



## **DECISION 2<sup>1</sup>**

### **“Procedure for acquiring the Liquidity Provider capacity and terms of liquidity provision in the Natural Gas Trading Platform of HEnEx”**

(as approved by HEnEx's BoD at its meeting with number 65/02.02.2022)

#### **THE HELLENIC ENERGY EXCHANGE S.A.**

Having regard to the provisions of sections 3.4, 4.5 and subsections 4.6.8, 5.2.4 of the Natural Gas Trading Rulebook of HEnEx (hereinafter the “Rulebook”):

#### **HAS DECIDED AS FOLLOWS**

##### **Scope**

The present Decision sets out the following issues:

- a) The procedure for acquiring the Liquidity Provider capacity by a Participant in the Natural Gas Trading Platform.
- b) The specific terms of liquidity provision.

### **Article 1. Procedure for acquiring the Liquidity Provider capacity**

#### **1.1 Acquisition of the Liquidity Provider capacity**

The submission of supporting documents for acquiring the capacity of Liquidity Provider shall be made in accordance with the relevant procedure for reviewing and approving applications for the Liquidity Provider as set out by HEnEx under this Decision.

The review and approval process comprises four (4) stages. HEnEx shall inform the Participant of the review stages and the completion of the process for acquiring the Liquidity Provider capacity and shall provide the Participant with all the necessary information in order to participate in these stages.

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<sup>1</sup> Unofficial translation from the Greek language (Ref. HenEx: 170/03.02.2022), as of 03/02/2022. In case of any discrepancy between the Greek and the English version, the Greek version prevails.

The participation of the Participant in each stage of the process presupposes, in any case, the successful completion of the subsequent steps.

### **1.1.1 1<sup>st</sup> Stage**

Stage 1 refers to the submission of the required data and supporting documents, as described below, for acquiring the Liquidity Provider capacity on a specific Product for which the Participant applies.

### **1.1.2 2<sup>nd</sup> Stage**

Stage 2 concerns the approval of the Participant's application as a Liquidity Provider on the specific Product.

### **1.1.3 3<sup>rd</sup> Stage**

At Stage 3 the Participant may participate in the mock sessions organized by HEnEx in order to ascertain the ability and readiness of the Participant and its personnel/fulfillment assistants to perform their duties as Liquidity Provider.

### **1.1.4 4<sup>th</sup> Stage**

In Stage 4 the Member is activated as a Liquidity Provider in the specific Product.

## **1.2 Information and supporting documents**

1. In addition to the provisions specified in the Rulebook, the Participant shall submit to HEnEx an application in order to acquire the Liquidity Provider capacity, on a standard form provided by HEnEx, which furthermore includes an indicative memorandum guide in the form of questionnaire, attached thereto, forming an integral part thereof. The indicative memorandum guide contains at least the content specified in the Rulebook and is posted on the website of HEnEx. The Participant may, in the same application, apply for the acquisition of the Liquidity Provider capacity for more than one Products. However, HEnEx approval is given per Product.
2. In the event that the Participant intends to outsource specific services to a service provider under an outsourcing contract, the Participant shall specify in the memorandum that submits to HEnEx the type of outsourced functions and the way in which they are covered according to the Rulebook. In this case, the Participant shall, in addition to the above, submit the outsourcing policy that will apply to the liquidity provision operation and the risk management policy based on outsourcing. The Participant must have at least one Certified Trader.
3. The capacity of Liquidity Provider on a Product is acquired by decision of HEnEx.

4. The information and supporting documents referred to above shall be provided together with the Participant's application for acquiring the capacity of Liquidity Provider on a particular Product.
5. It is specified that the Participant shall comply with the terms and conditions set out in this Decision for each Product in respect of which he requests to acquire the capacity of Liquidity Provider.
6. All supporting documents shall be submitted in Greek or English, whereas they shall carry the company's stamp and apostilled (according to the Hague Convention), where applicable.
7. When examining the above information and supporting documents provided by the Participant at all stages described above, the competent department of HEnEx may request additional documents, if it deems it necessary for the completeness of the application.

## Article 2. Terms of liquidity provision

The Liquidity Provider shall enter limit orders for liquidity provision (buy and sell) in the Trading System, trading on its own account on series of the Product on which the Liquidity Provider undertakes relevant obligations, in accordance with the provisions of the Rulebook and this Decision. By meeting the liquidity provision obligations, the Liquidity Provider is rewarded by a privileged fee policy. In case of non-fulfillment of the liquidity provision obligations, HEnEx may temporarily suspend or may remove the capacity of Liquidity Provider from a Participant.

### 2.1 Daily Title Product

<b>Liquidity Provision Orders (LPO)</b>	The Liquidity Provider enters limit buy and sell orders for the series with an Obligation for Liquidity Provision.
<b>Frequency of Submitting Liquidity Provision Orders</b>	Continuous.
<b>Assessment Days of Liquidity Provider (AD)</b>	Business days according to the Clearing Calendar compiled and announced by EnExClear.
<b>Application Phases</b>	Application Phase 1: The time period covering 270 calendar days, starting with the launch of the Trading Platform. Application Phase 2: The time period after Application Phase 1.
<b>Series with an Obligation for Liquidity Provision (SOLP)</b>	The Liquidity Provider is operating at least during the AD and for the series of the following table:

	Monday	Tuesday	Wednesday	Thursday	Friday
<b>SOLP</b>	D+1 D*	D+1 D*	D+1 D*	D+1 D*	D+1 D+2 D+3 D*
<p>* With special provision for the periods of operating as Liquidity Provider</p> <p>where</p> <ul style="list-style-type: none"> <li>- D+1: the (1<sup>st</sup>) Day-ahead series,</li> <li>- D+2: the 2<sup>nd</sup> Day-ahead series,</li> <li>- D+3: the 3<sup>rd</sup> Day-ahead series,</li> <li>- D: the Within-day series.</li> </ul> <p>In case of a day, from Monday to Friday, that is not an AD, the Liquidity Provider has an obligation for liquidity provision on series D, D+1, D+2 during the immediately previous AD.</p> <p>In case of two or more consecutive days which are not AD, the Liquidity Provider has an obligation for liquidity provision on series D, D+1, D+2 and D+3 during the immediately previous AD.</p>					
<b>Assessment Interval of Liquidity Provider (AILP)</b>	Each period of five (5) minutes duration, within the period of Daily Assessment of Liquidity Provider and for which there is no Waiving of Liquidity Provision Obligations, starting in an integer multiple of 5 minutes (e.g., 15:00-15:05, 15:05-15:10).				
<b>Daily Assessment of Liquidity Provider</b>	<p>Liquidity Providers are evaluated in terms of fulfilling their obligations for the AILP contained in the following time periods:</p> <ul style="list-style-type: none"> <li>• For all SOLP except for the Within-day series (D): from 10:00 CET to 11:30 CET and from 14:00 CET to 16:00 CET,</li> <li>• For the Within-day series (D): from 11:30 CET to 12:30 CET.</li> </ul> <p>The obligations of the Liquidity Provider are considered fulfilled for a trading session if the Liquidity Provider has fulfilled the terms foreseen in the Rulebook and in this Decision for a total number of AILP at least equal to X% of the total daily AILP of the above assessment intervals. X% is defined as follows:</p> <p><u>Application Phase 1</u>: X=60%</p> <p><u>Application Phase 2</u>: X=75%.</p>				
<b>Minimum Monthly Trading Volume (MMV)</b>	<p><u>Application Phase 1</u>:</p> <p>6000 Contracts in total per calendar month.</p> <p><u>Application Phase 2</u>:</p> <p>12000 Contracts in total per calendar month.</p>				
<b>Monthly Assessment of Liquidity Provider</b>	The obligations of the Liquidity Provider are considered fulfilled for a calendar month provided that				

	<ul style="list-style-type: none"> <li>the Liquidity Provider has fulfilled its obligations for a percentage Y% of the Assessment Days of Liquidity Provider of the relevant month and</li> <li>the Liquidity Provider has carried out trades that fulfill the MMV.</li> </ul> <p>The percentage Y% is defined as follows:  <u>Application Phase 1:</u> Y=70%  <u>Application Phase 2:</u> Y=80%.</p>
<b>Cases of waiver or modification of Liquidity Provision Obligations</b>	<p>The obligations of the Liquidity Provider are waived per series in the following cases:</p> <ol style="list-style-type: none"> <li>For the remaining of the current trading session, provided that the total trading volume of the Liquidity Provider during the relevant session is greater than or equal to a number of Contracts Z, as it is specified below. In that case, the waiving of obligations is performed upon request of the Liquidity Provider to HEnEx.</li> </ol> <p>The total volume of Contracts Z is defined as follows:  <u>Application Phase 1:</u></p> <ul style="list-style-type: none"> <li>Series D: Z = 3000 Contracts</li> <li>Series D+1, D+2, D+3: Z = 3000 Contracts</li> </ul> <p><u>Application Phase 2:</u></p> <ul style="list-style-type: none"> <li>Series D: Z = 5000 Contracts</li> <li>Series D+1, D+2, D+3: Z = 5000 Contracts</li> </ul> <ol style="list-style-type: none"> <li>In case a series is traded under Trading Method 2. In this case, the waiving of obligations is performed automatically.</li> <li>In case of a severe change in any market variable (indicatively in prices, trade volumes) during a short period of time, significant technical problems, force majeure disruption to the proper functioning or suspension of the market or in case of a major reason that increases the risk that the Liquidity Provider undertakes in fulfilling its obligations, HEnEx may intervene either by modifying the terms of the Liquidity Provider obligations or by waiving its obligations for continuous submission of buy and sell orders in specific series during a certain time period that will determine at its sole discretion. In this case, HEnEx shall, by any appropriate means, notify the Participants about the modification or waiver of liquidity provision obligations. Likewise, relevant notification shall be provided when reactivating the liquidity provision obligations after the end of the period that the modification or waiving of the obligations applied.</li> </ol>
<b>Liquidity Provider Assessment for each AILP</b>	
<b>Assessable LPOs (ALPOs)</b>	Assessable LPOs in a specific AILP are considered those LPOs that have been active throughout this AILP.

	<p>In case of modification exclusively of the quantities of the LPO, the minimum quantity of the LPO is considered.</p> <p>In case of modification exclusively of the prices of the LPO, the following is considered:</p> <ul style="list-style-type: none"> <li>• the lowest price in case of a buy order</li> <li>• the highest price in case of a sell order</li> </ul> <p>In case of modification of both the prices and the quantities, the LPO are not considered ALPO.</p>
<b>Total Buy Quantity of ALPOs (TBQ)</b>	The sum of buy quantities of the ALPOs in the AILP.
<b>Minimum Quantity of ALPOs (MQ)</b>	<p><u>Application Phase 1:</u> 100 Contracts (for each AILP)</p> <p><u>Application Phase 2:</u> 200 Contracts (for each AILP)</p>
<b>Total Sell Quantity of ALPOs (TSQ)</b>	The sum of sell quantities of the ALPOs in the AILP.
<b>Reference Price of Buy ALPOs (RP_B)</b>	<p>For each price level of Buy ALPOs, the progressive sum of the quantities of the Buy ALPOs with a price higher than or equal to the price level is calculated.</p> <p>The Reference Price of Buy ALPOs is the highest price level for which the above progressive sum satisfies the MQ.</p>
<b>Reference Price of Sell ALPOs (RP_S)</b>	<p>For each price level of Sell ALPOs, the progressive sum of the quantities of the Sell ALPOs with a price lower than or equal to the price level is calculated.</p> <p>The Reference Price of Sell ALPOs is the lowest price level for which the above progressive sum satisfies the MQ.</p>
<b>Price Range of ALPOs (PR)</b>	The absolute value of the difference between RP_B and RP_S.
<b>Maximum Allowed Price Range of ALPOs (MPR)</b>	<p><u>Application Phase 1:</u></p> <ul style="list-style-type: none"> <li>- Series D: 1.6 €/MWh</li> <li>- Series D+1, D+2, D+3: 1.2 €/MWh</li> </ul> <p><u>Application Phase 2:</u></p> <ul style="list-style-type: none"> <li>- Series D: 1.2 €/MWh</li> <li>- Series D+1, D+2, D+3: 0.8 €/MWh</li> </ul>
<b>Fulfillment of Liquidity Provider Obligations in an AILP</b>	<p>The obligations of the Liquidity Provider are considered fulfilled in an AILP provided that, for each SOLP:</p> <ul style="list-style-type: none"> <li>• The Liquidity Provider has ALPOs <ul style="list-style-type: none"> <li>○ with TBQ and TSQ greater than or equal to MQ and</li> <li>○ with PR that satisfies the MPR.</li> </ul> </li> </ul> <p>or</p>

	<ul style="list-style-type: none"> <li>the Liquidity Provider has made trades with a total quantity at least 20% of the MQ either in the current or in the previous AILP.</li> </ul>
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### Article 3. Liquidity Provider reward policy

- In order to reward Liquidity Providers who meet the liquidity provision conditions of Article 2, HEnEx shall rebate part of their trading fees, the amount of which shall be determined in accordance with the table below:

Products	Rebate on trading fees
Daily Title Product	0.01 €/MWh

- The calculation of the amounts to be paid is made per calendar month.
- The payment of the due amount by HEnEx is made within fifteen (15) working days from the expiration of the relevant calendar month to a bank account designated by the Liquidity Provider in accordance with the procedures of HEnEx.

### Article 4. Validity

This decision takes effect as from 04/02/2022.

The herein decision shall be uploaded to the website of HEnEx <https://www.enexgroup.gr>.