GUIDE FOR THE FORMALIZATION AND ASSIGNMENT OF GUARANTEES IN MIBGAS AND MIBGAS DERIVATIVES

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1 INTRODUCTION

MIBGAS, as Guarantees Manager, is responsible for managing the guarantees for capacity contracting activities, imbalances and the Organised Gas Market. The procedures will be carried out on the **Guarantees Manager of the Gas System Platform.**

MIBGAS Derivatives is responsible for managing the guarantees of the MIBGAS Derivatives Spot segment and, where applicable, the MIBGAS Derivatives Auctions segment. The procedures will be carried out on the **LNG/UGS Guarantees MIBGAS Derivatives Platform.** The guarantees to participate in the MIBGAS Derivatives Futures segment are managed by OMIClear, as the Central Counterparty Entity, in accordance with its own rules.

Requests for registration, cancellation or modification of guarantees, as well as the amounts of guarantees assigned to the Allocation Accounts of each of the activities must be made by accessing the corresponding Platform. Such requests will be verified, accepted or denied by the Guarantees Manager/MIBGAS Derivatives, who may consult beforehand with those responsible for the activities. Acceptance of requests will be confirmed through the Platform.

2 FORMALIZATION AND ASSIGNMENT OF GUARANTEES IN THE GUARANTEES MANAGER

Guarantees must not be formalized before acquiring the status of Guarantees Manager User; otherwise, the Guarantees Manager may reject said guarantees.

Users must request the registration, cancellation or modification of guarantees, as well as the modification of the guarantee amounts assigned to the Allocation Accounts of each of the activities through the “Guarantees Management” menu of the Guarantees Manager of the Gas System Platform.

2.1 Guarantees instruments

Users may formalize their guarantees using any of the instruments of the Rules for Managing Guarantees in the Gas System: cash deposits, guarantees, credit line authorisations and surety bonds; with the requirements and characteristics in the aforementioned rules.

The following guarantee instrument forms are available in the document ‘Guarantee templates for the Guarantees Manager and MIBGAS Derivatives', in the Formalisation of guarantees section of the MIBGAS public website:

- Bank guarantee: XML format (recommended), for presentation in electronically signed PDF format and for presentation on paper.
- Surety bond certificate: for submission in electronically signed PDF format and for presentation on paper.
- Authorisation of credit line for presentation on paper.

They can also find the entity’s data templates for the cases in the Guarantees Management Rules in which banking entities must comply with the additional condition of providing a cash guarantee that covers a percentage of the total guarantees and lines of credit which have been formalized.

2.2 Formalization of guarantees

2.2.1 Presentation of guarantees

Cash deposits

The Guarantees Manager's bank account details for cash deposits can be found on the Guarantees Manager of the Gas System Platform, on the menu:

Queries >Formalized Guarantees > Bank account for Guarantee income

Other guarantee instruments

The use of bank guarantees in XML format is recommended for the presentation of documentary guarantees. These will be validated through the Guarantees Manager of the Gas System Platform and, as a result of the validation, a response will be obtained in XML format.

Additionally, guarantees in electronically signed PDF format will also be accepted.

Both guarantees in XML format and guarantees in PDF format must be signed electronically using an electronic certificate of representation of the guarantor entity.

In the latter case, this signature must be such that it is able to be validated using Valid-e or another official application for certificates issued by certification entities of the European Union.

In any case, the signature must prove that the signatory is the legal representative of the guarantor entity.

The guarantor entity must prepare the guarantee and sign it with a certificate from the entity's representative and will send it to the Guarantees Account User. The guarantee will be attached when submitting the registration request through the Guarantees Manager of the Gas System Platform.

If guarantees are not submitted in XML format or electronically signed PDF format, guarantee documents sent physically by post to the address indicated in point 4 may also be accepted.

If the guarantee passes all validations, it will be considered correct and will be registered on the Platform. This function covers the entire guarantee life cycle: registration, reduction, modification, cancellation and, where applicable, execution. Electronic modifications of guarantee instruments that have not been previously formalized electronically will not be accepted.

2.2.2 Request for registration of guarantees

In addition to the presentation or entry of the guarantees, the registration request must be made through the Guarantees Manager of the Gas System Platform for their formalization:

Guarantees manager > "select instrument" > Income/New

2.3 Assignment of guarantees

Once MIBGAS accepts the request for the registration of guarantees, guarantees must be allocated to the Allocation Account of the desired activity through the Guarantees Manager of the Gas System Platform:

Guarantees manager > Assigning of Guarantees > Modify

2.4 Guarantees modifications and refunds

Requests for cancellation or modification of guarantees must be made by accessing the Guarantees Manager of the Gas System Platform.

- Refund of guarantees:

  Guarantees manager > "select instrument" > Refund

- Modification of guarantees:

  Guarantees manager > "select instrument" > Modify

  However, in those cases where the modification of guarantees entails a reduction in quantity, authorisation for reduction must be requested beforehand:

  Guarantee manager > "select instrument" > Reduction authorisation

3 FORMALIZATION AND ASSIGNMENT OF GUARANTEES IN MIBGAS DERIVATIVES

The guarantees for participating in MIBGAS Derivatives are independent from those of the Guarantees Manager. Therefore, in order to trade MIBGAS Derivatives Spot products, guarantees will have to be formalized with MIBGAS Derivatives.

In turn, the Agents participating in the MIBGAS Derivatives Auctions segment may be required to provide a participation guarantee, as established in Annex 3: Specific Rules on MIBGAS Derivatives Auctions.

3.1 Guarantees instruments

Agents may formalize their guarantees using any of the instruments of the MIBGAS Derivatives Rules: cash deposits, bank guarantees, credit line authorisations and surety insurances; with the requirements and characteristics in the aforementioned rules.

The following guarantee instrument forms are available in the document 'Guarantee templates for the Guarantees Manager and MIBGAS Derivatives', in the Formalization of guarantees section of the MIBGAS public website:

- Bank guarantee: XML format (recommended), for presentation in electronically signed PDF format and for presentation on paper.
- Surety insurance certificate for presentation in electronically signed PDF format and for submission on paper.
- Authorisation of credit line for presentation on paper.

They can also find the entity's data form for the cases in the MIBGAS Derivatives rules in which banking entities must comply with the additional condition of providing a cash guarantee that covers a percentage of the total guarantees and lines of credit which have been formalized.

3.2 Formalization of guarantees

3.2.1 Presentation of guarantees

Cash deposits

The details of MIBGAS Derivatives' bank account for cash deposits can be found on the LNG/UGS Guarantees MIBGAS Derivatives Platform, in the menu:

Queries > Formalized Guarantees > Bank account for Guarantee income

Other guarantee instruments

The use of bank guarantees in XML format is recommended for the presentation of guarantees. These will be validated through the LNG/UGS Guarantees MIBGAS Derivatives Platform and, as a result of the validation, a response will be obtained in XML format

Additionally, guarantees in electronically signed PDF format will also be accepted.

Both guarantees in PDF format and guarantees in XML format must be signed electronically using an electronic certificate of representation of the guarantor entity.

In the latter case, this signature must be such that it is able to be validated using Valid-e or another official application for certificates issued by certification entities of the European Union.

In any case, the signature must prove that the signatory is the legal representative of the guarantor entity.

The guarantor entity must prepare the guarantee and sign it with a certificate from the entity's representative and shall then send it to the Agent. The guarantee will be attached when submitting the registration request through the LNG/UGS Guarantees MIBGAS Derivatives Platform.

If guarantees are not submitted in XML format or electronically signed PDF format, guarantee documents sent physically by post to the address indicated in point 4 may also be accepted.

If the guarantee passes all validations it will be considered correct and will be registered on the Platform. This function covers the entire guarantee life cycle: registration, reduction, modification, cancellation and, where applicable, execution. Electronic modifications of guarantee instruments that have not been previously formalized electronically will not be accepted.

Alternatively, guarantees can be formalized in MIBGAS Derivatives by **transferring cash from the Guarantees Manager Account.** To do this, it is necessary to:

- Access the Guarantees Manager of the Gas System Platform to request a cash refund. Select the "Transfer" checkbox.

  Guarantees manager > Cash Guarantee > Refund

3.2.2 Request for registration of guarantees

Additionally, through the LNG/UGS Guarantees MIBGAS Derivatives the request for registration of guarantees must be made:

Guarantee manager > "select instrument" > Income/New

3.3 Assignment of guarantees

Once MIBGAS Derivatives accepts the request for guarantees, the assignment to the required segment must be made through the LNG/UGS Guarantees MIBGAS Derivatives Platform:

Guarantees manager > Assigning Guarantees > Modify

The guarantees must be assigned to "MDERSPOT - MIBGAS Derivatives Spot" to cover operations in the MIBGAS Derivatives Spot segment, or to "MDERAUC - Subastas personalizadas en MDER" to participate, if required, in the MIBGAS Derivatives Auctions segment.

3.4 Guarantees modifications and refunds

Requests for cancellation or modification of guarantees must be made by accessing the LNG/UGS Guarantees MIBGAS Derivatives Platform.

- Refund of guarantees:

  Guarantees manager > "select instrument" > Refund

- Modification of guarantees:

  Guarantees manager > "select instrument" > Modify

  However, in those cases where the modification of guarantees entails a reduction in quantity, authorisation for reduction must be requested beforehand:

  Guarantees manager > *"select instrument" > Reduction authorisation*

4 ADDRESS FOR SENDING, DELIVERY AND COLLECTION OF GUARANTEES DOCUMENTS

Paper documentation related to the processing of guarantees must be sent or delivered to the following address:

- To: OMIE (Garantías MIBGAS/MIBGAS Derivatives)
- Calle Fray Luis de León 13
- 28012 Madrid

Any guarantee documents that have been requested and accepted for return will be collected at the same address if users so wish.

For questions related to the formalization and assignment of guarantees, contact MIBGAS via email: garantias@mibgas.es

4.1 Schedules and deadlines for processing guarantees

The schedule for delivery and collection of documentation is:

- Winter period: from 1st January to 15th June and from 16th September to 31st December.

  Monday to Thursday, from 9:15 to 14:00 and 16:00 to 18:30.
  Friday, from 9:15 to 14:30.

- Summer period: from 16th June to 15th September.

  Monday to Friday, from 9:15 to 14:30.

Guarantee requests will only be processed on working days, understood to be any working day from Monday to Friday in the Madrid exchange (Spain), with the exception of 24th and 31st December.

Any process received outside of registration hours during a given day will be deemed to have been registered on the following business day at 8:15 According to registration hours, the schedules and deadlines are summarised in the following table:

Process	Recording Method	*Winter* Monday to Thursday		*Summer* Monday to Friday *Winter Friday*	
		Recording Timetable	Processing Deadline	Recording Timetable	Processing Deadline
Admission of guarantee documents **	**Manual**	9:15-16h		9:15-13h	
Bank account varification	**Bank**	8:15-17:30h		8:15-14:30h	
Cash Guarantee deposit	**Guarantees Management Platform**	Until 17h	Record before 12:30h➔ 14h Record after 12:30h➔ 17:30h	Until 14h	14:30h record day
Submission/Modification of electronic guarantees in XML format	**Guarantees Management Platform**	At any time	Immediate ***	At any time	Immediate ***
Submission/Modification of electronic guarantees in PDF format	**Guarantees Management Platform**	Until 16h	Record before12h➔14h Record after 12h➔17:30h	Until 12h	14:30h record day
Cash refund	**Guarantees Management Platform**	Until 8:30h	Day D1*+1 if record before D1 Day D2*+1 if record before D2	Until 8:30h	Day D1+1 if record before D1 Day D2+1 if record before D2
Non-cash guarantees refund	**Guarantees Management Platform**	Until 14h	Following working day	Until 14:30h	Following working day

*Day D1 will be the first business and banking day, according to the Market Rules, after the day of issue of the credit or debit note. Day D2 will be the market collection day according to the aforementioned Rules.

**For requests requiring the delivery of paper documentation, the collection time will be as indicated above. The maximum processing period for this documentation will be the end of the next business day after receipt.

*** The formalization of electronic guarantees in XML format can be completed at any time and the processing period will be immediate.