, Contracts shall not have Variation Margin, although they will have Variation Margin Pending which will be included in the Position Margin (see Section 3.12).
Expiration Date	Is stipulated in section 3.10.1 of these General Conditions for Annual, Seasonal and Quarterly Contracts and in sections 3.10.2 and 3.10.3 for Monthly and Weekly Contracts.
Form of Settlement at Expiration	For Contracts with an Annual, Seasonal or Quarterly Delivery Period through the Cascading of Contracts, according to the provisions of section 3.10.1 of these General Conditions. For Contracts with a Monthly or Weekly Delivery Period through Settlement by Delivery according to the provisions of sections 3.10.2 and 3.10.3 of these General Conditions.

3.8. TECHNICAL SPECIFICATIONS APPLICABLE TO LOAN AND DEPOSIT CONTRACTS

The technical specifications of Loan and Deposit Contracts include the complete description of these Contracts. Their Registration, Clearing and Settlement and Counterparty are performed by BME CLEARING under the terms established in these General Conditions.

Loan and Deposit Contracts are split into two (2) Transactions for which BME CLEARING acts as a Counterparty in the terms defined in this section of these General Conditions: a) Initial Transaction, through which the lender or depositor, where applicable, lends or deposits a given quantity of Natural Gas or Liquefied Natural Gas in favour of the borrower or depositary; b) Return Transaction through which the borrower or depositary, where applicable, returns the same quantity to the lender or depositor.

The Initial Transaction of Loan and Deposit Contracts shall be admitted and processed by BME CLEARING once the Registration Application is received, for the purposes taken into consideration for the calculation of risk and requirements of the corresponding Margins; however, it will only be accepted by BME CLEARING and shall be registered in the Central Register of the CCP, which shall act thereafter as Central Counterparty thereof, once the delivery of the Underlying Asset has taken place. The non-Delivery the Underlying Asset of the Initial Transaction shall determine:

- a) That the Initial Transaction of the Loan or Deposit Contract is not subject to Registration in BME CLEARING; therefore, it shall not be assumed to be novated by BME CLEARING which shall not act as Central Counterparty of these Contracts.
- b) That a penalty be applied to the party that failed to Deliver the Underlying Asset in accordance with the provisions of the Circular.

Once the Underlying Asset of the Initial Transaction of the Loan or Deposit Contract is delivered, the return Transaction of the Contract shall be registered in the Central Register of BME CLEARING, which acts as Central Counterparty thereof.

Delivery Period in the Initial Transaction	The Initial Transaction of the Contracts shall have an Intraday, Daily and Weekly Delivery Period. a) The Delivery Period will be the gas day for Daily and Intraday Contracts and for weekly Contracts, the gas days included in the week, as indicated in the following sections. b) The Weekly Contracts may be: business week, whole week and weekend. The first day of the “business week” Contract Delivery Period will be Monday and the last day will be Friday. The first day of the “whole week” Contract Delivery Period will be Monday and the last day will be Sunday. The first day of the “weekend” Contract Delivery Period will be Saturday and the last day will be Sunday.
Delivery Period In the Return Transaction	The Return Transaction of Contracts will have the same Delivery Period as the Initial Transaction, the specific days being different.
Unit of registration	1 MWh/day
Minimum Batch	1 Unit.
Nominal Value of the Contract	Is established in MWh according to the formula: <i>MWh/day * No of days of the contract</i>
Contract Prices	Is the cost of the Loan or Deposit that shall be applied in the initial transaction. In Euros per MWh/d with three (3) decimal places.
Last Day of Registration	For Weekly Contracts, the second Business Day before the last day of the Delivery Period. For Daily Contracts, the business day before the day of the Delivery Period. For Intraday Contracts, the same business day of the Delivery Period.
Daily Settlement Price	It shall be used for calculating margins. The Spot or Futures Prices with the same Delivery Period as the Loan or Deposit will be used..
Fees settlement	First Business Day subsequent to the registration of the Transaction
Margins	Variable based on the portfolio (see Margin Calculation section). As these Contracts do not have Daily Settlement of Variation Margin, Gas Deliveries and its Variation Margin pending will be taken into consideration in the Margin calculation. The Margins shall be posted the Business Day following the calculation date as determined by a Circular.
Delivery Periods admitted for Registration	The following Contracts may be open for Registration: Weekly, Daily and Intraday. A Circular shall define the specific periods open for Registration by Contract type.
Variation Margin	Does not apply in these Contracts.
Expiration Date	Is stipulated in section 3.10.2 and 3.10.3 for Weekly Contracts.

Settlement Price at Expiration	Does not apply in these Contracts..
Form of Settlement at Expiration	Through Delivery according to the provisions of sections 3.10.2, 3.10.3 and 3.10.4 of these General Conditions. In Loan and Deposit Contracts, the cash from gas delivered/returned is not settled; the cost of the Loan or Deposit is settled
Non-delivery of the Underlying Asset of the Initial Transaction	If the Delivery of the Underlying Asset of the Initial Transaction does not take place, the Contract will not be subject to Registration and BME CLEARING will not act as Central Counterparty. The party that has not delivered the Underlying Asset shall pay a penalty, under the terms defined by the Circular.

3.9. SETTLEMENT PRICE AT EXPIRATION

In Futures Contracts, for Monthly and Weekly Contracts, the Settlement Price at Expiration is the Settlement Price obtained on the antepenultimate business day before (D-2) the first day of the Delivery Period.

In Futures Contracts, for Yearly, Seasonal and Quarterly Contracts, the Final Settlement Price is the Settlement Price obtained on the antepenultimate business day before (D-3) the first day of the Delivery Period.

The Final Settlement Price for Future Contracts shall be determined in accordance with the “Final Settlement Price for Gas Contracts” Circular.

3.10. CASCADING AND SPECIFIC ASPECTS OF SETTLEMENT BY DELIVERY

3.10.1. Annual, Seasonal and Quarterly Future Contracts

Annual, Seasonal and Quarterly Future Contracts shall be settled on Expiration through Cascading thereof, in the following way:

3.10.1.1 After the Last Contract Registration Day, Annual Contracts are closed becoming four (4) Quarterly Contracts.

For example, on 29 December 2021, the Annual Contract of 2022 closes becoming the following Contracts: the Contracts of the first, second, third and fourth quarters of 2022.

3.10.1.2 After the Last Contract Registration Day, the Seasonal Contracts are closed becoming three (3) Monthly Contracts and one (1) Quarterly Contract.

For example, on 29 March 2021, the Summer Contract of 2021 is closed becoming the following Contracts: Contracts of the months of April, May and June 2021, and the Contract of the Third quarter of 2021.

Likewise, on 28 September 2021, the Winter Contract of 2021 is closed becoming the following Contracts: Contracts of the months of October, November and December 2021, and the Contract of the first quarter of 2022.

3.10.1.3 After the Last Contract Registration Day, the Quarterly Contracts are closed becoming three (3) Monthly Contracts.

For example, on 29 December 2021, the Contract of the first quarter of 2022 is closed becoming the following Contracts: the Contract of January 2022, the Contract of February 2022 and the Contract of March 2022.

3.10.1.4 For Annual, Seasonal and Quarterly Contracts, the Expiration Date is the Last Contract Registration Day.

3.10.1.5 Cascading of Annual, Seasonal and Quarterly Future Contracts shall be at the Final Settlement Price of the Contract that is closed.

3.10.2. Monthly and Weekly Future Contracts. Balance of the Month and Balance of the Week Contracts

Monthly and Weekly Contracts shall be settled through Delivery in the following manner:

3.10.2.1. The Delivery of monthly and weekly Contracts shall be through partial daily Deliveries. The Liquefied Natural Gas Contracts may have a single Delivery in one day, according to section 3.10.2.13.

3.10.2.2. The first daily partial Delivery of a monthly or weekly Contract shall be prepared two (2) business days before the first day of the Delivery period.

3.10.2.3. In general, the following partial delivery is prepared for settlement in accordance with the following rule: on any business day, the Delivery to be prepared is that of the Delivery Day corresponding to the subsequent day to the following business day. The Nominal MWh/d of the Contract will be the amount to be delivered, except as specified in 3.10.2.13 for Liquefied Natural Gas Contracts.

For example, on a business day which is a Monday, the partial Delivery corresponding to the following Wednesday shall be prepared.

3.10.2.4. If the Delivery Day that is being prepared is not a business day, the partial Delivery shall include all Delivery Days up to the Delivery Day that is end of month or end of weekly contract or which corresponds to a business day.

For example, on a business day that is a Thursday, the partial Delivery corresponding to the next Saturday, the next Sunday and the next Monday shall be prepared.

For example, if a Wednesday is a public holiday, the partial Delivery that would be prepared that Wednesday for Friday, will be prepared on the business day before (on Tuesday).

- 3.10.2.5. Once the partial Deliveries are established, on the day that the partial Delivery is prepared (normally D-2 except in the cases set out in 3.10.2.4) the Notifications to be issued to the TSO.
- 3.10.2.6. On the following business day (normally D-1, except in cases set out in 3.10.2.4), BME CLEARING shall organise the Notification corresponding to the following partial Delivery, in accordance with the “Delivery of Natural Gas and Liquefied Natural Gas. Notifications”.
- 3.10.2.7. In the Loan and Deposit Contracts the cash of the gas returned is not settled; the cost of the Loan or Deposit Contract is settled in the Initial Trade.
- 3.10.2.8. BME CLEARING will carry out the Monetary Settlement by applying the following rule: (i) that if D+2 is a business day, the Monetary Settlement will be carried out the following business day, (ii) if otherwise, D+2 is not a business day, the Monetary Settlement will be carried out the second business day following D+2; the buyers of Gas will pay the Monetary Settlement of D day Partial Delivery to sellers of Gas, through its Clearing Members in the Multilateral Settlement. The Price used will be the Settlement Price at Expiration.
- 3.10.2.9. Once the first partial Delivery of the monthly or weekly Contract is prepared, the number of days of the Contract shall be reduced by the number of days of partial Delivery (erosion) and the Nominal Value of the Contract shall be reduced accordingly. This procedure shall take place in each partial Delivery preparation of the monthly and weekly Contracts.
- 3.10.2.10. The monthly or weekly Contract that is in Delivery and for which a partial Delivery has already been prepared shall be called “Balance of the Month” or “Balance of the Week. If these contracts are traded during the delivery period, their Daily Settlement Price is the Trade Price.
- 3.10.2.11. Two (2) business days before the last Delivery day of the monthly Contract, the last partial Delivery of the “Balance of the Month” Contract shall be prepared. After Registration on that business day the Contract will expire, and the last partial Delivery shall be settled on the last day of the Delivery period.
- 3.10.2.12. On Wednesday for the “Business Week” weekly Contract, the last partial Delivery of the “Balance of the Business Week” Contract shall be prepared. On Friday for “Whole Week” and “Weekend” Contracts, the last partial Delivery of these Contracts will be prepared. After Registration on these business days, the Contracts will expire, and the last partial Delivery shall be settled on the last day of the Delivery period. In the event of days mentioned in this sub-section (Wednesday or Friday), the Delivery will be prepared the business day before in accordance with the provisions of 3.10.2.4.
- 3.10.2.13. The Liquefied Natural Gas Contracts may have a single Delivery in one specific day. In this scenario, the total Nominal of the Contract will be delivered on that specific day.

3.10.3. Settlement by Delivery of Daily Contracts and other specifications of same

Daily Contracts shall be settled as follows:

- 3.10.3.1. The last Registration day will be the business day before the Delivery period (D-1).
- 3.10.3.2. On the last Registration day (D-1), BME CLEARING will prepare the Settlement for Delivery of the Daily Contract, calculating the notifications to be issued to the Transmission System Operator for the Delivery of the Underlying Asset;
- 3.10.3.3. BME CLEARING will carry out the Monetary Settlement by applying the following rule: (i) if D+2 is a business day, the Monetary Settlement will be carried out the following business day; (ii) if D+2 is not a business day, the Monetary Settlement will be carried out the second business day following D+2; the buyers of Gas Contracts will pay the sellers of Gas Contracts through their Clearing Members and BME CLEARING, the Monetary Settlement of D day. The price used will be the Final Settlement Price for Contracts that originate from the Balance of the Month and Balance of the Week contract and the Final Settlement Price for Contracts that originate from the Registration of a Daily Contract.
- 3.10.3.4. On the last Registration day, BME CLEARING will organise the Notifications corresponding to the Delivery of the Underlying Asset in accordance with the "Delivery of Natural Gas and Liquefied Natural Gas. Notifications".

3.10.4. Settlement by Delivery of Intraday Contracts and other specifications thereof

Intraday Contracts shall be settled as follows:

- 3.10.4.1. The last Registration day will be the same day of the Delivery Period (D).
- 3.10.4.2. On the last Registration day, BME CLEARING will prepare the Delivery of the Intraday Contract, calculating, on the one hand, the Notifications to be issued to the Transmission System Operator for the Delivery of the Underlying Asset; and on the other hand, the corresponding payments in cash for the Gas to be delivered together with, where appropriate, the applicable taxes.
- 3.10.4.3. BME CLEARING will carry out the Monetary Settlement by applying the following rule: (i) if D+2 is a business day, the Monetary Settlement will be carried out the following business day; (ii) if D+2 is not a business day, the Monetary Settlement will be carried out the second business day following D+2; the buyers of Gas Contracts will pay the sellers of Gas Contracts through their Clearing Members and BME CLEARING, the Monetary Settlement of D day. The price used will be the price of the Trades.
- 3.10.4.4. On the last Registration day, BME CLEARING will organise the Notifications corresponding to the Delivery of the Underlying Asset, in accordance with the

“Delivery of Natural Gas. Notifications” and “Delivery of Liquefied Natural Gas. Notifications” Circulars.

3.10.5. Clearing of Underlying Asset Delivery obligations arising from same Day Delivery Contracts.

BME CLEARING shall perform the Clearing of all Underlying Asset Delivery obligations arising from Spot Contracts, Futures Contracts, Loan Contracts and Deposit Contracts for which Delivery must be done on the Same Delivery Day, in the same Delivery Point or Area and for a same Account holder, such that only one (1) Gas title transfer Notification shall be issued for the resulting net balance from the Clearing.

3.11. CONTRACT REGISTRATION

A Circular shall determine the prior checks to be done by BME CLEARING to accept the Registration Application for Off-market Trades and the Communication for Registration by MEFF of Exchange Trades; likewise, the scenarios in which BME CLEARING may not accept a Registration Application or a Communication for Registration. BME CLEARING will act as Central Counterparty for Contracts from the moment on which they are booked in the Register. Loan and Deposit Contracts will be subject to Registration under the terms defined in section 3.8 above of these General Conditions.

The Registration schedule and timetable will be determined by BME CLEARING in a Circular.

3.12. INITIAL MARGIN CALCULATION

Shall be through the portfolio analysis procedure, taking into consideration all the Contracts of the same portfolio to find the positive or negative value of the portfolio in the worst scenario simulated.

The assessment model to be used, its related adjustments, the simulation events and the parameters required for a full calculation will be specified by Circular.

In the case of Daily and Intraday Contracts, an Additional Margin for Delivery will be included in the Initial Margin.

In Spot Contracts (other than for delivery next day or on the same day) and Balance of the Month and Balance of the Week Contracts, the Variation Margin Pending will be included in the Initial Margin, this being the positive or negative difference between the Daily Settlement Price of the session and the price at which they are to be delivered, multiplied by the MWh recorded and the Nominal Value of the Contract.

3.13. PARTICULAR MARGIN RULES

In accordance with Article 31 of the Rule Book, in the Energy segment, the Member must request the related Margins from Clients with ISAs Principal to Principal Accounts and from Ordinary Non-Clearing Members, in order to cover the Position's own risk corresponding to each of those Accounts, as well as the Client's risk circumstances and Ordinary Non-Clearing Member risk circumstances.

The Members will calculate the Margins using similar portfolio risk assessment criteria to those used by BME CLEARING. The resulting Margins may not be lower than those BME CLEARING would require for the same Position.

Clients with ISAs Principal to Principal Accounts and the Ordinary Non-Clearing Members are obliged to post, vis-à-vis the Member and in favour of it, the Margins which the latter, where appropriate, requests from it from time to time.

Los Clientes de Cuentas de Cliente ISA PtoP y el Miembro No Compensador Ordinario están obligados a constituir ante el Miembro y a favor del mismo las Garantías que éste en su caso le requiera en cada momento.

3.14. INFORMATION WHICH BME CLEARING SHALL BROADCAST IN CONNECTION WITH CONTRACTS

BME CLEARING shall broadcast daily and historical information about the volume recorded, the Position and the Daily Settlement Prices (including the Settlement Prices at Expiration) of all Contracts admitted in the CCP.

3.15. SPECIFIC RULES APPLICABLE IN CASE OF INCIDENTS

3.15.1. Incidences in the Notification to the Transmission System Operation due to a Suspended User

In case that a Member or Client of BME CLEARING, under its condition of User, having a Gas position under Delivery, is declared Suspended, BME CLEARING will adopt whatever measures necessary for managing the corresponding Notifications of the Suspended User and will charge any other surcharges or any other costs passed on by the TSO, as described in the Circular "Delivery of Natural Gas and Liquefied Natural Gas. Notifications"

3.15.2. Incidences in the Monetary Settlement due to a Non-payment User

In accordance with the Gas System Regulations, in the event that a User is in Non-payment situation in the gas system, the central counterparties carrying out Notifications, must

withheld the Monetary Settlement. The Monetary Settlement may be used, at request by the Transmission System Operator, to comply with the obligations of the User in the gas system. In case of a Non-payment User, the TSO will communicate BME CLEARING the obligation to withhold the Monetary Settlement and BME CLEARING will proceed to its retention. Once the TSO notifies to BME CLEARING to return the cash amount withheld since the Non-payment Situation has been regularized, BME CLEARING will proceed to return the total or partial cash amounts, accordingly, communicating it to the Non-payment User and its Clearing Member. The Circular "Delivery of Natural Gas and Liquefied Natural Gas. Notifications" establishes the procedure in the event that a Member or Client, holder of the Account in BME CLEARING, is in Non-payment Situation, as well as any other surcharges or any other costs passed on to the Users.

3.16. SPECIFIC RULES APPLICABLE IN CASE OF DEFAULT

The following specific rules, established under the stipulations of article 18.2.M) of the Rule Book:

Besides the causes of Default expressly foreseen in article 38 of the Rule Book, it shall be considered cause of Default in relation to Gas Contracts in the Energy Segment, and to the effects foreseen in chapter 9 of the Rule Book, that a Member or Client, titleholder of the Account in BME CLEARING is declared disqualified by the TSO, or by any other Gas Authority, in order to use the Balancing Portfolio, according to the Regulation in the gas system.

Circular "Delivery of Natural Gas and Liquefied Natural Gas. Notifications" may establish the operating procedure in case a Member or Client, titleholder of the Account in BME CLEARING is declared disqualified to use a Balancing Portfolio.

BME CLEARING or the Clearing Member, as appropriate, may adopt all the measures foreseen in article 39 of the Rule Book in case of the declaration of Default of a Member or Client. In order to close de Positions of a defaulting Member or Client, which are referred to in article 42.1.D of the Rule Book, BME CLEARING or the Clearing Member may undertake Trades with respect to all Contracts which form part of the Energy Segment at the CCP.

3.17. FORCE MAJEURE

The obligations and responsibilities of BME CLEARING and of Members or Clients holding Accounts in BME CLEARING for the registration of Gas Contracts relating to the Delivery of the Underlying Asset shall cease in the event of interruptions, failures, incidents or stoppage of the Transmission System Operator's service, which make it impossible to issue Notifications for reasons outside the scope of responsibility of BME CLEARING and the Members or Clients.

3.18. DEVIATIONS IN THE DELIVERY OF GAS AS A RESULT OF TSO ACTIONS WHICH CAUSE THE FINAL VOLUME DELIVERED DIFFER FROM THE NOTIFICATIONS CARRIED OUT

Deviation in the delivery of Gas is understood as the difference in volume of Gas between the Notification issued to the Transmission System Operator in accordance with these General Conditions and implementing regulations, and the volume of Gas that the Transmission system Operator considers notified finally in accordance with the gas system Regulations.

If there is a deviation that changes the volume of Gas corresponding to the Notifications of Gas title Transfers in the Balancing Portfolio of BME CLEARING, for specific Members or Clients within the Delivery Areas or Points affected, BME CLEARING may pass on this change in the volume of Gas to the said Members or Clients. In the event the Notifications affected by the deviation cannot be identified individually, BME CLEARING may undertake a proportional change of all Notifications issued for all Members or Clients in relation to the Delivery Area or Point affected.

Members or Clients affected shall accept the actions that the Transmission System Operator adopts in relation to the deviations, as well as the measures BME CLEARING may adopt related to these actions of the Transmission System Operator.

Members or Clients affected will be obliged to perform the necessary actions required of them for managing deviations, including, where appropriate, the obligation of accepting that they issue or re-issue the required Notifications. If the cause of the deviation is attributable to a Member or Client, BME CLEARING may issue a new Notification to the Transmission System Operator or, where applicable, instruct a Member or Client to issue a new Notification in accordance with the data and information that BME CLEARING provides to it for this purpose.

BME CLEARING will not be responsible for the actions of the Transmission System Operator for managing deviations, or for the measures that BME CLEARING should adopt in accordance with the gas system Regulations, these General Conditions and implementing regulations, in relation to said actions of the Transmission System Operator.

BME CLEARING assumes no responsibility for the measures that should be applied to impact Members or Clients for deviations that occur in the Balancing Portfolio of which BME CLEARING may be the holder.

BME CLEARING shall indicate in a Circular the circumstances or causes that may cause deviations, shall define the terms applicable to settlement in the event of deviations and shall establish the principles that shall govern the consequences to Members and Clients of negative amounts that may exist after settlement of deviations by BME CLEARING.

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