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|  | Number: | C-EX-ENE-03/2023 |
| | Segment: | Energy Derivatives |
| | Date: | 24 January 2023 |
| | Effective Date: | 31 January 2023 |
| | Replaces: | C-EX-ENE-06/2019 |
| Subject | MEFF Trading Systems. | |
| Summary | Energy Derivatives Segment Trading Systems. Modified due to the removal of the Request for quote trading system (RFQ). | |

In accordance with article 9 of MEFF rule book, the Market will make available the following Trading Systems:

- MEFF Electronic Trading System, in which Electronic Order System and Pre-arranged Trades System fall within.
- Request For Quote Trading System (RFQ).

Energy Derivatives Segment Contracts can be traded on the following Trading Systems.

- Pre-arranged Trades System.

1. ELECTRONIC TRADING SYSTEM: PRE-ARRANGED TRADES SYSTEM

Pre-arranged trades between Members (or Member's Holders) can be reported to the Market through this Trading System, as long as the requirements, parameters and deadlines that are included in the Operative Instruction "Pre-arranged Trades or Block Trades in Energy Segment" or the one that replace it, are fulfilled.

There are two modalities for prearranged trades according to the following criteria:

a.) Prearranged trades on non-liquid contracts or liquid ones with a trade nominal above LIS, or those where any of the counterparties reduces risk.

The communication will be performed by Electronic means sent to MEFF. Once MEFF receives the request, it will be accepted if the requirements described in the Instruction are met, after the counterparties acceptance. Once the transaction is registered on MEFF, it will be settled and cleared by BME CLEARING.

These Trades will compute for the purpose of intraday risk calculation of each Member involved in the transaction.

The resulting trade of these prearranged trades is type "H".

b.) Prearranged trades on liquid contracts with a trade nominal below LIS where none of the counterparties reduces risk. Trades take place through a volume auction.

To accomplish with the pre trading transparency criteria for derivative commodities contracts considered as liquid, prearranged trades with nominal below Large In Scale (Pre trading LIS) and none of the counterparties reducing risk, will be negotiated through a volume auction.

Market members are allowed to request an auction in a given contract (admitted to trading at MEFF Energy Derivatives Segment), at a price set by the order that launches the volume auction.

Any market member can set buy and/or sell auction orders, just indicating the order volume.

The auction will last a given period of time defined by Operative Instruction. Once it is over, the auction will end at the price established at the auction beginning, with an order time priority. So, every order with counterparty accepted by the system will be filled.

When a volume auction ends, it is no longer active, but a new one can be created with the same features.

During the period when a volume auction is active, market members can manage their orders. When the auction ends, all unfilled orders will be automatically cancelled.

The resulting trades coming from a volume auction will be type "S". Once they are registered at MEFF, they will be settled and cleared by BME CLEARING.

Pre-trade Information to publish

In pursuance of the pre-trade transparency regime waiver, for trades at financial instruments considered as non-liquid, or liquid ones where the trades have big size (LIS Pre), or liquid ones where any of the counterparties reduces risk, no information of these trades will be published concerning pre-trade phase in this System.

For those prearranged trades on liquid contracts, with a nominal value below LIS and those where none of the counterparties reduces risk, therefore they just can be traded through a volume auction, MEFF will publish real-time:

- The beginning of the volume auction, including the contract and the auction resolution price.
- The five highest priority buy orders and the five highest priority sell orders.
- The volume to be filled if the auction ends.
- The auction end.

Post-trade Information to publish

According to the Delegated Regulation 2017/583 of the Commission of 14 July 2016, the information MEFF will publish within maximum 15 minutes, shall be the information contained on the Annex II and III of the mentioned Regulation.

MEFF has adhered to the information deferral regime published by CNMV, so that under counterparties request, and as long as one of the terms determined in the following section is met and the trades do not come from a volume auction, the post trade information shall be on D+2 before 19:00 (local time), and it will be published on the trade date at the end of the session the aggregated volume (including the pre-arranged trade whose details will be published on D+2) and the aggregated open position.

Conditions for information deferral:

- Trade must be Large In Scale (post-trade) compared with the normal size of the market.
- At least one of the counterparties is a Member acting on Proprietary Account and the volume exceeds Size Specific to Instrument (SSTI post-trade).