



**RULES ON THE CALL AND REQUEST
FOR TENDER FOR THE MARKET
MAKER SERVICE AT MIBGAS
DERIVATIVES FUTURES SEGMENT**

1st Half-Year - 2021

Date: 25/11/2020

Version: 1.0

INDEX

1. PURPOSE	3
2. SERVICE DESCRIPTION	3
3. CONTENT OF THE TENDER	4
3.1 Technical specifications	5
3.2 Monetary terms	5
3.3 Experience	5
4. PROCEDURE FOR BIDS AND THEIR ASSIGNMENT	5
4.1 Submission of binding bids	5
4.2 Analysis of bids and clarifications	5
4.3 Process of evaluation and assignment	6
5. CONTRACTING	6
5.1 Model of contract	6
5.2 Additional provisions	6
5.3 Duration	6
6. PAYMENTS, INCENTIVES AND PENALTIES	7
6.1 Monitoring the fulfilment of the service	7
6.2 Pricing and terms of payment	7
6.3 Penalties	7
6.4 Benefits	7
ANNEX I. PROCEDURE FOR THE VERIFICATION OF THE SERVICE OF MARKET MAKER	8
1. Introduction	8
2. Verification of fulfilment	8
3. Payment procedure	9
4. Application and modifications of the procedure	10
ANNEX II. TECHNICAL AND ECONOMICAL BINDING OFFER	11

1. PURPOSE

The purpose of this Call and Request for Tender for the Service of Market Maker is to hold a six-monthly call for the provision of the service, receiving the Market Agents' bids for the provision of this service.

The purpose of the Service of Market Maker is to increase the liquidity of MIBGAS Derivatives Futures segment through the submission of more orders at the continuous market, whereby those Agents interested in undertaking transactions may find a counterparty more easily

2. SERVICE DESCRIPTION

The obligations that are included in the Market Maker service in MIBGAS Derivatives are the following:

- ▶ The Market Maker undertakes, from the date of entry into force of this agreement, the presentation on its own behalf of offers to buy and sell the defined products, for an amount greater than or equal to the amount (minimum quantity) agreed upon and within the maximum range of price separation between the offer of sale and that of purchase (maximum spread prices) defined.
- ▶ Both the Market Maker and the Market Operator may declare a "Fast Market" situation. However, the last responsible for the declaration and termination of a "Fast Market" situation will be the Market Operator, who will inform the Market Maker through a communication. This declaration may be requested by the Market Operator or by the Market Maker through an application to the Market Operator.

From the moment of the declaration by the Market Operator, and until the end of the "Fast Market" situation, the Market Maker may extend the trading period in which is exempted from its obligations regarding the submission of orders, so that period of time will not count for the verification of the Market Maker service, or you may extend its bid submission conditions according to the table shown in Appendix II (Fast Market situation).

- ▶ In case the Minimum amount offered is greater than the remaining amount until reaching the Maximum required limit to be matched, the Market Maker will only be obliged to maintain a Quantity on buy and sell orders for said remaining amount.
- ▶ Any order from the Market Maker that is matched will be replaced before five minutes by a new order that meets the above conditions,
- ▶ If during the performance as Market Maker exceeds the maximum required limit on the amount to be matched, he will be exonerated from submitting new orders during the rest of the session.
 - ▶ In cases where the Market Maker has not had a presence on the screen or no Last prices have been generated on the products in which the Market Maker provides its service, it will collaborate with MIBGAS to facilitate the last prices and the most competitive bid and ask offers in each product.

- › The Market Maker will collaborate with MIBGAS in those cases in which the Market Operator asks them for an opinion on the transactions and prices that an agent has requested to MIBGAS to cancel.

- › The Market Maker shall be exempt from its obligations to submit bids in the following circumstances:
 - During three sessions per month, consecutive or not.
 - During the exemption time ranges described in Annex II.
 - When the Market Maker is in an extraordinary technical situation that has been previously notified to MIBGAS Derivatives, providing the appropriate documentation of its existence and provided that it has proceeded to immediately initiate the necessary actions to remedy this situation, keeping MIBGAS Derivatives informed punctually on the progress of the work carried out for its remedy.
 - It will be considered that there is an extraordinary technical situation in cases in which it is demonstrated in a reliable way that there is a situation that affects the communications facilities or infrastructures with MIBGAS Derivatives, from which the impossibility is derived, on the part of the Market Maker, to make orders and that substantially and materially prevents compliance with the assumed obligations.
 - When the Market Maker has accessed privileged information under the terms established in Regulation (EU) No. 1227/2011 of the European Parliament and of the Council, of October 25, 2011, on the integrity and transparency of the wholesale energy market and until this information is made public. The Market Maker must justify that such exoneration was due to access to privileged information.
 - During the duration of a declaration of an exceptional operational situation (SOE) of level 1 and 2 or any of the crisis levels defined in the community regulations, as defined in the System's Technical Management Standards.

Without prejudice to compliance with the obligations acquired under this agreement, the Market Maker may freely make additional orders to the different products in accordance with the MIBGAS Derivatives Rules and their corresponding Annexes.

The Market Maker will provide the service for the products that have been awarded to him, without prejudice to the fact that other Market Makers may act on those or other products.

In any case, the specific regulations of each product in force at each moment will be the one that regulates the performance characteristics of the Market Maker.

In order to count the number of days that the Market Maker has fulfilled its function, all trading days of the product will be taken into account, regardless of whether it coincides with any type of holiday.

Regarding the futures segment of MIBGAS Derivatives, as the products Q + 1 (Quarter + 1), S + 1 (Semester-gas + 1) or Y + 1 (Calendar + 1) are not traded during the last trading session immediately prior to their first delivery day, the Market Maker that trades these product under the service must perform the service, during that trading session, for the immediately following product with the same delivery horizon Q + 2 (Quarter + 2), S + 2 (Semester-gas + 2) or Y + 2 (Calendar + 2)).

3. CONTENT OF THE TENDER

The agent will complete Annex II, detailing the technical and economic conditions, and experience as a market maker in other trading platforms

The submission of a binding bid by the interested party shall be understood to entail acceptance of all the terms and conditions provided for herein, which shall be an integral part of the market maker agreement on MIBGAS Derivatives arranged between the parties.

3.1 Technical specifications

The technical specifications shall contain the conditions for the provision of the service for each product tendered, as per the table in Annex II. It will set a value for the free parameters of each product, within the specified limits and maintaining the obligations stipulated in the pre-established parameters.

3.2 Monetary terms

Together with the technical specifications for each product, the bidder shall submit a financial evaluation of the service tendered, with the monthly.

The bidder may also submit the financial evaluation with the joint cost of the service for a combination of products, in the event they are all included in the provision of the service

3.3 Experience

The bidder may include references on any market maker services it has rendered on other trading platforms.

4. PROCEDURE FOR BIDS AND THEIR ASSIGNMENT

4.1 Submission of binding bids

Binding offers are to cover the technical specifications, monetary terms and experience as specified in section 3.

The agent may submit several offers, which may or may not be exclusive, indicating at least two of the requested products, in any combination of them, for which he would provide the service. Always taking into consideration that he must indicate the amount, in euros, by which you commit to perform the service of each of the products individually.

Documents are to be submitted in pdf format via email to cm@mibgas.es before 12:00 CET on 15December 2020. In addition, the bidder will send a hardcopy to the following address:

MIBGAS Derivatives S.A.
Operations Department. Call for Market Maker
Alfonso XI, 6. Planta 5.
28014 Madrid (Spain)

4.2 Analysis of bids and clarifications

MIBGAS will analyse the bids submitted, and may call upon the bidders to provide certain clarifications. Likewise, MIBGAS will answer those questions it is asked by the bidders regarding the terms and conditions of the call for tender, and made before the deadline for their submission.

4.3 Process of evaluation and assignment

The overall evaluation of the offer will be based on the joint assessment of the technical parameters and the economic valuation, being possible, if necessary, the valuation of the participation as market maker of the bidder in other markets.

Those proposals that do not accomplish the requirements and restrictions set in technical parameters will be rejected.

MIBGAS Derivatives will execute a technical evaluation of the proposals submitted, considering that the parameters "Maximum price spreads" and "Maximum required limit on the amount to be matched " will be weighted as a priority, in order to determine a technical assessment.

When making the final selection of bids, both the economic valuation and technical valuation will be taken into account. It will be possible to award an economically less advantageous proposal when there is a significant positive difference in the technical valuation.

In case that great parity between two applications exists, both in economical and technical valuation, MIBGAS Derivatives may rely on the offeror`s experience to determinate which offer is more accurate.

MIBGAS Derivatives is entitled to request a new version of the binding offers to all the bidders if it considers it necessary to make any modification of the details in the requirements, in view of the proposals submitted.

MIBGAS Derivatives may choose more than one service provider for each product, if considers that the choice justifies the achievement of the proposed objective more effectively.

MIBGAS Derivatives may declare void the call for one or more products, if it considers that none of the offers received meets the conditions for the provision of the service.

5. CONTRACTING

5.1 Model of contract

Once the service of Market Maker has been awarded, MIBGAS Derivatives will send the contract for the formalization of the agreement between both parties.

5.2 Additional provisions

The Market Maker will inform MIBGAS of any conflicts of interest that may arise in the pursuit of its business, refraining from undertaking any actions that may undermine the purpose of this contract.

Regarding any matter not expressly regulated in this tender, application is to be made of the MIBGAS Derivatives rules and its Annexes.

5.3 Duration

The contract will be valid for the first half of 2021.

6. PAYMENTS, INCENTIVES AND PENALTIES

6.1 Monitoring the fulfilment of the service

MIBGAS shall monitor the fulfilment of the Service of Market Maker, according to the Procedure for the verification of the Service of Market Maker available in Annex I, identifying the sessions in which there has been a breach of the terms and conditions. On a monthly basis, and before any payment is made, MIBGAS Derivatives will present the service provider with its corresponding fulfilment report.

6.2 Pricing and terms of payment

The price will be the one accepted in the award of the bid.

The payment procedure is described on the Procedure for the verification of the Service of Market Maker available in Annex I.

6.3 Penalties

Penalties will not be applied, but the payment will be established according to the degree of compliance in accordance with the *Procedure for the verification of the Service of Market Maker* available in Annex I.

6.4 Benefits

The Agent that is awarded with the Market Maker service will have the following benefits:

- Free advertising within the MIBGAS Derivatives website.
- Exemption of the negotiation fee for the Futures segment or for the spot Segment of MIBGAS Derivatives respectively, depending on the products traded under the service.
- Exemption from OMIClear's variable compensation commission within the framework of the bilateral agreement between both parties (Futures segment).
- Two free registrations to the training course of MIBGAS or MIBGAS Derivatives (to be chosen by the Agent during 2021).

ANNEX I. PROCEDURE FOR THE VERIFICATION OF THE SERVICE OF MARKET MAKER

1. Introduction

Although no specific penalties or incentives have been specified for this call, there is a need for MIBGAS Derivatives to set the parameters for carrying out a daily verification for determining the level of compliance with the terms and conditions established. This verification shall be used to calculate the number of days in each month in which said terms and conditions have not been met, with the monthly payment being established by proportionally discounting such days.

The aim of this procedure is to draw up a single document that systemises the variables that will be taken into consideration when proceeding to the verification of the Service of Market Maker and which have been agreed by the parties subscribing this Procedure, both through the content of the contact, the binding bid and the communications made during the negotiating process.

With a view to verify the Market Maker's compliance and the subsequent payment of the service, MIBGAS Derivatives places at its disposal this Procedure for the Verification of the Service of Market Maker (hereinafter the "Procedure").

This Procedure regulates the verification of the parameters established both in the MIBGAS Derivatives rules and its Annexes, and in the binding offer signed by the parties subscribing this Procedure. Pursuant to the above regarding any matters not expressly provided for in this Procedure, application shall be made of the provisions of the documents mentioned beforehand.

2. Verification of fulfilment

The verifications shall be made according to the following criteria and parameters:

Product: ...

Parameter	Metrics	Verification
The maximum price spreads offered.	Less than or equal to ... €/MWh.	Verification that the maximum price spread is less than or equal to ... €/MWh.
The maximum required limit on the amount to be matched per trading session (amount as of which it is exempted from that session).	More than or equal to ... MWh/day.	Verification that the Market Maker has traded a total volume, by trading day, of at least ... MWh/day.
Number of trading sessions in which the market maker will be released from its obligation to place orders.	Three sessions per month.	Verification of the number of sessions in which it has not taken part. A discount is made of the number of days on which it has not taken part when these are more than three.

Presence of the Market Maker.	From ... until ... and from ... a ...	Verification of the mandatory presence of orders during the time ranges detailed.
The minimum amount offered at any given moment for purchase or sale by product.	... MWh/d, divisible	Verification of whether there is a divisible order with at least this purchase and sale amount in a visible manner (no use may be made of iceberg orders for fulfilling the duties of market maker). In case the Minimum amount offered is greater than the remaining amount until reaching the Maximum required limit to be matched, the Market Maker will only be obliged to maintain at all time a Quantity on buy and sell orders for said remaining amount.
Time for replacing a matched order.	Less than or equal to five minutes.	Verification of whether the time for replacing orders is less than or equal to five minutes.

Spread conditions in a Fast Market situation:

The verification of the "Fast Market" situation corresponds to MIBGAS Derivatives as Market Operator, which will make its best efforts to confirm this situation within two days after the Market Maker's communication.

The verification procedure will be carried out according to the following order of priority:

1. The increase in volatility or price differential recorded in the Futures segment of MIBGAS Derivatives will be reviewed.
2. The increase in volatility or price differential recorded in the European reference gas markets (TTF or PEG) will be reviewed.
3. In case of not identifying a situation of "Fast Market" by means of the two previous conditions, the Market Operator will request the Market Maker sufficient evidence to declare this situation.

If the Market Operator concludes that there are no elements to determine a "Fast Market" situation, it will be understood that the Market Maker has not fulfilled its bid submission obligations for that trading session for the purpose of verification of the Market Maker's service. Market Operator will communicate to the Market Maker of this situation.

3. Payment procedure

Once the month (M) has ended in which the agent has acted as Market Maker, during the first ten days of the following month (M+1), MIBGAS Derivatives will send a report to the Market Maker stating whether

or not it has complied with the agreed restrictions (and in what proportion). This same report will state the amount that it is to invoice MIBGAS Derivatives.

In the middle of the month (M+1) the Market Maker will issue an invoice for that amount addressed to MIBGAS Derivatives and will send it in PDF format via email to agentesmd@mibgas.es.

At the end of the month (M+1), once MIBGAS Derivatives has confirmed that the amount is correct, the amount will be paid by bank transfer.

The data the invoice is to feature for payment purposes are as follows:

CIF: A-87886586
Company name: MIBGAS Derivatives, S.A.
Address: Calle Alfonso XI, 6 - 5ª planta. 28014 Madrid (Spain)

Payment will be made according to the products that have been traded each day, taking into account the compliance defined herein.

The days upon which the market maker invokes its exemption shall be computed as if it had performed the service for that session and product.

4. Application and modifications of the procedure

This Procedure shall come into force as of the moment of its subscription, which in all cases shall coincide with the signing of the contract that signals the start of the service of the chosen Agent as Market Maker.

This Procedure may be modified in the event of the following contingencies:

- » A change in trading times on the platform.
- » Any other circumstance that directly or indirectly affects the criteria for evaluating the Market Maker's actions described in this Procedure.

ANNEX II. TECHNICAL AND ECONOMICAL BINDING OFFER

TECHNICAL OFFER

COMPANY NAME:

MIBGAD DERIVATIVES FUTURES SEGMENT

* The indicative value is based on the current conditions in which the service is provided.

	Measure	Product	Indicative value (*)	Proposal
Free Parameters	Maximum price spread offered. The spread must be less than or equal to the value indicated	M+2 (Month +2)	0,30 €/MWh	
		Q+1 (Quarter +1)	0,30 €/MWh	
		S+1 (Semester-gas +1)	0,30 €/MWh	
		Y+1 (Calendar +1)	0,25 €/MWh	
	The required limit for the amount to be matched per trading session (matched amount as of which the Market Maker is exonerated in that session). The limit must be greater than or equal to the value indicated	M+2 (Month +2)	1000 MWh/d	
		Q+1 (Quarter +1)	1000 MWh/d	
		S+1 (Semester-gas +1)	500 MWh/d	
		Y+1 (Calendar +1)	500 MWh/d	
trading periods in which the market maker is exempted from its obligations regarding the submission of orders.	All products	From 09:35 until 18:00		
Number of trading sessions in which the market maker is exempted from its obligations regarding the submission of orders.	All products	Three sessions per month	-	
Pre-set Parameters	Time for replacing a matched order	All products	Less than or equal to five minutes	-
	The minimum amount ordered at each moment of purchase or sale per product. The minimum amount, in each purchase and sale offer, will have to be divisible and must be present in a visible manner.	M+2 (Month +2)	200 MWh/d	-
		Q+1 (Quarter +1)	200 MWh/d	-
		S+1 (Semester-gas +1)	100 MWh/d	-
Y+1 (Calendar +1)		100 MWh/d	-	

MIBGAS DERIVATIVES SPOT PRODUCTS

* The indicative value is based on the current conditions in which the service is provided.

	Measure	Product	Indicative value (*)	Proposal
Free Parameters	Maximum price spread offered. The spread must be less than or equal to the value indicated	Within Day TVB	0,40 €/MWh	
		Day Ahead (D+1) TVB	0,40 €/MWh	
		Within Day AVB	0,40 €/MWh	
		Within Day TVB	0,40 €/MWh	
	The required limit for the amount to be matched per trading session (matched amount as of which the Market Maker is exonerated in that session). The limit must be greater than or equal to the value indicated	Within Day TVB	500 MWh/d	
		Day Ahead (D+1) TVB	1000 MWh/d	
		Within Day AVB	500 MWh/d	
		Within Day TVB	1000 MWh/d	
Pre-set Parameters	trading periods in which the market maker is exempted from its obligations regarding the submission of orders.	All products	From 11:35 until 18:00	
	Number of trading sessions in which the market maker is exempted from its obligations regarding the submission of orders.	All products	Three sessions per month	-
	Time for replacing a matched order	All products	Less than or equal to five minutes	-
	The minimum amount ordered at each moment of purchase or sale per product. The minimum amount, in each purchase and sale offer, will have to be divisible and must be present in a visible manner.	Within Day TVB	100 MWh/d	-
		Day Ahead (D+1) TVB	100 MWh/d	-
		Within Day AVB	100 MWh/d	-
		Within Day TVB	100 MWh/d	-

Fast Market Situation:

From the moment of the declaration by the Market Operator, and until the end of the "Fast Market" situation, the Market Maker **may extend trading period in which is exempted from its obligations regarding the submission of orders**, so that period of time will not count for the verification of the Market Maker service, or you may extend your bid submission conditions according to the table shown:

Product	Maximum spread (normal conditions)	Maximum spread (Fast Market conditions)
M+2 (Month +2)	0,30 €/MWh	1 €/MWh
Q+1 (Quarter +1)	0,30 €/MWh	1 €/MWh
S+1 (Semester-gas +1)	0,30 €/MWh	1 €/MWh
Y+1 (Calendar +1)	0,25 €/MWh	1 €/MWh
Within Day TVB	0,40 €/MWh	1 €/MWh
Day Ahead (D+1) TVB	0,40 €/MWh	1 €/MWh
Within Day AVB	0,40 €/MWh	1 €/MWh
Day Ahead (D+1) AVB	0,40 €/MWh	1 €/MWh

In the same way, the Market Maker may request the termination of the "Fast Market" situation to the Market Operator. From the moment of the confirmation by the Market Operator to the Market Maker, the exemption from their obligation to submit bids will be withdrawn.

ECONOMICAL OFFER

Product	Amount offered (€/month)
M+2 (Month +2)	
Q+1 (Quarter +1)	
S+1 (Semester-gas +1)	
Y+1 (Calendar +1)	
Within Day TVB	
Day Ahead (D+1) TVB	
Within Day AVB	
Day Ahead (D+1) AVB	

MARKET MAKER PREVIOUS EXPERIENCE:

Signature:

Date:

