

## RESOLUTION 4<sup>1</sup>

### “Default & Crisis Management Committee”

*(as approved at the 40<sup>th</sup> EnExClear’s BoD meeting on 02.02.2022)*

#### THE CLEARING HOUSE EnExClear

Having regard to the provisions:

- i) of sections 2.25, 2.27, 2.28, 2.30, 2.37 and 2.38, of Chapter 2, of sections 4.1, 4.3, 4.4, 4.5, 4.6, 4.7 of Chapter 4, and of sections 5.1, 5.2, 5.3 of the Chapter 5 of the Clearing Rulebook for Transactions on Day-Ahead & Intraday Markets (hereinafter the “Clearing Rulebook of HEnEx Electricity Markets”)<sup>2</sup>
- ii) the provisions of sections 2.25, 2.27, 2.28, 2.30, and 2.37, of Chapter 2, of sections 4.1, 4.3, 4.4, 4.5, 4.6, 4.7 of Chapter 4, and of sections 5.1, 5.2, 5.3 of the Chapter 5 of the Clearing Rulebook for Balancing Market Positions (hereinafter the “Clearing Rulebook of Balancing Markets”)<sup>3</sup>and
- iii) the provisions of sections 2.25, 2.27, 2.28, 2.30, 2.38 and 2.39 of Chapter 2, of sections 4.1, 4.3, 4.4, 4.5, 4.6, 4.7 of Chapter 4, and of sections 5.1, 5.2, 5.3 of the Chapter 5 of the Clearing Rulebook for Transactions HEnEX’s Natural Gas Trading Platform (hereinafter the “Clearing Rulebook of Natural Gas”)<sup>4</sup>

#### HEREBY RESOLVES AS FOLLOWS:

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<sup>1</sup> Unofficial translation from the Greek language, as 04/02/2022. In case of any discrepancy between the Greek and the English version, the Greek version prevails.

<sup>2</sup> Regulatory Authority for Energy (RAE), Decision 1125A/2019, «Approval of the Clearing Rulebook for the Day Ahead and Intraday Market», pursuant to Art. 13 par.2 of the L.4425/2016 (Gov. Gazette A’ 185), as in force» (Gov. Gazette B’ 428/12.02.2020).

<sup>3</sup> Regulatory Authority for Energy (RAE), Decision 943/2020, «Approval of the Clearing Rulebook for Balancing Market Positions», pursuant to Art.12 and 13 par. 2 of the L.4425/2016 (Gov. Gazette A’ 185), as in force»

<sup>4</sup> Regulatory Authority for Energy (RAE), Decision 89/2022, «Approval of the Clearing Rulebook for Transactions on HEnEx’s Natural Gas Trading Platform », pursuant to Art. 19 of the L.4425/2016 (Gov. Gazette A’ 185), as in force».

## **Article 1. Scope of Application & Definitions**

### **1.1 Scope of Application**

1. By virtue of this Resolution, a “Default & Crisis Management Committee” is formed, to which the powers set out in Article 2 are delegated.
2. This Resolution determines all matters pertaining to the operation of the Default & Crisis Management Committee (henceforth the “Committee”).

### **1.2 Definitions**

1. The terms and definitions used in this Resolution shall have the same meaning as the one assigned to them by Law 4425/2016, Law 4001/2011 or other related National or Union Law, in the Clearing Rulebook of HEnEx Electricity Markets, in the Clearing Rulebook of Balancing Market and in the Clearing Rulebook of Natural Gas, as well as any decisions issued in implementation of the above texts, unless otherwise expressly stipulated.
2. In every case, the provisions of this Resolution are interpreted in accordance with the rules and principles provisioned in the Scope of Application of the Clearing Rulebook of HEnEx Electricity Markets, in the Scope of Application of the Clearing Rulebook of Balancing Market and in the Scope of Application of the Clearing Rulebook of Natural Gas.

## **Article 2. Powers of the Committee**

### **2.1. Decision – making powers**

1. The Committee shall decide on matters within its remit in accordance with the following subparagraphs.
2. The Committee is responsible for taking risk management measures, that is, measures that help limit or avert risk in connection with the operation of the Clearing System and the Clearing of Positions in the Balancing Market in accordance with the Clearing Rulebook of Balancing Market. In particular, the Committee is authorised:
  - a) To modify, on an extraordinary basis, the parameters of the calculation methodology of the Default Fund’s size, applied by EnExClear on a regular basis in accordance with the provisions of section 2.27 of the Chapter 2 of the Clearing Rulebook of Balancing Market in case that the calculated size of the Default Fund doesn’t cover the stress test based on historical or hypothetical scenario.
  - b) To readjust, on an extraordinary basis, the size of the Default Fund and/or request the payment of extraordinary contributions by Clearing Members in accordance with the provisions of sections 2.25, 2.27 and 2.28 of the Chapter 2 of the Clearing Rulebook of

Balancing Market, particularly in cases of activation of the Default Fund, deletion of a Clearing Member, readjustment of a share account as a consequence of corporate actions or other events involving Clearing Members, ascertainment of inadequacy of resources on the basis of stress tests or in exceptional cases, for the purpose of protecting the market in particular on account of extreme fluctuations in market prices and volumes in general.

- c) To modify, on an extraordinary basis, the calculation method of the Margin in accordance with the provisions of section 2.39 of the Chapter 2 of the Clearing Rulebook of Balancing Market, or the alteration of Margin, not only for all Clearing Accounts but also for individual Accounts, setting a deadline for this purpose, particularly taking also into account any imminent risks in accordance with the provisions of section 2.39 of the Chapter 2 of the Clearing Rulebook of Balancing Market.
  - d) To carry out alternative procedures for depositing collateral as well as for the fulfilment of positions' settlement obligations, especially when there are reasons for being unable to notify data and for technical malfunctions in general or other situations involving failure or insolvency on the part of the banks participating in clearing.
  - e) To decide on the acceptance of Letter of Guarantee in case of breach of collaterals' concentration limits in the form of Letters of Guarantee by an issuer.
  - f) To perform the Clearing of Positions using alternative methods, particularly in cases of System's malfunction.
  - g) To take any other measure deemed necessary, depending on market circumstances and conditions, in order to protect the Clearing System against credit and other inherent risks.
3. The Committee is responsible for taking risk management measures, that is, measures that help limit or avert risk in connection with the clearing of transactions and the operation of the Clearing System, in accordance with the Clearing Rulebook of HEnEx Electricity Markets. In particular, the Committee is authorised:
- a) To modify, on an extraordinary basis, the parameters of the calculation methodology of the Default Fund's size, applied by EnExClear on a regular basis in accordance with the provisions of section 2.27 of the Chapter 2 of the Clearing Rulebook of HEnEx Electricity Markets in case that the calculated size of the Default Fund doesn't cover the stress test based on historical or hypothetical scenario.
  - b) To readjust, on an extraordinary basis, the size of the Default Fund and/or request the payment of extraordinary contributions by Clearing Members in accordance with the provisions of sections 2.25, 2.27 and 2.28 of the Chapter 2 of the Clearing Rulebook of HEnEx Electricity Markets, particularly in cases of activation of the Default Fund, deletion of a Clearing Member, readjustment of a share account as a consequence of corporate actions or other events involving Clearing Members, ascertainment of inadequacy of resources on the basis of stress tests or in exceptional cases, for the purpose of protecting the market in particular on account of extreme fluctuations in market prices

and volumes in general.

- c) To modify, on an extraordinary basis, the calculation method of the Margin, Credit Limit's use, Reference Prices, or the alteration of Margin, not only for all Clearing Accounts but also for individual Accounts, setting a deadline for this purpose, particularly taking also into account any imminent risks in accordance with the provisions of sections 2.37 and 2.38 of the Chapter 2 of the Clearing Rulebook of HEnEx Electricity Markets.
  - d) To carry out alternative procedures for depositing collateral as well as for the fulfilment of transaction settlement obligations, especially when there are reasons for being unable to notify data and for technical malfunctions in general or other situations involving failure or insolvency on the part of the banks participating in clearing.
  - e) To provide the Clearing Account's Credit Limit by using the resources of the Clearing Member's share account in the Default Fund in order to address exceptional circumstances of technical malfunction.
  - f) To decide on the acceptance of Letter of Guarantee in case of breach of collaterals' concentration limits in the form of Letters of Guarantee by an issuer.
  - g) To perform the clearing of transactions using alternative methods, particularly in cases of System's malfunction.
  - h) To take any other measure deemed necessary, depending on market circumstances and conditions, in order to protect the Clearing System against credit and other inherent risks.
4. The Committee is responsible for taking risk management measures, that is, measures that help limit or avert risk in connection with the clearing of transactions and the operation of the Clearing System, in accordance with the Clearing Rulebook of Natural Gas. In particular, the Committee is authorised:
- a) To modify, on an extraordinary basis, the parameters of the calculation methodology of the Default Fund's size, applied by EnExClear on a regular basis in accordance with the provisions of section 2.27 of the Chapter 2 of the Clearing Rulebook of Natural Gas in case that the calculated size of the Default Fund doesn't cover the stress test based on historical or hypothetical scenario.
  - b) To readjust, on an extraordinary basis, the size of the Default Fund and/or request the payment of extraordinary contributions by Clearing Members in accordance with the provisions of sections 2.25, 2.27 and 2.28 of the Chapter 2 of the Clearing Rulebook of Natural Gas, particularly in cases of activation of the Default Fund, deletion of a Clearing Member, readjustment of a share account as a consequence of corporate actions or other events involving Clearing Members, ascertainment of inadequacy of resources on the basis of stress tests or in exceptional cases, for the purpose of protecting the market in particular on account of extreme fluctuations in market prices and volumes in general.
  - c) To modify, on an extraordinary basis, the calculation method of the Margin, Credit

Limit's use, Reference Prices, or the alteration of Margin, not only for all Clearing Accounts but also for individual Accounts, setting a deadline for this purpose, particularly taking also into account any imminent risks in accordance with the provisions of sections 2.37 and 2.38 of the Chapter 2 of the Clearing Rulebook of Natural Gas.

- d) To carry out alternative procedures for depositing collateral as well as for the fulfilment of transaction settlement obligations, especially when there are reasons for being unable to notify data and for technical malfunctions in general or other situations involving failure or insolvency on the part of the banks participating in clearing.
  - e) To provide the Clearing Account's Credit Limit by using the resources of the Clearing Member's share account in the Default Fund in order to address exceptional circumstances of technical malfunction.
  - f) To decide on the acceptance of Letter of Guarantee in case of breach of collaterals' concentration limits in the form of Letters of Guarantee by an issuer.
  - g) To perform the clearing of transactions using alternative methods, particularly in cases of System's malfunction.
  - h) To take any other measure deemed necessary, depending on market circumstances and conditions, in order to protect the Clearing System against credit and other inherent risks.
5. The Committee is authorised to take any necessary measure to address the default of a Clearing Member in accordance with the provisions of Chapter 4 of the Clearing Rulebook of the Balancing Market, particularly when this is due to Clearing Member's permanent failure and this entails the fulfilment of the cash obligations of cash settlement by EnExClear. For instance:
- a) The decision making for the forfeiture of the Letter of Guarantee deposited as collateral under the instructions of EnExClear in order to secure fulfilment of any outstanding cash settlement obligations that arise due to the default.
  - b) The implementation of the close-out netting clauses in accordance with the provisions of the Clearing Rulebook of Balancing Market.
  - c) The decision making for the use of Collateral provided by Clearing Members, the resources of the Default Fund, or the Pre-Funded Financial Resources in order to secure fulfilment of outstanding cash obligations in the settlement process which arise as a consequence of the default as well as of the liquidity risks arising in general therefrom in the market, in accordance with the provisions of the Clearing Rulebook of Balancing Market.
  - d) The necessary decisions making to cover any loss arising due to the default, namely:
    - the use of collaterals or the forfeiture of the Letter of Guarantee that has been provided by the default Clearing Member, in accordance with the provisions of the

- Clearing Rulebook of Balancing Market,
- the use of the share account of the default Clearing Member,
  - the use of the rest of Share Accounts in the Default Fund, for the purpose of covering the remaining part of the loss, in accordance with the provisions of the Clearing Rulebook of Balancing Market,
  - the use of Pre-Funded Financial Resources in accordance with the provisions of the Clearing Rulebook of Balancing Market,
  - the notification of IPTO apportionment or re-apportionment of the remaining part of the loss, if any, to the Participants in accordance with the provisions of the Clearing Rulebook of the Balancing Market and the Rulebook of the Balancing Market.
- e) The performance of any other necessary act to deal with instances of default and avert relevant risks in the market.
6. The Committee is also authorised to take any necessary measure to address the default of Clearing Member, in accordance with the provisions of the Chapter 4 of the Clearing Rulebook of HEnEx Electricity Markets, particularly when this is due to permanent failure and entails the fulfilment of the cash obligation in the cash settlement by EnExClear. Indicatively, mentioned:
- a) The decision making for the forfeiture of the Letter of Guarantee deposited as collateral under the instructions of EnExClear in order to secure fulfilment of any outstanding cash settlement obligations that arise due to the default,
  - b) The implementation of implementation of the close-out netting clauses in accordance with the provisions of the Clearing Rulebook of HEnEx Electricity Markets,
  - c) Taking of a decision for the use of collaterals provided by Clearing Members, of the available resources of the Default Fund, of Dedicated Own Resources of EnExClear in order to secure fulfilment of outstanding cash obligations in the settlement process which arise as a consequence of the default as well as of the liquidity risks arising in general therefrom in the market, in accordance with the provisions of the Clearing Rulebook of HEnEx Electricity Markets,
  - d) Taking of the necessary decisions to cover any loss arising as a consequence of the default, namely:
    - the use of collaterals or the forfeiture of the letters of guarantee which have been provided by the default Clearing Member, in accordance with the provisions of the Clearing Rulebook of HEnEx Electricity Markets,
    - the use of the share account of the default Clearing Member,
    - the use for the purpose of covering the remaining part of loss and of the other Share Accounts in the Default Fund, in accordance with the provisions of the Clearing Rulebook of HEnEx Electricity Markets,

- the use of the Dedicated Own Resources of EnExClear,
- e) The performance of any other necessary act to deal with instances of default and avert relevant risks in HEnEx Electricity markets.
7. The Committee is also authorised to take any necessary measure to address the default of Clearing Member, in accordance with the provisions of the Chapter 4 of the Clearing Rulebook of Natural Gas, particularly when this is due to permanent failure and entails the fulfilment of the cash obligation in the cash settlement by EnExClear. Indicatively, mentioned:
- a) The decision making for the forfeiture of the Letter of Guarantee deposited as collateral under the instructions of EnExClear in order to secure fulfilment of any outstanding cash settlement obligations that arise due to the default,
  - b) The implementation of implementation of the close-out netting clauses in accordance with the provisions of the Clearing Rulebook of Natural Gas,
  - c) Taking of a decision for the use of collaterals provided by Clearing Members, of the available resources of the Default Fund, of Dedicated Own Resources of EnExClear in order to secure fulfilment of outstanding cash obligations in the settlement process which arise as a consequence of the default as well as of the liquidity risks arising in general therefrom in the market, in accordance with the provisions of the Clearing Rulebook of Natural Gas,
  - d) Taking of the necessary decisions to cover any loss arising as a consequence of the default, namely:
    - the use of collaterals or the forfeiture of the letters of guarantee which have been provided by the default Clearing Member, in accordance with the provisions of the Clearing Rulebook of Natural Gas,
    - the use of the share account of the default Clearing Member,
    - the use for the purpose of covering the remaining part of loss and of the other Share Accounts in the Default Fund, in accordance with the provisions of the Clearing Rulebook of Natural Gas,
    - the use of the Dedicated Own Resources of EnExClear,
  - e) The performance of any other necessary act to deal with instances of default and avert relevant risks in Natural Gas.
8. The Committee is also authorised to take one or more (either singly or in combination, as appropriate, taking into account each time all the relevant circumstances) of the following measures with respect to a Clearing Member, for which provision is made in according to the procedures described in the Clearing Rulebook of HEnEx Electricity Markets, in the Clearing Rulebook of Natural Gas and in the Clearing Rulebook of the Balancing Market:
- a) written reprimand

- b) imposition of terms or restrictions on the participation of a Clearing Member in the clearing or settlement of transactions or positions, as for instance to permit the Direct Clearing Member in the Electricity Markets of HEnEx to enter orders and conduct transactions as a Participant only if the Risk from the aforesaid orders is equal to zero (0) for a limited time period which is set by the Committee.
  - c) prohibition of Certified Clearer's participation in the clearing process.
9. The Committee may be assisted in its work by working groups whose composition, responsibilities and general functioning shall be determined by virtue of its decision.
10. The Committee performs its duties as set out above on its own motion. It may also take up a specific issue, under request of the Board of Directors of EnExClear.
11. Immediately after decision making in accordance with the above provisions, the Committee shall notify in writing the Board of Directors of EnExClear accordingly.

The conferral of powers on the Committee, in accordance with the terms hereof, does not prejudice the authority of the Board of Directors of EnExClear to take up issues within its purview whenever it deems this necessary, and to decide differently.

## **2.2. Advisory and recommendatory powers**

1. The Committee may also give its opinion to the Board of Directors of EnExClear or, whenever it deems this necessary, recommend to the Board the decisions making on issues within its purview as set out in section 2.1.

### **Article 3. Committee's Composition**

1. The Committee consists of six members. The following members are hereby appointed:
- a) The Chief Executive Officer of EnExClear, appointed also as Chairman of the Committee
  - b) The Chief Operating Officer of EnExClear
  - c) The Head / Officer of the Risk Management Department of EnExClear
  - d) The Head / Officer of the Clearing Department of EnExClear
  - e) The Head of Legal and Regulatory Affairs Division of EnExClear
  - f) The Head / Officer of the Unit HEnEX Markets Operation.

with Alternate Members:

- a) Officer of the Risk Management department of EnExClear appointed by the Head of the Department.
- b) Officer of the Clearing department of EnExClear appointed by the Head of the Department.

### **Article 4. Operation of Committee**

1. The Committee meets when necessary in time, at place and according to the daily agenda set by its Chairman. The relevant documents may be transferred via email.
2. The Committee may, by decision of its Chairman, meet via video or telephone conference. The Chairman may also request from the Committee to make decisions on certain documents via email, fax or letters.
3. Each member of the Committee has the right to submit matters for discussion with respect to its responsibilities. The matters are considered by the Chairman, who includes them in the daily agenda of the next Committee's meeting.
4. The Committee may invite to its conventions any member of the Board, senior officer of the Company or any other person who considers it appropriate to assist in carrying out its responsibilities.
5. The Committee shall have a quorum and validly convene when at least four (4) of its members are present.
6. The Committee shall take decisions by majority vote.
7. Minutes shall be kept to record the discussions and decisions of the Committee by the Secretary appointed by the Chairman.

#### **Article 5. Entry into force**

This Resolution enters into force on 04/02/2022

This Resolution shall be posted on EnExClear's website [www.enexgroup.gr](http://www.enexgroup.gr).