



DECISION 2¹

“Procedure for acquiring the Market Maker capacity and terms of market making in the Financial Energy Market (Derivatives Market) of HEnEx”

THE HELLENIC ENERGY EXCHANGE S.A.

Having regard to the provisions of par. 1.3.1, 1.3.5, 1.4.6, 2.4.1 και 2.4.2 of the Financial Energy Market Rulebook (Derivatives Market) of HEnEx (hereinafter the “Rulebook”) and the need to define the procedure for acquiring the Market Maker capacity in the Derivatives Market of HEnEx.

HAS DECIDED AS FOLLOWS

Members wishing to acquire the Market Maker capacity in the Derivatives Market of HEnEx shall follow the procedures described below.

Article 1. Procedure for acquiring the Market Maker capacity

1.1 Acquisition of the Market Maker capacity

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

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

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

¹ Unofficial translation from the Greek language (Ref. HenEx: 594/10.03.2020), as of 10/03/2020. In case of any discrepancy between the Greek and the English version, the Greek version prevails.

1.1.1 1st Stage

Stage 1 refers to the submission of the application for acquiring the Market Maker capacity on a specific Derivative and the Market Making Internal Regulation of the Member. The latter, describes the Member's programme of participation, as well as any procedure set forth by the Member for its lawful and compliant with the Rulebook participation in trading of the Derivative, for which the Member applies for acquiring the Market Maker capacity.

1.1.2 2nd Stage

Stage 2 concerns the approval of the Member's application as a Market Maker on the specific Derivative.

1.1.3 3rd Stage

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

1.1.4 4th Stage

In Stage 4 the Member is activated as a Market Maker in the specific Derivative.

1.2 Information and Supporting documents

1. In addition to the provisions specified in the Rulebook, for the purpose of acquiring the capacity of Market Maker on a specific Derivative and Delivery Duration, the Member shall submit to HEnEx the following information and supporting documents:
 - a) Application of the Member in order to acquire the relevant capacity on a standard form provided by HEnEx, which furthermore includes a guide leaflet of the memorandum attached thereto, forming an integral part thereof. The guide leaflet contains at least the content specified in the Rulebook and is posted on the website of HEnEx. The Member may, in the same application, apply for the acquisition of the Market Maker capacity for more than one Derivatives. However, HEnEx approval is given per Derivative and Delivery Duration.
 - b) The Market Making Internal Regulation of the Member, from which the following shall arise:
 - i. Fulfillment of the organizational and operational qualifications required by the Member to exercise its market making obligations in the Derivative that requests to acquire the relevant capacity in accordance with the Rulebook and the market making terms.
 - ii. The special procedures of internal audit set by the Member to monitor and fulfill its obligations as a Market Maker on the Derivative that requests to acquire the relevant capacity in accordance with the Rulebook and the market making terms.

- c) Additional declaration of the Member as Market Maker or a relevant statement of ATHEXClear, in addition to that submitted for the acquisition of capacity of the Member, where deemed necessary by HEnEx, for:
 - i. The participation or not of the Member in the clearing of the transactions as a Clearing Member of ATHEXClear in respect of the transactions to be performed, or
 - ii. The signing by the Member of a clearing agreement with a Clearing Member of ATHEXClear in case of transferring the clearing of his transactions to a Clearing Member.
2. In the event that the Member intends to outsource specific services to a service provider under an outsourcing contract, the Member 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 Member shall, in addition to the above, submit the outsourcing policy that will apply to the market making operation and the risk management policy based on outsourcing. The Member must have at least one Certified Trader.
3. The capacity of Market Maker on a Derivative is acquired by decision of HEnEx.
4. The information and supporting documents referred to above shall be provided together with the Member's application for acquiring the capacity of Market Maker on a particular Derivative.
5. It is specified that the Member shall comply with the terms and conditions set out in this Decision for each Derivative in respect of which he requests to acquire the capacity of Market Maker.
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 Member 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.

1.3 Activation of Market Maker

1. Precondition for activating the Market Maker is the installation of the necessary information infrastructure. Specifically:
 - a) In order to activate the Member in the Trading System as a Market Maker, it is necessary to connect through the ATHEX G/W service (ATHEX Gateway)
 - b) In the event that the Member does not have already available the ATHEX G/W service, the Market Maker shall submit to the competent Department of HEnEx the Application for Technology Services no later than ten (10) business days prior to the date of commencement of the market making.
2. It is clarified that, following HEnEx's approval, the Member – Market Maker shall proceed with a communication to the investing public, announcing the commencement of the market making on the specific Derivative and Delivery Duration.

1.4 Opening of a Market Maker Share in DSS

1. The Market Maker shall apply to the competent HEnEx department for the opening of a Market Maker Share in DSS.

Article 2. Terms of market making

The Market Maker in his capacity shall, for his own account, make transaction on Derivative in accordance with the provisions of HEnEx's Rulebook and this Decision. The Market Maker shall have activated through his separate code in accordance with the Rulebook, one (1) and only pair of market making quotes.

2.1 Futures

Quotes	The buy order and the sell order which are entered simultaneously by the Market Maker and relate to the Derivative for which he has undertaken market making obligations.
Market making order	The buy order or the sell order which is part of the quotes.
Order transmission frequency	Market Makers are required to continuously submit buy and sell orders (continuous obligation) for Series of the Derivative with an obligation for submitting a quote (OSQ) for which they have undertaken the relative obligation during trading with Method 1 (Continuous Automatic Matching).
Quote Price Spread	The absolute value of the difference between the buy and the sell price of the quotes.
Liquidity State	<p>The following Liquidity States (LSs) shall apply to each Derivative:</p> <p>LS0: Since the introduction of each Derivative and for a four weeks' period.</p> <p>LS1: After the end of LS0 and until the transition to another LS in accordance with the provisions herein.</p> <p>LS2: Following three (3) months after the introduction of each Derivative and provided that the total combined open positions at current and other month contracts for derivatives on electricity exceeded 10 TWh, in any observation during the previous quarter, HEnEx may adjust, by its decision, the Derivative Liquidity State to LS2. In case that, in the quarter following the adjustment, the above obligations are no longer fulfilled, HEnEx may, by its decision, restore the Liquidity State to LS1.</p> <p>LS3: Following one (1) year after the introduction of each Derivative and provided that the total combined open positions at current and other month contracts for derivatives on electricity exceeded 20 TWh,</p>

	<p>in any observation during the previous quarter, HEnEx may adjust, by its decision, the Derivative Liquidity State to LS3.</p> <p>In case that, in a year following the adjustment, the above obligations are no longer fulfilled, HEnEx may, by its decision, restore the Liquidity State to LS2.</p>																																																																																																																																
<p>Series with an obligation for submitting a quote</p>	<p>Market Maker's obligations for submitting quotes are limited to the Series with an obligation for submitting a quote (OSQ), which are defined by each Derivative and Liquidity State as follows:</p> <p>a) Greek Base Load Electricity Futures Contract:</p> <table border="1" data-bbox="528 651 1356 902"> <thead> <tr> <th>LS</th> <th colspan="7">OSQ</th> </tr> </thead> <tbody> <tr> <td>LS0/ LS1</td> <td></td> <td>M+1</td> <td>M+2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>LS2</td> <td></td> <td>M+1</td> <td>M+2</td> <td>M+3</td> <td>M+4</td> <td></td> <td></td> </tr> <tr> <td>LS3</td> <td>M</td> <td>M+1</td> <td>M+2</td> <td>M+3</td> <td>M+4</td> <td>M+5</td> <td>M+6</td> </tr> </tbody> </table> <table border="1" data-bbox="528 952 1356 1202"> <thead> <tr> <th>LS</th> <th colspan="7">OSQ</th> </tr> </thead> <tbody> <tr> <td>LS0/ LS1</td> <td>Q+1</td> <td></td> <td></td> <td></td> <td></td> <td>Y+1</td> <td></td> </tr> <tr> <td>LS2</td> <td>Q+1</td> <td>Q+2</td> <td></td> <td></td> <td></td> <td>Y+1</td> <td></td> </tr> <tr> <td>LS3</td> <td>Q+1</td> <td>Q+2</td> <td>Q+3</td> <td>Q+4</td> <td></td> <td>Y+1</td> <td></td> </tr> </tbody> </table> <p>(b) Greek Peak Load Electricity Futures Contract:</p> <table border="1" data-bbox="528 1341 1356 1592"> <thead> <tr> <th>LS</th> <th colspan="7">OSQ</th> </tr> </thead> <tbody> <tr> <td>LS0/ LS1</td> <td></td> <td>M+1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>LS2</td> <td></td> <td>M+1</td> <td>M+2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>LS3</td> <td>M</td> <td>M+1</td> <td>M+2</td> <td>M+3</td> <td>M+4</td> <td></td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="528 1641 1356 1892"> <thead> <tr> <th>LS</th> <th colspan="7">OSQ</th> </tr> </thead> <tbody> <tr> <td>LS0/ LS1</td> <td>Q+1</td> <td></td> <td></td> <td></td> <td></td> <td>Y+1</td> <td></td> </tr> <tr> <td>LS2</td> <td>Q+1</td> <td>Q+2</td> <td></td> <td></td> <td></td> <td>Y+1</td> <td></td> </tr> <tr> <td>LS3</td> <td>Q+1</td> <td>Q+2</td> <td>Q+3</td> <td></td> <td></td> <td>Y+1</td> <td></td> </tr> </tbody> </table> <p>Where:</p> <p>M: refers to the Monthly Contract of this Month and M+a refers to the Monthly contract of the "a" following month.</p>	LS	OSQ							LS0/ LS1		M+1	M+2					LS2		M+1	M+2	M+3	M+4			LS3	M	M+1	M+2	M+3	M+4	M+5	M+6	LS	OSQ							LS0/ LS1	Q+1					Y+1		LS2	Q+1	Q+2				Y+1		LS3	Q+1	Q+2	Q+3	Q+4		Y+1		LS	OSQ							LS0/ LS1		M+1						LS2		M+1	M+2					LS3	M	M+1	M+2	M+3	M+4			LS	OSQ							LS0/ LS1	Q+1					Y+1		LS2	Q+1	Q+2				Y+1		LS3	Q+1	Q+2	Q+3			Y+1	
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	<p>Q: refers to the Quarterly contract of the "a" following year. Y: refers to the Yearly contract of the "a" following year.</p>																																																																																
Maximum Price Difference of the quotes	<p>Market Makers are required to enter quotes, with Quote Price Spread not exceeding the Maximum Price Difference as set forth below, in accordance with the provisions of the Rulebook and the relevant Decisions of HEnEx on the Daily Price Fluctuation Limit of each Series. The Maximum Price Difference is set per Derivative, Series and Liquidity State, according to the following table:</p> <p>a) Greek Base Load Electricity Futures Contract:</p> <table border="1"> <thead> <tr> <th></th> <th>M</th> <th>M+1</th> <th>M+2</th> <th>M+3</th> <th>M+4</th> <th>M+5</th> <th>M+6</th> </tr> </thead> <tbody> <tr> <td>LS0</td> <td>-</td> <td>4</td> <td>5</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>LS1</td> <td>-</td> <td>3</td> <td>4</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>LS2</td> <td>-</td> <td>3</td> <td>3</td> <td>4</td> <td>6</td> <td>-</td> <td>-</td> </tr> <tr> <td>LS3</td> <td>3</td> <td>3</td> <td>3</td> <td>3</td> <td>4</td> <td>6</td> <td>6</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>Q+1</th> <th>Q+2</th> <th>Q+3</th> <th>Q+4</th> <th></th> <th>Y+1</th> <th></th> </tr> </thead> <tbody> <tr> <td>LS0</td> <td>4</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td>6</td> <td></td> </tr> <tr> <td>LS1</td> <td>3</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td>5</td> <td></td> </tr> <tr> <td>LS2</td> <td>3</td> <td>4</td> <td>-</td> <td>-</td> <td></td> <td>4</td> <td></td> </tr> <tr> <td>LS3</td> <td>3</td> <td>3</td> <td>4</td> <td>5</td> <td></td> <td>3</td> <td></td> </tr> </tbody> </table> <p>(b) Greek Peak Load Electricity Futures Contract: The values of the above table are applied, increased by 1,5€/MWh.</p>		M	M+1	M+2	M+3	M+4	M+5	M+6	LS0	-	4	5					LS1	-	3	4	-	-	-	-	LS2	-	3	3	4	6	-	-	LS3	3	3	3	3	4	6	6		Q+1	Q+2	Q+3	Q+4		Y+1		LS0	4	-	-	-		6		LS1	3	-	-	-		5		LS2	3	4	-	-		4		LS3	3	3	4	5		3	
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Minimum contract quantity	One (1) Contract per order.																																																																																
Time frame of market making commitment	<p>The Market Maker obligations are applied by Liquidity State as follows:</p> <p>LS0/LS1: Start one hundred and fifty (150) minutes before the end of the trading session of each trading day until the end of it.</p> <p>LS2: Start two hundred and ten (210) minutes before the end of the trading session of each trading day until the end of it.</p> <p>LS3:</p>																																																																																

	<p>Start two hundred and seventy (270) minutes before the end of the trading session of each trading day until the end of it.</p>
<p>Cases of waiver or modification of the market making obligations</p>	<p>The Market Maker obligations are immediately waived per Series:</p> <ol style="list-style-type: none"> 1) Throughout the activation of a fixed rate of less than or greater than 3% on the value of the upper or lower fluctuation limits respectively, as these limits are set in a relevant Decision of HEnEx. In this case, the obligations are automatically waived. 2) For the remainder of the current trading session, provided that the change in its net position as a result of trading as a Market Maker during the current trading day and the specific Series is greater than or equal to the Daily Waiver Obligation Quantity 3) For the remainder of the trading until the Expiration of the Contract, provided that its total net position as a result of trading as a Market Maker during the current trading day and the specific Series is greater than or equal to the Total Waiver Obligation Quantity 4) In case of a Series that enters into trading Method 2 as a consequence of the activation of the AVIM mechanism. <p>The market making obligations are automatically waived in cases (1) and (4) while in cases (2)-(3) a request of the Market Maker shall be submitted on a form specified by HEnEx.</p> <p>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 Market Maker undertakes in fulfilling its obligations, HEnEx may intervene either by modifying the terms of the Market Maker obligations or by waiving its obligations for continuous submission of buy and sell orders in specific Derivatives during a certain time period that will determine at its sole discretion.</p> <p>In this case, HEnEx shall, by any appropriate means, notify the Members about the modification or waiver of market making obligations. Likewise, relevant notification shall be provided when reactivating the market making obligations after the end of the period that the modification or waiving of the obligations applied.</p>
<p>Daily Waiver Obligation Quantity (DWOQ)</p>	<p>With the introduction of each Series and for a period of three (3) months the DWOQ is as follows:</p> <ul style="list-style-type: none"> • (a) six (6) Contracts for Monthly Contracts • (b) three (3) Contracts for Quarterly Contracts • (c) three (3) Contracts for Yearly Contracts <p>Three (3) months after the introduction of each Series the DWOQ is as follows:</p> <ul style="list-style-type: none"> • (a) ten (10) Contracts for Monthly Contracts • (b) five (5) Contracts for Quarterly Contracts • (c) five (5) Contracts for Yearly Contracts

Total Waiver Obligation Quantity (TWOQ)	<p>If the Liquidity State is LS0 or LS1, then the TWOQ is as follows:</p> <ul style="list-style-type: none"> • (a) one hundred and fifty (150) Contracts for Monthly Contracts • (b) one hundred and fifty (150) Contracts for Quarterly Contracts • (c) one hundred and fifty (150) Contracts for Yearly Contracts <p>If the Liquidity State is LS2, then the TWOQ is as follows:</p> <ul style="list-style-type: none"> • (a) three hundred (300) Contracts for Monthly Contracts • (b) two hundred and fifty (250) Contracts for Quarterly Contracts • (c) two hundred (200) Contracts for yearly Contracts <p>If the Liquidity State is LS3, then the TWOQ is as follows:</p> <ul style="list-style-type: none"> • (a) three hundred (300) Contracts for Monthly Contracts • (b) three hundred (300) Contracts for Quarterly Contracts • (c) two hundred and fifty (250) Contracts for Yearly Contracts
Non-fulfillment of market making obligations	<p>If the Derivative Liquidity State is LS1 or LS2 or LS3:</p> <p>In case of non-fulfillment of the market making obligations, the Trading System automatically activates an alarm every ten minutes (10') from the non-fulfillment while also warning the Market Maker within three (3) minutes of the non-fulfillment.</p> <p>Non-fulfillment alarms are charged in accordance with the relevant Decision of HEnEx.</p> <p>If the Derivative Liquidity State is LS0:</p> <p>In case of non-fulfillment of the market making obligations, the Trading System automatically activates an alarm every ten minutes (15') from the non-fulfillment while also warning the Market Maker within three (3) minutes of the non-fulfillment.</p> <p>Alarm charges, for any calendar month, include a meeting for which the Derivative Liquidity State is LS0, reduced by 90% in accordance with the relevant Decision of HEnEx.</p>

Article 3. Validity – Transitional provisions

The herein decision is valid from 10/03/2020.

The herein decision shall be uploaded to the website of HEnEx www.enexgroup.gr.