

RESOLUTION OF THE DIRECTORATE GENERAL FOR ENERGY POLICY AND MINING APPROVING THE AWARD OF THE SERVICE OF MARKET MAKER ON THE ORGANISED NATURAL GAS MARKET TO "GUNVOR INTERNATIONAL B.V. AMSTERDAM, GENEVA BRANCH"

Section 4.3 of the Resolution of 6 June 2016, of the Secretary of State for Energy, approving several provisions on the organised gas market, stipulated that, following a prior report by Spain's National Markets and Competition Commission, a resolution of the Directorate General for Energy Policy and Mining is to be used to nominate the market agents that perform the duties of Market Maker.

Accordingly, section 4.1 of the aforementioned provision states that at least on a half-yearly basis the market operator shall issue a call for the rendering of the service of market maker, including the terms and conditions for the submission of bids by agents.

Therefore, on 26 October 2016, MIBGAS, S.A., as operator of the organised natural gas market, initiated a bidding process that included a prior communication to the market agents inviting them to submit a Letter of Interest, with subsequent delivery to them of the rules of tender and a bid request. On 11 November, the deadline expired for the submission of bids and for answering any queries the bidders might have had. On 25 November, MIBGAS, S.A. proceeded to select the service providers, notifying the Directorate General for Energy Policy and Mining on 1 December of the proposal for awarding the service.

On 15 December 2015, the Directorate General for Energy Policy and Mining delivered the content of this resolution, along with the documentation submitted by MIBGAS, S.A., to the National Markets and Competition Commission for it to issue the mandatory report, which was approved by the aforesaid commission's committee for regulatory supervision (*Sala de Supervisión Regulatoria*) on 10 January 2017.

By virtue hereof, I hereby rule:

One. Following the proposal made by MIBGAS, S.A., the decision is hereby approved to award "Gunvor International B.V. Amsterdam, Geneva Branch" the service of Market Maker on the organised natural gas market, for the period running between the day following the subscription of the organised gas market's "Market Maker Agreement", as referred to in section two, and 30 June 2017, both inclusive.

Second. The rendering of the service is subject to the subscription, within a maximum of three days as of the notification of this resolution, by MIBGAS, S.A. and "Gunvor

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International B.V. Amsterdam, Geneva Branch" of the organised gas market's "Market Maker Agreement" attached as Annex I to the Resolution of 6 June 2016, of the Secretary of State for Energy, whereby approval is granted to several provisions on the organised gas market, to which attachment is made of Annexes I, II and III hereto.

Three. Annex I hereto lays down the terms and conditions for the submission of orders in trading sessions, while Annex II and Annex III, both of a confidential nature, respectively include the products and terms and conditions of the service, as well as the monthly payment to be made to the Market Maker by MIBGAS. These annexes correspond to the models attached to the Resolution of the Secretary of State for Energy of 6 June 2016.

The terms and conditions governing the rendering of the service by the Market Maker, as well as the rights and obligations applicable both to it and MIBGAS, shall be those laid down in the aforesaid Agreement, as well as in Annexes II and III hereto.

Fourth. This resolution is to be notified to the National Markets and Competition Commission (CNMC), to MIBGAS, and to "Gunvor International B.V. Amsterdam, Geneva Branch".

In addition, this resolution is to be posted on the gas market operator's website, with the exception of Annexes II and III.

To contest this resolution, an administrative appeal may be filed before the Secretary of State for Energy, pursuant to the provisions of article 112 Spain's Law 39/2015, of 1 October, on the Common Administrative Procedure of the Public Administrations, within a period of one month to be counted as of the day after the notification hereof.

Once that period has elapsed without an appeal being filed, the resolution shall be considered final for all intents and purposes. For the calculation of the periods by months, application shall be made of the provisions of article 30 of the aforesaid Law 39/2015, of 1 October.

Done in Madrid,

ANNEX I

Terms and conditions governing the submission of orders in trading sessions

By virtue hereof, the market maker shall present the product purchase and sales orders it commits to in the trading sessions, as specified in Annex II.

It shall begin its involvement in these trading sessions as of the start of the trading timetable for the product's continuous market through to the established end of the timetable for the trading session (excluding any kind of auction that may be held during the same), with the following conditioning factors:

- a) The market maker shall be exonerated from its obligations to place orders for a total period of 36 trading sessions for each product and year, consecutive or otherwise, provided that it gives a minimum prior notice of ten days on the start date of each exemption period. In the case of those contracts arranged for less than one year, this release period shall be established on a proportional basis.
- b) The market maker shall be exonerated from its obligations to place orders for a total period of 20% of the contracting period for each one of the products for which it provides a service without having reached the maximum amount to be matched, with the exception of the first 5 minutes and last 0 minutes of the trading timetable on the product's continuous market in that session, as well as the 0 minutes subsequent to the issue of intraday information arising from the application of the balancing circular.
- c) The market maker shall be exonerated from its obligations to place orders during the period in which it is in an extraordinary technical situation, pursuant to the provisions of clause six herein.
- d) A market maker that is exposed to privileged information according to the terms laid down by Regulation (EU) No 1227/2011 of the European Parliament and of the Council, of 25 October 2011, on wholesale energy market integrity and transparency (REMIT) shall be released from its obligations to place orders until that information is made public. The market maker is to prove that such exoneration was due to its exposure to privileged information.