

MARKET RULES of HUPX

Version ~~78.0~~

valid from ~~16/04~~01/01/2015~~6~~

Table of Contents

Market Rules	61
Title 1 – General Principles of Organization and Bodies	61
Preamble	61
Chapter 1 – HUPX Market Organization and its Market Segments	72
Chapter 2 – Legal and Regulatory Framework	94
Chapter 3 – Market Organizational Bodies of HUPX	127
Title 2 – Admission	1712
Chapter 1 – HUPX Membership	1712
Chapter 2 – Admission of HUPX Members	1914
Chapter 3 – Requirements for the Settlement of Transactions	2216
Chapter 4 – Requirements for Technical Access	2217
Chapter 5 – Admission of Traders	2318
Chapter 6 – Rules for Procedure	2419
Chapter 7 – Rules regarding Market Coupling	2722
Title 3 – Code of Conduct and Audits	3124
Title 4 – Contracts and Market Segments	3225
Chapter 1 – Contracts	3225
Chapter 2 – Market Areas	3326
Chapter 3 – Market Segments	3426
Chapter 4 – Electronic platform of trading	3427
Title 5 – Trading on Day-Ahead Market Segment of HUPX	3629
Chapter 1 – Principles	3629
Chapter 2 – Rules on Orders	3629
Chapter 3 – Rules on Matching	3730
Chapter 4 – Post trade process	3831
Title 6 – Trading on Physical Futures Market Segment of HUPX	4033
Chapter 1 – Principles	4033
Chapter 2 – Rules on Orders	4033
Chapter 3 – Rules on Matching	4335
Chapter 4 – Post trade process	4335

Title 7	Clearing Facility of OTC Trades of Physical Futures Contracts	4436
Annex 1: Organized-Market Committee (OMC) Election Rules		4638
Title 1	Election Procedure for the Organized-Market Committee	4638
Chapter 1	Introduction of the Organized-Market Committee	4638
Chapter 2	Returning officer	4638
Chapter 3	Nominations and appointments	4638
Chapter 4	Member qualifications	4739
Chapter 5	Elections	4840
Chapter 6	Notices	4941
Chapter 7	Term, removal, replacement and resignation	5143
Title 2	ANNEX 1 to the OMC Election Rules	5244
Annex 2: Operational Rules of HUPX		5345
Title 1	Contracts and Trading Parameters of Day Ahead Market	5345
Chapter 1	Contracts Specifications	5345
Chapter 2	Auction trading on HUPX Day-ahead Market	5547
Title 2	Contracts and Trading Parameters of Continuous Physical Futures Market	6254
Chapter 1	Contracts Specifications	6254
Chapter 2	Trading on Physical Futures Market of HUPX	6456
Chapter 3	Rules applicable to Pricing on HUPX Physical Futures Market	7365
Title 3	Rules applicable to the OTC clearing facility	8668
Title 4	General Services Conditions	8870
Chapter 1	Market Activity	8870
Chapter 2	Provision Relating To Technical Systems	8971
Chapter 3	Use of Data	9274
Chapter 4	Liability, Jurisdiction	9375
Chapter 5	Miscellaneous	9577
Title 5	Price List	9678
Title 6	Technical Access Rules for Day-Ahead Market	9981
Title 7	Technical Access Rules for Physical Futures (PhF) Market	10284
Annex 3: HUPX Code of Conduct		10687
Chapter 1	Preamble	10687
Chapter 2	Scope of Application	10687

Chapter 3— Definitions.....	10687
Chapter 4— Rules of Conduct for Trading on HUPX	10788
Chapter 5— The HUPX Member’s Conduct towards its Clients	10990
Chapter 6— Instructions, Information and Penalties	11091
Annex 4: Definitions.....	11192
Annex 5: Membership Agreement Sample	11798
Market Rules	6
Title 1 General Principles of Organization and Bodies	6
Preamble.....	6
Chapter 1 HUPX Market Organization and its Market Segments.....	7
Chapter 2 Legal and Regulatory Framework	9
Chapter 3 Market Organizational Bodies of HUPX	12
Title 2 Admission.....	17
Chapter 1 HUPX Membership.....	17
Chapter 2 Admission of HUPX Members	19
Chapter 3 Requirements for the Settlement of Transactions	22
Chapter 4 Requirements for Technical Access.....	22
Chapter 5 Admission of Traders.....	23
Chapter 6 Rules for Procedure.....	24
Chapter 7 Rules regarding Market Coupling.....	27
Title 3 Code of Conduct and Audits	31
Title 4 Contracts and Market Segments	32
Chapter 1 Contracts	32
Chapter 2 Market Areas	33
Chapter 3 Market Segments.....	34
Chapter 4 Electronic platform of trading	34
Title 5 Trading on Day-Ahead Market Segment of HUPX.....	36
Chapter 1 Principles.....	36
Chapter 2 Rules on Orders	36
Chapter 3 Rules on Matching.....	37
Chapter 4 Post trade process.....	38
Title 6 Continuous trading on Physical Futures Market Segment and Intraday Market Segment of HUPX.....	40

Chapter 1	Principles.....	40
Chapter 2	Rules on Orders	40
Chapter 3	Rules on Matching.....	43
Chapter 4	Post trade process.....	43
Title 7	Clearing Facility of OTC Trades of Physical Futures and Intraday Contracts	44
Annex 1: Organized-Market Committee (OMC) Election Rules		46
Title 1	Election Procedure for the Organized-Market Committee.....	46
Chapter 1	Introduction of the Organized-Market Committee.....	46
Chapter 2	Returning officer	46
Chapter 3	Nominations and appointments.....	46
Chapter 4	Member qualifications.....	47
Chapter 5	Elections.....	48
Chapter 6	Notices	49
Chapter 7	Term, removal, replacement and resignation	51
Title 2	ANNEX 1 to the OMC Election Rules	52
Annex 2: Operational Rules of HUPX.....		53
Title 1	Contracts and Trading Parameters of Day Ahead Market	53
Chapter 1	Contracts Specifications	53
Chapter 2	Auction trading on HUPX Day-ahead Market.....	55
Title 2	Contracts and Trading Parameters of Continuous Physical Futures Market	62
Chapter 1	Contracts Specifications	62
Chapter 2	Trading on Physical Futures Market of HUPX.....	64
Chapter 3	Rules applicable to Pricing on HUPX Physical Futures Market	73
Title 3	Contracts and Trading Parameters of Continuous Intraday Market	76
Chapter 1	Contracts Specifications	76
Chapter 2	Trading on intraday market of HUPX	78
Title 4	Rules applicable to the OTC clearing facility	86
Title 5	General Services Conditions.....	88
Chapter 1	Market Activity	88
Chapter 2	Provision Relating To Technical Systems	89
Chapter 3	Use of Data.....	92
Chapter 4	Liability, Jurisdiction.....	93

Chapter 5	Miscellaneous.....	95
Title 6	Price List.....	96
Title 7	Technical Access Rules for Day-Ahead Market.....	99
Title 8	Technical Access Rules for Physical Futures (PhF) Market and Intraday (ID) Market	102
Annex 3: HUPX Code of Conduct.....		106
Chapter 1	Preamble.....	106
Chapter 2	Scope of Application.....	106
Chapter 3	Definitions.....	106
Chapter 4	Rules of Conduct for Trading on HUPX	107
Chapter 5	The HUPX Member’s Conduct towards its Clients	109
Chapter 6	Instructions, Information and Penalties	110
Annex 4: Definitions.....		111
Annex 5: Membership Agreement Sample		117

MARKET RULES

Title 1 General Principles of Organization and Bodies

Preamble

HUPX Ltd. is a private company limited by shares, incorporated under the Hungarian Law with registered office located at 1134 Budapest, Dévai u. 26-28., Hungary and registered under the Company Registration number 01-10-045666. HUPX Ltd. is owned in 100% by MAVIR Hungarian Independent Transmission Operator Company Ltd. (MAVIR or MAVIR Ltd.).

HUPX Ltd. holds a license to operate an organized electricity market in Hungary on the base of section 89 of the Act No. LXXXVI. of year 2007 of the Hungarian Parliament on Electric Energy. The license was issued by the Hungarian Energy Office on 9th of April 2009 under the resolution number 136/2009.

HUPX Ltd. is devoted to establish and operate an organized electricity market in Hungary on the basis of the regulations of the Hungarian Electric Energy Act and the permission of the Hungarian Energy Office, by promoting state-of-art electricity trading platform and facilities, where electricity trading and other related transactions are conducted through standardized contracts. The mission of the company is to develop through a step-by-step process a full-scale energy organized market on a regional level, providing auction based, continuous and intra-day trading solutions and also OTC-clearing support for electricity trading transactions with delivery on the Hungarian Electricity System and after introduction of the market coupling procedure also with cross-border delivery.

As the first step of fulfilling its mission, HUPX Ltd. developed and started the operation of a day-ahead closed auction trading platform for the Market Area of Hungary. As the next step HUPX developed and started the operation of a trading platform of physical futures product and an OTC clearing facility, and established a market coupling of the day-ahead market segments of the Hungarian (HUPX), Slovakian (OKTE) and Czech (OTE) and Romanian (OPCOM) Market Areas. The implementation of the European day-ahead electricity target model results further extension of the coupled market areas until having an Internal Energy Market. The Commercial Code defines the borders of Hungarian control and market area involved in implicit allocation. As the next step of fulfilling its mission, HUPX Ltd. developed the operation of its continuous trading based intraday trading segment.

The roles, duties and powers of HUPX Ltd., and HUPX Members, the Markets Segments and products as well as the Market Organizational Bodies of HUPX are detailed in these Market Rules, which shall be deemed as one consolidated issue of the business code of HUPX Ltd. issued on the basis of prevailing provisions of section 72 of the Hungarian Electric Energy Act and the operational rules of HUPX issued on the basis of prevailing provisions of subsection 2 of section 55 of the Hungarian Electric Energy Act. This incorporation of the rules and regulations of HUPX, as well as its provisions has been approved by the Hungarian Energy Office by its resolution number No. 449/2010.

Chapter 1 HUPX Market Organization and its Market Segments

Article 1.1 Line of Business

HUPX is a fully electronic cleared organized market offering electricity trading ~~in~~ day-ahead, and intraday timeframes, as well as enabling trading of physically delivered futures contracts and OTC clearing facilities for the delivery of electricity in Hungary and the Market Areas coupled with HUPX via Market Coupling (hereinafter: Coupled Markets) and other services that shall be approved in accordance with the governance structure of HUPX.

In order to fulfill its tasks and duties pursuant to Article 6 of REMIT IR as an organized market, HUPX Ltd. is able to provide information directly to ACER as a registered reporting mechanism and offers data reporting agreement to the market participants.

Article 1.2 HUPX Ltd

HUPX is operated by HUPX Ltd. therefore it is HUPX Ltd. that enters into the relevant agreements with HUPX Members for admission purposes. HUPX Ltd. shall ensure proper functioning of the trading platform of HUPX.

Article 1.3 Organizational Bodies of HUPX Market

HUPX has the following Market organizational bodies

- ➔ Organized-Market Committee;
- ➔ Market Surveillance Office.

The Organized-Market Committee and the Market Surveillance Office are two independent bodies that were established in order to ensure the state of art governance rules.

The Organized-Market Committee is a body elected from the representatives of the HUPX Members. It has an advisory role in the process of decision making on the Rules and Regulations and on general decisions related to the HUPX Market.

The Market Surveillance Office monitors as an independent body the operation of the HUPX market and the HUPX Members on a daily basis.

Article 1.4 HUPX Members

HUPX Members are admitted by HUPX Ltd. and submit orders to enter, upon execution, into contracts to sell or buy electricity.

Article 1.5 Clearing House

European Commodity Clearing AG (ECC) has been designated by HUPX Ltd. as the Clearing House of HUPX. As the Clearing House it acts as the central counterparty for Payment and Delivery of the contracts traded or registered at HUPX. The rules and proceedings of ECC are stated in the ECC Clearing Conditions in its current version.

The Clearing House is a credit institution that handles the clearing of Contracts traded on HUPX, in accordance with the specific procedures for each type of products. In a given

Market Segment, the Clearing House operates under the terms of an agreement signed with the Clearing Members designated by the HUPX Members.

OTC Clearing facilities are made available to HUPX Members, who are members of the Physical Futures or intraday market respectively, for the clearing of bilaterally executed electricity trades that conform to the product specifications of HUPX as published from time to time by HUPX Ltd.

Article 1.6 *Rules and Regulations*

The Rules and Regulations of HUPX consist inter alia of the following parts:

- Membership Agreement,
- Market Rules (including its annexes) and
- The Market Notices and other resolutions, decisions made by HUPX Ltd. on the base of the regulations of the Market Rules, which will be accessible on the official website of HUPX.

These Rules and Regulations govern the organization of HUPX.

Article 1.7 *Operation of HUPX Market*

HUPX Ltd. is the company operating the HUPX Market. In this capacity, HUPX Ltd.:

- defines membership criteria for the HUPX market,
- signs Membership Agreements with Applicants whereby they become HUPX Members,
- defines the requirements and procedures for trading Contracts,
- provides an appropriate order matching facility for buy and sell orders for the Contracts in accordance with the Market Rules,
- establishes and publishes reference prices,
- where appropriate, transmits information about Transactions to the Clearing House for clearing,
- operates the balance group of the organized market, as the balance group responsible party and (together with the Clearing House via its central counter party) schedules towards the Hungarian Transmission System Operator the physical deliveries of contracts traded on HUPX,
- makes all decisions necessary for the integrity and orderly operation of HUPX Market, in particular by monitoring HUPX Members' compliance with the Rules and Regulations of HUPX.
- supervises the conduct and activity of HUPX Members to ensure an orderly and fair market,
- offers an OTC clearing facility²,
- offers data reporting agreement to its Members as a registered reporting mechanism according to Article 6 of REMIT IR.

Article 1.8 **Official Language / Announcements**

The official language of HUPX Market is English.

Unless provided otherwise, announcements by any of the Market Organizational Bodies of HUPX Ltd. shall be transmitted electronically. HUPX Ltd. shall determine the electronic medium.

Chapter 2 **Legal and Regulatory Framework****Section 1** **Rules and Regulations of HUPX****Article 1.9** **Rules and Regulations**

When operating on HUPX Market, HUPX Members shall observe and comply with the Rules and Regulations at all times.

Article 1.10 **Membership Agreement**

The Membership Agreement is signed between HUPX Ltd. and the HUPX Member. By signing the Membership Agreement the HUPX Member agrees to respect the Rules and Regulations of HUPX at all times. The Membership Agreement defines:

- the terms on which the HUPX Member will carry on its trading business with HUPX Ltd.,
- the types of contracts (Market Segments) that the HUPX Member is authorized to trade, information and information sharing rights,
- the services provided by HUPX Ltd. that are not defined in the Market Rules ,

The sample of the Membership Agreement is annex No. 5 of present Market Rules.

In the event of a conflict between the Membership Agreement and any regulation of the effective version of the Market Rules, the regulation of the Market Rules shall take precedence.

The Membership Agreement cannot be assigned or transferred without the prior written consent of HUPX Ltd. If HUPX Ltd. grants its approval for the assignment or transfer of the Membership Agreement, the HUPX Member that assigns or transfers its Membership Agreement shall pay an administrative fee to HUPX, the amount of which shall be specified in a Market Notice.

Article 1.11 **Market Rules**

The Market Rules set forth the terms on which HUPX Ltd. carries out its duties and on which HUPX Members trade in the market.

Article 1.12 **Operational Rules**

The Operational Rules set forth the General Conditions, Contracts details and trading parameters, the Price List and the Technical Access Rules. The Operational Rules is an integral part of the Market Rules, as its annex No. 2.

Article 1.13 **Code of Conduct**

The Code of Conduct sets forth the rules of conduct and market behavior which must be respected at all times by the HUPX Members. The Code of Conduct is an integral part of the Market Rules, as its annex No.3.

Article 1.14 **Changes to the Rules and Regulations of HUPX**

HUPX Ltd. may modify by a decision of its General Assembly the provisions of present Market Rules and all of its annexes. Unless otherwise stipulated in the Deed of Foundation of the Company, the General Assembly of HUPX is entitled to delegate the right for such decision making to the CEO of HUPX Ltd. The former approval of the Supervisory Board of HUPX Ltd. in both cases is required for the decision making.

However changes to the HUPX Market Rules including all of its annexes and any subsequent amendments need to be submitted to the Organized-Market Committee, which shall provide advice and proposals on the acceptance of these changes. HUPX Ltd. modifies the Market Rules only after the prior request of the opinion of the Organized-Market Committee about the modification. Proposals for modification may be submitted to the Organized-Market Committee by any of its members or directly to the CEO of HUPX Ltd. by any HUPX Members and by the Organized-Market Committee.

The Rules and Regulations of HUPX are binding for the market organizational bodies of HUPX and for all the HUPX Members and their Traders permitted to trade on HUPX.

Article 1.15 **Date of Effectiveness of Changes to the Rules and Regulations of HUPX**

Changes to the Rules and Regulations become effective on the day of their publication unless a different time is provided for. The changes to the Market Rules require a formal approval by the Hungarian Energy and Public Utility Regulatory Authority (HEA), therefore changes to the Market Rules can become effective only after and on the base of the approval of the HEA.

If a HUPX Member does not accept changes to the Market Rules, it may terminate with immediate effect its membership to HUPX within the next ten (10) calendar days following the date of publication of the change. In case HUPX Member does not ask for the termination of its membership to HUPX Market within the aforementioned deadline, the change shall be deemed accepted by the HUPX member.

Article 1.16 **Official Market Notices**

HUPX Ltd. notifies HUPX Members of changes to:

- the Market Rules and any subsequent amendments;
- the annexes of the Market Rules and any subsequent amendments, including the Operational Rules, the Code of Conduct, the Membership Agreement sample and the election procedure of the Organized-Market Committee which develop the provisions of the Market Rules and which are an integral part thereof;

by way of Market Notices.

The above elements are also communicated to Applicants in the context of their authorization.

Notwithstanding the requirements set out in Article 1.14 and 1.15 above,

- sub-contracting of operational tasks,
- admission of HUPX Members,
- resignation, withdrawal and revocation of Member admissions,
- suspension of a HUPX Member and withdrawal of such suspension,
- suspension of contract or order types and withdrawal of such suspension,
- the specification (number, size and special conditions) of Block Orders,
- special conditions of limit handling,
- applicable trading days and hours,
- amendments to the settlement price calculation,
- amendments to the (Contracts) Specifications according to Chapter 1 of Title 1 of Annex 2, [Chapter 1 of Title 2 of Annex 2](#) and Chapter 1 of Title [23](#) of Annex 2,
- valid price and fee list, discounts and their conditions,
- changes in ways of cash collection,
- operating support contact details and hours,
- unavailability of the system or technical problems,
- fall back procedure modalities,
- sanctioning of non-compliance with Market Rules, and
- information about Market Coupling and Implicit Participants.
- [information about mistrade rules and applied administration fees on HUPX Physical Futures and Intraday Markets](#)

may be modified by HUPX by way of publishing the modification in a Market Notice, which modification shall not require the prior approval of the Hungarian Energy and Public Utility Regulatory Authority.

Specific rules applicable for each type of Market Notices are defined in the articles regulating the concerning regulatory areas.

Section 2 **Status of Rules and Regulations of HUPX**

Article 1.17 **Contractual relations**

Relations between HUPX Ltd. and HUPX Members are governed by contract. By signing the Membership Agreement, HUPX Members undertake to comply with the HUPX Rules and Regulations (including the Market Rules and Market Notices).

If a HUPX Member fails to fulfill an obligation resulting directly or indirectly from the Rules and Regulations of HUPX, HUPX Ltd. is entitled to suspend the Membership of the HUPX Member or terminate the Membership Agreement with the HUPX Member.

Article 1.18 **Members' Rights and Obligations**

The services provided to HUPX Members by HUPX Ltd. as well as HUPX Members' rights and obligations on HUPX are set forth in the Rules and Regulations of HUPX Ltd.

Chapter 3 Market Organizational Bodies of HUPX

Section 1 Operating Company

Article 1.19 **HUPX Ltd.**

HUPX is operated by HUPX Ltd., HUPX Ltd. is in charge of operating the HUPX Market.

HUPX Ltd. may subcontract part of its operational tasks regarding the operation of the HUPX Market. The name of its sub-contractor, as well as the subcontracted operations will be communicated by HUPX Ltd. to its members via a Market Notice. Notwithstanding, HUPX Ltd. shall remain liable in any cases towards the HUPX Member for the operation of the HUPX Market, regardless whether the performance of a task has been subcontracted or not.

In case of urgency, HUPX Ltd. is entitled to issue any appropriate orders or measures to ensure the orderly conduct of the Trading on HUPX and the settlement of the traded Transactions. These orders, decisions are binding for all HUPX Members.

Section 2 Organized-Market Committee

Article 1.20 **Composition of the Organized-Market Committee**

The Organized Market Committee is a consultative member committee of HUPX Market.

The composition of the Organized-Market Committee reflects the diversity of economic and corporate profiles that exists among HUPX Members.

The Organized-Market Committee comprises 7-9 members.

The members of the Organized-Market Committee are elected for a 2-year period. The election rules relating to the composition of the Organized-Market Committee are determined in Annex No. 1 to present Market Rules.

The Organized-Market Committee meets if it deems appropriate, but at least twice every year.

HUPX Ltd. or a quorum of three members of the Committee shall have the right to require an Organized-Market Committee meeting.

Article 1.21 **Duties and Rights of the Organized-Market Committee**

The Organized-Market Committee has the following roles and rights:

- consult proposals for the changes to the Rules and Regulations of HUPX, express its opinion and suggest modifications regarding such proposals before they are accepted by HUPX Ltd.;

- propose changes to the Rules and Regulations of HUPX to the CEO of HUPX Ltd.;
- express opinions and recommendations to the CEO of HUPX Ltd. regarding the introduction of new Trading Systems;
- express opinions and recommendations to the CEO of HUPX Ltd. regarding introduction of new Contracts, Market Segments or Market Coupling;
- ask the CEO of the HUPX Ltd. to report on market environment and activity, projects, changes to markets and products and market surveillance activities (on an anonymous basis).

As it has an advisory role in the decision making, the recommendations, proposals and other advices of the Organized-Market Committee are not binding to the decision making of HUPX Ltd., however the CEO of the HUPX Ltd. is obliged to provide a written explanation to the Organized-Market Committee in case their proposal was not approved in the decision making process of HUPX Ltd.

Article 1.22 **Chairperson of the Organized-Market Committee; Deputy Chairperson**

In its first meeting following an election, the Organized-Market Committee shall elect a chairperson and 1-3 deputies from among its members by means of a secret ballot.

If nothing to the contrary is explicitly stipulated, the consecutive order of the deputyship shall be based on the majority of votes for the respective deputy.

The chairperson shall preside over the proceedings of the Organized-Market Committee, or if he is unable to do so, one of the deputies. In case the chairperson and all the deputies are prevented from attending the proceedings, the member of the Organized-Market Committee eldest in age shall serve as chairperson.

Article 1.23 **Quorum and Resolutions of the Organized-Market Committee**

The Organized-Market Committee shall have a quorum when more than one half of its members are in attendance, either in person, or effectively represented by another member as the result of the correct submission of the notification of proceedings.

Resolutions shall be passed by a simple majority of the valid votes cast. In case of a tie vote, the chairperson of the meeting shall cast the deciding vote. If the chairperson abstain from voting in case of a tie vote the motion shall be deemed rejected.

If unable to attend, a member of the Organized-Market Committee may allow another member so submit his written vote.

Resolutions can also be passed in writing-mail or facsimile. A motion shall be deemed to have been passed if more than one half of the members of the Organized-Market Committee have responded within a stipulated period and if the majority of the Organized-Market Committee has agreed to the motion. Each member of the Organized-Market Committee shall be able to demand that the decision be taken by vote after oral debate. The chairperson shall comply with such a request, for which a detailed reason must be given, by calling a meeting without undue delay.

At the request of one quarter of the members votes shall be taken by secret ballot.

The content and outcome of the meetings and of the decision making process shall be recorded in writing and signed by the chairperson of the meeting. With regard to votes cast in writing, by e-mail, facsimile or by telephone as stipulated in paragraph (4), the minutes and the outcome of the decision making process can also be signed by the CEO of HUPX Ltd. The Regulations of the Organized-Market Committee shall specify details with respect to the preparation of minutes and the adoption of resolutions.

Article 1.24 **Organized-Market Committee Committees**

The Organized-Market Committee is entitled to establish sub-committees in order to prepare its resolutions.

Article 1.25 **Confidentiality Obligation of the Organized-Market Committee Members**

The members of the Organized-Market Committee must treat all information they get in the course of their duties as Organized-Market Committee Members as confidential except if such information is part of an announcement of the Organized-Market Committee or otherwise publicly available.

Section 3 **Market Surveillance**

Article 1.26 **Market Surveillance Office**

HUPX Ltd. has established and operates a Market Surveillance Office as an independent market organizational body.

Article 1.27 **Personnel of the Market Surveillance Office**

HUPX Ltd. appoints the persons in charge for the Market Surveillance Office.

Article 1.28 **Independency of the Market Surveillance Personnel**

To the extent legally possible the members of the Market Surveillance Office are independent in their decisions and how they organize and perform their duties. In particular, they may reject orders from HUPX Ltd. in their own discretion if such orders interfere with their tasks as Markets Surveillance Office.

HUPX Ltd. may instruct the Market Surveillance Office to conduct investigations within the scope of its duties.

Article 1.29 **Duties and Responsibilities of the Market Surveillance Office**

Market Surveillance Office has to monitor the orderly trading on the HUPX Market and the orderly settlement of Transactions and to check a posteriori that HUPX Members behave in accordance with the Rules and Regulations of HUPX Market. HUPX Members provide their approval and authorization to the Hungarian TSO, to the Clearing House of HUPX as well as to its Clearing Member to supply data to the Market Surveillance Office of HUPX upon its request about the details and any information of settlement of Transactions concluded by them on HUPX, if it is needed.

The Market Surveillance Office shall systematically and completely record and evaluate data regarding trading on HUPX and the settlement of transactions and shall conduct any necessary investigations.

If the Market Surveillance Office establishes facts justifying the conclusion that violations of HUPX Rules and Regulations or applicable Hungarian or European Union law provisions or HUPX orders are occurring or that other irregularities exist which may impair the orderly conduct of trading on HUPX or the settlement of traded transactions, it shall promptly notify the CEO of HUPX Ltd., and if it seems necessary, the Hungarian Energy and Public Utility Regulatory Authority.

The Market Surveillance Office shall exercise the duties and powers assigned to it only in furtherance of the public interest.

In the event that Market Surveillance Office suspects a breach of rules or any other incidence with an impact on trading on HUPX, it must immediately inform the CEO of HUPX Ltd. This is particularly relevant regarding possible disruptions in the correct determination of prices.

Article 1.30 *Authority of Market Surveillance Office*

For the fulfillment of its tasks, the Market Surveillance Office can conduct special investigations.

The Market Surveillance Office may, if necessary, request of HUPX Members and their Traders

- disclosure of information and documents;
- to carry out inspections;
- disclosure of the economic beneficiary of a transaction.

The Market Surveillance Office is not authorized to enact sanctions. It only informs the institutions responsible for sanctioning, e.g. the CEO of HUPX Ltd.

Article 1.31 *Reporting to the Organized-Market Committee and to the Management of HUPX Ltd.*

The Market Surveillance Office of HUPX Ltd. reports to the CEO of HUPX Ltd. and to the Organized-Market Committee.

The Market Surveillance Office may transmit data with respect to the execution of Transactions to HUPX Ltd.

Article 1.32 *Information Sharing with Supervisory Authority*

HUPX Ltd. fully cooperates with the regulatory authority of its Market Area, which is the Hungarian Energy and Public Utility Regulatory Authority with the aim of ensuring harmonized, efficient and regulated trading.

According to Article 15 of REMIT, if HUPX Ltd. reasonably suspects that a transaction might breach the prohibition of market manipulation or the prohibition of insider trading shall notify the HEA.

The Market Surveillance Office may transmit data with respect to the execution of Transactions to the HEA, as the authority which is responsible for monitoring electricity trading in Hungary and receive data from the HEA, to the extent that this is necessary to ensure the orderly conduct of trading and the settlement of transactions.

Such data may only be transmitted to the authority if they and the persons commissioned by them are bound by an obligation of confidentiality. It must be pointed out to the authority that they may only use the information for that purpose for which it was provided.

Title 2 Admission

Chapter 1 HUPX Membership

Article 2.1 HUPX Member

A HUPX Member is a legal entity that signs a Membership Agreement or an equivalent agreement with HUPX Ltd. and is thereby authorized to trade or intervene directly in the market.

Due to the provisions of section 53 of the Electric Energy Act, producers, electricity traders, providers of universal services, consumers, and the transmission system operator and the distribution network operators may conclude transactions on HUPX for the purpose as stipulated in the Electric Energy Act, provided that they are able to satisfy the conditions prescribed in present Market Rules, and subject to a Membership Agreement concluded with HUPX Ltd.

HUPX Ltd. shall not impose any limits concerning the number of HUPX Members. HUPX Ltd. may not ~~unjustifiably~~ refuse to conclude a Membership Agreement if the conditions laid down in legal regulations, in the Commercial Code of the Hungarian Electricity System and in present Market Rules are satisfied.

Article 2.2 Trading at HUPX

Trading at HUPX shall only be carried out by an approved HUPX Member.

HUPX Members are entities with the permission to participate in trading on HUPX with respect to the Contracts that may be traded on HUPX market.

HUPX Members can commercially engage in the business of:

- purchasing and selling for their own account (own transactions),
- purchasing and selling in their own name for the account of a third party (customer transactions), or
- execution and registration of OTC trades with another existing HUPX Member

Article 2.3 Types of HUPX Members

According to the prevailing regulations of the Electric Energy Act, there are six types of entities that can become HUPX Members on HUPX:

- Electricity Trader (with a valid electricity trading permit issued by the HEA or its predecessor pursuant to section 88 of the Electric Energy Act);
- Universal Service Provider (with a valid universal service provision permit issued by the HEA or its predecessor pursuant to section 90 of the Electric Energy Act); Consumer (on the base of point c of subsection 2 of section 56 of the Electric Energy Act);
- Producer (with a valid power plant or micro power plant operational permit issued by the HEA or its predecessor pursuant to section 80 or 83 of the Electric Energy Act);

- Transmission System Operator (with a valid transmission system operation permit issued by the HEA or its predecessor pursuant to section 87 of the Electric Energy Act, on the Hungarian Market Area MAVIR Ltd. holds the TSO operation permit);
- Distribution System Operator (with a valid distribution system operation permit issued by the HEA or its predecessor pursuant to section 84 of the Electric Energy Act).

In spite of the different legal basis of their participation on HUPX Market as specified above, HUPX Members have equal rights and obligations towards HUPX Ltd., with the restriction that it is always the responsibility and duty of the HUPX Member to perform only trading activity on HUPX with the aim, direction (sell or buy) and measures for which the regulations of the Electric Energy Act (and their license if applicable) provides entitlement for them.

In the process of OTC Clearing according to Title 34 of Annex 2 of present Market Rules, HUPX Members may register transactions for themselves, assign and utilize OTC Brokers in order to register the OTC transactions to be cleared in HUPX OTC Clearing process, or request HUPX to register a transaction on behalf of the Member. OTC Broker is a company with no direct access to the HUPX trading platform (and with no HUPX membership), but who executes trades in the OTC market on behalf of its clients, - who are HUPX Members - and with the prior permission and entitlement of the HUPX Members and on the basis of a contractual relationship with HUPX Ltd. will be entitled to report and submit those trades for OTC Clearing via the HUPX clearing process.

Article 2.4 *Implicit Participants for Market Coupling*

In addition to the types of members defined by the Electric Energy Act and mentioned in Article 2.3, the Implicit Participant fulfills the tasks deriving from the execution of the process of Market Coupling. On the top of its task deriving from the execution of the process of Market Coupling the Implicit Participant may also carry out bidding and offer making activity on the day-ahead market segment and shall be regarded and handled as a HUPX Member during the order making, matching and post trade processes.

On the base of the prevailing regulations of the Hungarian Law, on HUPX, it is the Hungarian Transmission System Operator (TSO) that is MAVIR, or any other entity appointed and entitled by MAVIR Ltd, who performs the tasks and roles of the Implicit Participant.

The roles and duties of the Implicit Participant are specified in the contractual relationships concluded by HUPX Ltd. with the companies operating the Coupled Markets, and with the Implicit Participant, regarding the operation and process of Market Coupling.

The Implicit Participant is defined in the Commercial Code.

Article 2.5 *Commitment to Market Making*

Any of the HUPX Members may offer to HUPX Ltd. to commit to be Market Maker with a view to increase the liquidity of a certain Contract admitted to trading, nevertheless it is within the own discretion of HUPX Ltd., whether enters into a Market Maker Agreement with the HUPX Member offering Market Maker commitment or not.

Market Makers take on the obligation to quote bid and ask prices for one or more Contracts admitted to trading on a continuous basis or at specific times at the request of HUPX, in

accordance with the conditions set in the Market Maker Agreement. The specific terms of the Market Maker commitment of a HUPX Member will be set out in the Market Maker Agreement, which includes the bidding and asking obligations, specifying the Contract types, the minimum quantities in MW, the maximum spread between bid and ask prices in Euro, the period and session when the commitment shall be fulfilled.

On the basis of the agreement of the parties the Market Maker Agreement might also specify discounts and reduced rates of payable fees and other preferment to which the Market Maker HUPX Member will be entitled to in return for the performance of its market making commitment, the sanctions for not performing a Market Making commitment and other contractual terms and conditions which the parties find relevant and agreed on. As only HUPX Members can become Market Makers, a Market Maker Agreement is subject to a valid HUPX Membership Agreement.

HUPX publishes and keeps an updated list of the Market Makers in accordance with the conditions set out in the concluded Market Maker Agreements, but the commercial terms and conditions of the concluded Market Maker Agreements will not be disclosed.

Article 2.6 *Liquidity Provider role*

Any of the HUPX Members may aim to fulfill the Liquidity Provider conditions during trading on HUPX without any commitment.

The Liquidity Provider conditions include specific conditions for supporting the liquidity of the market determined by HUPX, which shall be set in form of Market Notices published by HUPX Ltd.

In case any HUPX Member fulfills the set conditions in a given month, HUPX might also specify discounts and reduced rates of payable fees and other preferment to which the Liquidity Provider HUPX Member will be entitled to in the corresponding month in return for its supportive performance.

Chapter 2 **Admission of HUPX Members**

Article 2.7 *General Admission Requirements for HUPX Members*

The admission of a HUPX Member shall authorize the HUPX Member to participate in trading on HUPX Market, if the HUPX Member:

- ➔ has satisfied HUPX Ltd. with the reliability and economic capacity of its company;
- ➔ has secured all relevant authorization for trading in power (where it is applicable);
- ➔ has secured orderly settlement of Transaction;
- ➔ has appointed Traders;
- ➔ is equipped with the necessary technical connection for trading on the systems of HUPX.

Article 2.8 Admission on HUPX

HUPX Ltd. makes decisions concerning HUPX Members, in compliance with the Rules and Regulations.

HUPX can refuse an incomplete application.

When authorizing new HUPX Members, HUPX Ltd. carries out a documentary verification in order to ensure all membership requirements have been met.

Once all membership requirements have been met, HUPX Ltd. signs the Membership Agreement and sends an admission letter to the new HUPX Member.

Upon receipt of the admission letter, the new HUPX Member is entitled to trade at HUPX.

The name of a new HUPX Member will be published in a Market Notice to the other HUPX Members and the admission of this new member will be published on the HUPX website.

If HUPX Ltd. decides not to admit an Applicant, it shall give reasons for its decision.

Article 2.9 Required Information for Admission

Membership applications must include the following elements:

- duly signed Membership Agreement in 2 originals;
- an identification form (which includes information identifying the company or main contacts and statements regarding the company);
- a filled-out form about the authorized signatures of the company regarding HUPX trading;
- a filled-out form about the authorized trader(s);
- a filled-out trading account form;
- a filled out “Know Your Customer” questionnaire;
- the following supporting documents:
 - company registration extract (issued within 15 calendar days);
 - copy of license issued by the HEA or its predecessor (or a statement that Applicant will buy electricity as a consumer);
 - notarized specimen of signature of the authorized persons;
 - a copy of the last annual report, drafted in accordance with the Applicant's national legislation;
 - verification of the balance group membership issued by MAVIR Ltd.;
 - the current articles of association / statutes;
 - copy of VAT certification;
- technical forms;
- statement whether the applicant wishes to conclude the Data Reporting Agreement with HUPX Ltd. pursuant to Article 6 of REMIT IR.

HUPX Ltd. can request any additional information that is necessary within reason to take into consideration the special characteristics of the Applicant.

The Applicant guarantees the validity of such information and substantiates it, where appropriate, by providing copies of the original documents.

These documents shall be sent to HUPX Ltd. in English or Hungarian language as per the request of HUPX.

Article 2.10 *Authorized Representatives*

HUPX Members shall appoint at least one authorized representative, chosen from among the employees under their authority or acting on its behalf, who will be HUPX Ltd.'s contact for the administrative formalities undertaken in compliance with the Market Rules.

They may also appoint:

- a front office representative;
- a back office representative;
- a delivery representative;
- an invoicing/payment representative
- an IT representative
- a representative regarding Membership issues.

Only authorized representatives are entitled to ask HUPX Ltd. to make changes in the areas that concern them.

Article 2.11 *Capacity and Right to Buy and/or Sell Electricity in Hungary*

Legal entities that are not barred by law from buying and/or selling electrical power can become HUPX Members.

As a result, the Applicant must obtain all state approvals, permissions, licenses and admissions (including joining the balance group system of the Hungarian TSO) that are required for trading on HUPX and the fulfillment of the concluded transactions.

HUPX Ltd. may request from the applicant additional documents or information at any time and within a certain time limit. In this respect it may, after a due assessment of the circumstances, either itself or through an agent, conduct an exam of the Applicant at the Applicant's expense and require the Applicant to submit such statements and documents as it may deem appropriate.

Applications for the admission of companies are suspended as long as no evidence of the lawfulness of the admission and the trading participation in accordance with the law is furnished by the applicant or should HUPX gain knowledge by other means to the effect that the admission of the Applicant and its trade participation is permissible.

Chapter 3 Requirements for the Settlement of Transactions

Article 2.12 *Requirements for the Settlement of Transactions concluded on HUPX and of Transactions registered in the OTC Clearing process*

The orderly settlement of Transactions on HUPX is deemed to be secured when all of the following requirements are fulfilled:

- The HUPX Member takes part in clearing on ECC AG in accordance with the respectively valid Clearing Conditions of European Commodity Clearing AG (ECC AG);
- A participant must have sufficient technical facilities at its disposal which guarantee correct trading and settlement by means of telephone/facsimile or via the trading systems of HUPX and clearing facilities of ECC AG. When using an IT system, it must be ensured that these technical facilities do not impair the Trading on HUPX and the settlement of the transactions. Details of the technical equipment are regulated by the Regulations pertaining to technical facilities;
- The technical facilities shall be kept in good condition by the HUPX Member and it is to ensure that their continuous readiness for operation is guaranteed;
- The HUPX Member shall provide the personnel who are required for trading and settlement and take satisfactory organizational precautions.

First Bullet-Point above is deemed to be fulfilled when:

- The HUPX Member has concluded a Clearing Agreement with ECC for the market applied for. Provided that the HUPX Member intends to become a Non-Clearing Member for transactions for the respective market in terms of the Clearing Conditions of ECC (Non-Clearing Member), such participant shall conclude a respective agreement with a Clearing Member and provide any security required by the Clearing Conditions or by the respective agreement;
- Further HUPX Ltd. shall have a confirmation from ECC for each traded Contract that the HUPX Member is approved by ECC as a Trading Participant in this Contract. The approval as a HUPX Member requires, in particular, the necessary declarations and evidence of the capability for physical settlement of Transactions.

The requirements stipulated in present Article shall be met also for the orderly settlement of trades registered to OTC Clearing.

Chapter 4 Requirements for Technical Access

Article 2.13 *Requirements for Technical Access*

The technical requirements of the connection to the trading systems of HUPX are met, if the HUPX Member is equipped with IT-facilities, which comply with the requirements in accordance with the Rules and Regulations of HUPX concerning technical equipment. HUPX Ltd. (or its duly mandated subcontractor) is permitted to check on the compliance of these regulations on-site.

Upon application of a HUPX Member or by an Applicant for admission, HUPX Ltd. may permit the installation of front-end systems in the offices of the HUPX Member outside the country in which the HUPX Member for admission to trade has its registered office, provided that the application of and compliance with the provisions of the Market Rules of HUPX and any supplemental provisions thereto are also ensured in the country in which the additional offices is situated.

If HUPX Ltd. permits a HUPX Member to use order routing systems in accordance with the Operational Rules, such HUPX Member shall be responsible for ensuring that the order routing facility is used properly, for the designated purpose and in accordance with the provisions of the Rules and Regulations. This also applies to any orders, which are entered into the trading systems of HUPX via order routing by third parties who are not admitted to HUPX Market. Should the HUPX Member fail to comply with these requirements, HUPX Ltd. may at its own discretion restrict or revoke the permission to use an order routing system.

HUPX Ltd. may require its members to support and participate in technical testing in order to confirm compliance with technical requirements for access to the trading platform and/or to deliver changes or updates to the trading infrastructure or trading software if appropriate to realize common interest connected to the trading infrastructure or trading software if appropriate. Any performance during implementations or upgrades or cases of technical changes shall be based on a best effort principle. All HUPX Members must pass conformance testing to be allowed to access to the HUPX trading platform.

Article 2.14 **Trading Accounts**

Following signature of the Membership Agreement, HUPX Ltd. assigns to the HUPX Member one or more Trading Account(s) with a username and password per trading system in line with the request of the Trading Member.

The HUPX Member can ask HUPX Ltd. to create additional Trading Accounts or to delete existing Trading Accounts.

Chapter 5 **Admission of Traders**

Article 2.15 **Admission of Traders**

Persons entitled to trade on HUPX (Trader) shall be admitted by HUPX Ltd. if they are reliable and have the necessary professional qualifications. A Trader can only be admitted and active for one HUPX Member at any given time.

Article 2.16 **Trader Identification**

HUPX Members operate on HUPX through one or more Traders placed under their authority or acting on their behalf. HUPX Members shall notify HUPX Ltd. of any change to the list of their authorized Traders.

Traders are identified on HUPX Ltd. and are the only persons authorized to place, modify or cancel Orders.

HUPX Members cannot decline responsibility for the actions of a person acting under their authority or on their behalf, regardless of whether such person has been identified as a Trader. Similarly, HUPX Members cannot decline responsibility for the actions of a Trader

declared to HUPX Ltd., regardless of whether such Trader is acting under the Member's authority or on its behalf, until such time as the HUPX Member requests the suspension of such a Trader.

Article 2.17 **Skills**

HUPX Members ensure that the Traders they have designated have all necessary skills. Traders shall understand all the documents issued by HUPX Ltd. concerning in particular:

- the HUPX market's structure and environment,
- contract specifications,
- use of Trading Systems,
- netting mechanisms,
- delivery procedures,
- the risks inherent in the products traded.

Traders must be professionally qualified to trade on HUPX. Evidence of the required specialized knowledge is supplied by passing an exam (the "Trader's Exam") leading to the qualification as Spot Market (including Day-Ahead Market and Intraday) or Futures Trader on HUPX.

All Traders which were previously authorized on EEX Power Spot / Powernext Day-Ahead or are authorized on EPEX Spot shall not have to pass the Traders' Examination to trade on the Day-Ahead and Intraday Market Segments of HUPX.

Traders must be professionally qualified to trade on Physical Futures Market of HUPX by passing a Futures Trader Exam organized by HUPX Ltd.

Traders who are qualified to trade on Day-Ahead Market of HUPX are automatically deemed to be qualified for trading on the Intraday Market of HUPX, therefore no further Trader Exam is required for the Intraday Market trading on HUPX.

Chapter 6 **Rules for Procedure**

Article 2.18 **Duration of Membership**

HUPX Membership lasts for the same period as the effect of the Membership Agreement.

Article 2.19 **Communication of Information**

After the granting of admission to trading, HUPX Members shall still be required to notify HUPX Ltd. without delay of any changes of a factual or legal nature which could lead to the conditions for admission no longer being met, in particular:

- 1) Changes to its legal situation, such as:
 - changes in terms of compliance with one of the Membership requirements,
 - termination of, suspension of, or changes to the Clearing Agreement,
 - changes to the information communicated with or documents appended to the Membership application,

- termination of, suspension of its balance group agreement with the Hungarian TSO, or the balance group membership agreement with a balance group responsible party.
- 2) Changes to the Member's technical or organizational situation, insofar as such changes have an impact on access to HUPX.
- 3) Changes to the legal or regulatory framework or to judicial practice that affect the Member's capacity and its compliance with the Membership requirements and these Market Rules.

Article 2.20 *Resignation, Withdrawal and Revocations of Admission*

A HUPX Member or a Trader can resign partially from admission upon written notice to HUPX. The full resignation will be made by termination of the Membership Agreement.

HUPX Ltd. is entitled to withdraw the admission of a HUPX Member or a Trader in full or partially should one of the admission requirements not exist upon the granting of the admission.

HUPX Ltd. is entitled to revoke the admission of a HUPX Member in full or partially if one of these requirements ceases to be satisfied at a later date, or if the HUPX Member fails to lodge the securities determined for such participation or fails to make the daily clearing payments or other deliveries or payments and settle other charges in good times as stipulated in the Rules and Regulations of HUPX or the respective ECC Clearing Conditions within the prescribed period. The same applies for repeated serious breaches of the Rules and Regulations of HUPX. Moreover, ECC as the Clearing House or a Clearing Member of ECC may also submit an application for an instruction regarding the revocation of admission.

The termination of the admission of a HUPX Member of HUPX results in the termination of the admission of the Traders who are acting on behalf of this HUPX Member.

HUPX Ltd. shall publish resignation, withdrawal and revocation of admission of a HUPX Member or a Trader in form of a Market Notice.

Article 2.21 *Consequences of Resignation, Withdrawal and Revocation of the HUPX Membership Admission*

If a HUPX Member resigns its admission to trading in full or partially or such admission is withdrawn or revoked by HUPX Ltd., the HUPX Member shall be obliged to fulfill the obligations resulting from the trades executed in its name at the time of termination even if this involves acts taken after the termination date. In particular the terminated HUPX Member shall be obliged to pay the outstanding and due amounts, to deliver energy, to close open positions, to properly close its access to the trading systems of HUPX and to cooperate with HUPX and ECC to transfer its customers, if any, to another HUPX Member.

The HUPX Member shall cancel all Orders and quotes in the Trading System concerned.

If the HUPX Member fails to meet these requirements within the prescribed period, HUPX Ltd. has the right to cancel the Orders and quotes and to close the positions. The Membership Agreement shall be terminated only after the fulfillment of the requirements provided for in this paragraph and of all obligations owed to ECC or the relevant Clearing Member.

Article 2.22 **Suspension of Admission**

HUPX Ltd. can suspend or terminate the Membership Agreement if the Member does not comply with the Market Rules. In this case, it shall give explanations for its decision.

On the strong suspicion that one of the conditions for admission has not been fulfilled, or has subsequently ceased to be fulfilled, HUPX Ltd. may order the suspension of the HUPX Member or the Trader in full or partially. The suspension of the admission of a HUPX Member may also be ordered as long as the HUPX Member is in default with the payment of due fees.

The HUPX Member may also propose the suspension of its own HUPX Membership by handing in an application to the CEO of HUPX Ltd. In this case the CEO of HUPX Ltd. is entitled to permit the suspension of paying due fees during the suspension of the HUPX Membership.

HUPX Ltd. can also suspend the admission of a HUPX Member, should the HUPX Member contravene with the Market Rules or fails to lodge the margins or make the daily clearing payments or effect other deliveries or payments and settle other charges in good time as stipulated in the Rules and Regulations of HUPX or the current Clearing Conditions.

The same applies in case of material violations of the Rules and Regulations of HUPX. Moreover, ECC AG as the Clearing House or a Clearing Member of ECC AG can also submit an application regarding the order for a suspension of admission if the HUPX Member defaults or does not fulfill its obligations towards ECC or its Clearing Member. In such a case, HUPX Ltd. will suspend the HUPX Member from trading upon the request of ECC.

Article 2.23 **Consequences of Suspension from Trading**

During the period of the suspension of the admission of an HUPX Member, the right to take part in trading on HUPX shall also be suspended for its Traders. The Trader concerned must cancel all Orders and quotes, is not permitted to enter any new Orders and shall close all its open positions.

If a HUPX Member is excluded from trading in single or all Contracts, the HUPX Member must cancel all its Orders and quotes within the respective products and must not enter new Orders and quotes within the trading systems of HUPX.

In case the HUPX Member has not cancelled its Orders or entered new ones, then HUPX shall be entitled, either by itself or on request of ECC, to cancel the Orders and close the open positions on behalf this HUPX Member.

HUPX Ltd. shall not be held responsible towards the HUPX Members of all consequences following suspension effected on ECC's instructions.

When an HUPX Member is suspended, HUPX Ltd. informs the other HUPX Members thereof by means of a Market Notice.

Article 2.24 **Exclusion from Trading**

If a HUPX Member is not in possession of a balance group agreement with the Hungarian TSO or a Balance Group Membership Agreement with a balance group responsible party having a balance group agreement with the Hungarian TSO, and if therefore an admission

requirement with ECC is missing, the HUPX Member can be suspended from Trading for the period of the non-fulfillment of the admission requirement. The same shall apply for a situation, when HUPX Member does not provide the required information about its new balance group in case it changes its balance group.

Article 2.25 *Consequences of Exclusion from Trading of Clearing Members*

If a Clearing Member of ECC is excluded from trading under the provisions of this paragraph, Non-Clearing Members affiliated with it may only be excluded from trading until they are able to engage in trading on HUPX through another Clearing Member. The right to revoke their admission remains unaffected.

Article 2.26 *Disability of Trading Members*

A HUPX Member can be excluded from trading and its admission can be suspended, if it is proved that the Member is not able to fulfill delivery regarding either the physical delivery or the financial payment.

In case the HUPX Member has not cancelled its Orders or entered new ones, then HUPX will do its best effort to cancel the Orders and quotes and to close the positions of this HUPX Member.

In case the open positions cannot be closed or cancelled within a reasonable time, HUPX may contact the HUPX Members with Market Maker agreements to request their participation in closing the positions.

The Membership Agreement of the HUPX Member in question shall be terminated only after the fulfillment of any of its outstanding debts towards HUPX, ECC or the relevant Clearing Member.

HUPX Ltd. shall not be held responsible towards any of the HUPX Members for the consequences of closing or cancelling Orders in such case.

Article 2.27 *Default management and position closing provisions*

In case a default of a clearing member the corresponding provisions in the ECC Clearing Conditions will apply. In order to handle the default ECC has the authority to request from HUPX to create a technical account in the trading system in order to manage the close-out of a defaulted CM. This technical account should be solely operated by Market Operation (MO) of HUPX – upon ECC's request - for the purpose of position closing.

Chapter 7 *Rules regarding Market Coupling*

Article 2.28 *Coupled Markets*

Coupled Markets are electricity markets (organized markets power exchanges or any other equivalent trading platforms organized and operated for electricity trading purposes) of day-ahead contracts of electricity trading with delivery on a Market Areas (directly or indirectly) interconnected with the HUPX Market Area, provided that the market operator companies of such markets concluded agreements regarding the market coupling with HUPX Ltd. under which agreements the concluding parties ensure the coordination of the Auction processes of

their DAM Market Segments, and such agreements have been confirmed by the Hungarian Energy and Public Utility Regulatory Authority or its predecessor.

Article 2.29 **Coordination of the Coupled Markets DAM Auctions**

Implicit Participant is registered, regarded, handled as a HUPX Member during the post trade processes with the following exception related to order making. Implicit Participant does not submit any order to HUPX's trading system. Implicit Participant's order is set in the market coupling calculation automatically according to the relevant cross-border transmission capacity offered by the responsible TSOs (i. e. MAVIR and the relevant neighbouring TSO).

The amount, the direction and the price of the electric energy to be transmitted by the Implicit Participant is defined in the market coupling calculation for each hour of a delivery day.

In case Market Coupling cannot be executed due to any reasons HUPX will inform without delay HUPX DAM Members of decoupling and the applicable fallback procedures.

When the relevant TSOs do not provide capacity or when the means to conduct a coordinated Auction with all other Price Coupled Markets are not available, HUPX conducts its Auction independently of the other Price Coupled Markets.

In any of the above described cases, HUPX notifies Members with which Price Coupled Markets the Auction is coordinated.

Article 2.30 **Information Provided by involved TSOs**

The involved TSOs (including MAVIR) provides the involved market operators (including HUPX Ltd.) each day before the close of the Order Book, with day-ahead information on the amount of available cross-border transfer capacity and direction of capacity available for each hour and for each direction for the relevant interconnection according to the detailed process and timing described in Implicit Auction Rules (which is an Annex to the Commercial Code).

HUPX Ltd. shall assure that the information is made available to HUPX Members before the Order Book closes. However this information is only for informational purposes, as the respective TSO is responsible for the publication of such data.

If HUPX Ltd. learns that the information cannot be provided for a particular day, it notifies HUPX Members accordingly. HUPX shall not bear any responsibility for damages caused by such situation.

Article 2.31 **Information about Market Coupling and Implicit Participant(s)**

For information purposes HUPX shall publish the name(s) of Implicit Participant(s), the list of countries involved in Market Coupling, the interconnection(s) through which they transmit capacity to HUPX Ltd., the date(s) on which each interconnection becomes active and other Market Coupling related specifications in a Market Notice with validity date at least 5 trading days later than the date of issue. The official list of the above mentioned data is available in the prevailing Hungarian Commercial Code for electricity market.

Article 2.32 Principle and methodology of cost-based pricing in connection with HUPX's tasks related to market coupling

HUPX Ltd. calculates and defines its prices (and each element of its prices) being in connection with the performance of tasks specified in Article 7 of Commission Regulation (EU) 2015/1222 of 24 of July 2015 establishing a guideline on capacity allocation and congestion management by applying the rule of cost-based price definition according to the following method:

At the beginning of each calendar year HUPX Ltd. shall preliminarily determine

- the anticipated cost items and their aggregated sum,
- the anticipated trading volumes and allocated capacity quantities based on historical data,
- available technical information

and create its yearly business plan based on these assumptions.

The following market coupling related items shall be included in the calculation of the cost basis from the business plan:

- reasonable costs such as
 - costs of operation,
 - cost of capital,
 - depreciation for capital expenditures that are not directly reimbursed to HUPX,
 - reasonable costs of fulfilling the obligations derived from Hungarian and European Union regulations (without any additional costs deriving from failing to fulfill such obligations for reasons attributable to HUPX),
- any other revenues or non-refundable resources,
- correction items from planning inaccuracy of previous years.

By application of the above figures HUPX shall calculate the market coupling related price items where the cost basis shall be divided by the anticipated shipping volumes as base of projection.

After the first eleven months of the calendar year the anticipated figures and the factual figures shall be compared and the identified differences between planned and factual figures shall be taken into account for the determination of relevant price items of the following calendar year, as correction items.

HUPX Ltd. shall inform the Regulator about exact calculation being the base of the annual price determination each year following the publication of the prevailing prices. In case the Regulator based on its observing of the issued pricing calculation stipulates so, HUPX Ltd. will immediately modify its prices in line with the recommendation and observation of the Regulator.

In case the anticipated figures substantially differ from the factual figures HUPX Ltd. is entitled to modify its related price items accordingly. HUPX Ltd. shall inform the Regulator

about calculation being the base of the modified price determination following the publication of the prevailing prices.

Title 3 Code of Conduct and Audits

Article 3.1 Behavioral Rules

HUPX Members shall observe and comply with the Code of Conduct at all time when doing business in the market.

Article 3.2 Principles

When HUPX Ltd. considers that a HUPX Member's situation or actions are no longer consistent with its undertakings or that they are detrimental to the orderly operation of the market, it will order such HUPX Member to remedy the matter immediately.

If the HUPX Member is unable to bring its situation back into line with relevant requirements or if it does not cease the challenged actions within the given time period, then HUPX Ltd. can issue a private or public warning to the HUPX Member, order the suspension of its activities, or withdraw its Membership status.

In an emergency, HUPX Ltd. can suspend an HUPX Member's activities with immediate effect. In such case, HUPX Ltd. is entitled to determine the managing of the existing client positions of the suspended HUPX Member on a case by case basis.

Suspension or withdrawal of membership shall automatically entail the elimination of all the HUPX Member's Orders in the Order Book.

In any event, termination of the Membership Agreement, which triggers the loss of Membership status in compliance with this article, shall not prevent HUPX Ltd. from seeking compensation for all direct and / or indirect damage caused by the Member's behavior, especially in the event of injury to the image of the market resulting from damage to the integrity or orderly and fair operation of the market.

Title 4 Contracts and Market Segments

Chapter 1 Contracts

Section 1 Contracts description and specifications (principles)

Article 4.1 *Nature of the Contracts*

The Contracts admitted to trading on HUPX are commercial contracts on commodities for the physical Delivery (injection or withdrawal) of electricity within the Hungarian transmission system.

Article 4.2 *Effect of the Contracts*

The execution of an Order in the market entails the irrevocable commitment at a set date and time:

- for the buyer to take Delivery of (withdraw) and to settle the Underlying at the set Price,
- for the seller to deliver (inject) and to receive settlement of the Underlying at the set Price.

Section 2 Rules for listing Contracts

Article 4.3 *Admission of Contracts*

HUPX Ltd. makes decisions concerning the admission to trading, suspension and delisting of Contracts with a prior request for the opinion of the Organized-Market Committee regarding the decision. Condition for the admission of a Contract is that the maintenance of orderly trading can be expected.

Article 4.4 *Contract Specifications*

HUPX Ltd. sets forth the specifications of each Contract in Annex 2 of present Market Rules that is in the Operational Rules.

Contract specifications for the day-ahead market segment of HUPX are stipulated under Title 1 of Annex 2 of present Market Rules. Contract specifications for the physical futures market segment of HUPX are stipulated under Title 2 of Annex 2 of present Market Rules. [Contract specifications for the intraday market segment of HUPX are stipulated under Title 3 of Annex 2 of present Market Rules.](#)

Section 3 Rules for activating, suspending and delisting Contracts

Article 4.5 *Decision not to open Expiries*

Notwithstanding the Operational Rules setting forth Contract specifications, HUPX Ltd. can decide not to open one or more Expiries, either temporarily or permanently.

Save in exceptional circumstances, this decision is communicated to HUPX Members by Market Notices at least ten (10) calendar days before the date initially scheduled for the opening of the new Expiry.

Article 4.6 *Revocation and Suspension of a Product Admission or Order Type*

HUPX Ltd. may revoke the admission of products to trading on HUPX or suspend trading of a product or Order Type on HUPX if orderly trading on HUPX Market is jeopardized or if such action appears to be necessary by any other important reason.

HUPX Ltd. may also suspend trading (entirely, for individual Market Segment or individual Contracts) if this is required for technical reasons.

In the case of any revocation of an admission of Products or any suspension from trading on HUPX, HUPX Ltd. shall inform the HUPX Members without delay. The same applies to any suspension of trading on a Market Segment.

If Trading in certain Contracts or Order Types on HUPX is suspended entirely or in part, no new Orders or quotes may be entered for the suspended Contracts or using the suspended Order Type. All existing Orders and quotes will be cancelled; open positions will be closed. The resumption of Trading in the suspended Products shall commence with a Pre-Trading period. HUPX Ltd. may, in the event of a suspension, issue different instructions on a case-by-case basis.

Article 4.7 *Activation of a Product or Order Type*

The Market Rules of HUPX may contain products or Order Types without making them available for trading until all necessary (technical, regulatory or any other) conditions are secured. In such case HUPX Ltd. informs the HUPX Members either in the Market Rules or in a separate Market Notice that such products or Order Types shall be regarded as suspended, and they will become available for trading (activated) by a later, separate Market Notice on the withdrawal of suspension (activation) with validity date at least 5 trading days later than the date of issue.

The products are only tradable in case they are listed in the Trading Calendar.

Chapter 2 Market Areas

Article 4.8 *HUPX Market Area*

On HUPX Market contracts can be concluded on electricity with delivery on the Hungarian transmission system managed by MAVIR Hungarian Independent Transmission Operator Company Ltd.

HUPX Ltd. via separate contractual relationship with the market operator companies of Coupled Markets and with the Implicit Participant assures the coupling of the HUPX DAM Market Segment's Market Area to the Market Areas of the Coupled Markets, by the means of balancing Coupled Markets' Net Positions via implicit participants.

Chapter 3 Market Segments

Article 4.9 HUPX Market Segments

A Market Segment consists of a Market Area associated with a Trading Procedure and an Expiry.

Currently the following Market Segment exists on HUPX:

- Day-Ahead Auction with delivery on the Hungarian power system operated by MAVIR Ltd.
- Physical Futures with delivery on the Hungarian power system operated by MAVIR Ltd.
- ~~HUPX plans to introduce new Market Segments in the near future, providing that the conditions of technical, economical and legal feasibility are met.~~ Intraday with delivery on the Hungarian power system operated by MAVIR Ltd.

The Trading Procedures for the Market Segment(s) are described in Annex 2 (the Operational Rules).

Chapter 4 Electronic platform of trading

Article 4.10 Fully Electronic Organized Market

HUPX is a fully electronic organized market.

HUPX Members transfer Orders and quotes from their respective workstations to trading systems of HUPX by means of electronic transmission. HUPX Ltd. is entitled to permit the usage of other methods of transfer; it will inform the HUPX Members of this method by the most suitable means.

HUPX Ltd. is entitled to temporarily interrupt the access to trading systems of HUPX for single or all Market Segments for one or all of the HUPX Member(s) should this be necessary for technical reasons. HUPX Ltd. makes the decision as to the end of the interruption. The HUPX Members concerned must be informed of the interruption of the access to trading systems of HUPX and the end of the interruption by suitable means.

Article 4.11 Technical Malfunctions

The affected HUPX Members shall inform HUPX Ltd. without delay of any malfunction which occur on the technical equipment of the Segments during the business hours.

In case of technical malfunctions, HUPX Ltd. or third parties commissioned shall be authorized to take any suitable and appropriate measures which are required to safeguard or resume proper trading or settlement. For example, HUPX Ltd. or the third party commissioned can exclude individual HUPX Members or all HUPX Members from trading temporarily; they can suspend trading or delete orders by individual or all HUPX Members. The measures taken by HUPX Ltd. or by the third parties commissioned shall be binding for all HUPX Members. Further rules are contained in Annex 2 (the Operating Rules of HUPX).

In case of electricity supply emergencies and significant malfunctions of the electricity system the operation HUPX Ltd. may suspend the operation of HUPX Market.

HUPX Ltd. provides unrestricted technical support only during the business hours.

HUPX Ltd. shall be authorized to commission third parties to support the HUPX Members. However, the third parties commissioned shall only be granted access to the trading data of the HUPX Members or a right of inspection of such, if it has signed a confidentiality agreement.

Article 4.12 *Time*

The times referred to in the Market Rules correspond to the time on the servers on which the systems of HUPX run. This is based on official time, and HUPX Ltd. makes every effort to ensure that any difference is less than one minute.

Title 5 Trading on Day-Ahead Market Segment of HUPX

Chapter 1 Principles

Article 5.1 *Provisions applying to trading on the Day-Ahead Market Segment of HUPX*

This Title presents the common provisions that apply to the Day-Ahead Auction traded Contracts.

It

- describes the general specifications of Orders under these trading procedures,
- explains how these Orders are matched and executed, and
- describes the outcome-processing procedures

applying to the Day-Ahead Auction traded Contracts.

Article 5.2 *Procedure for Trading on the Day-Ahead Auction Segments*

Provisions related to trading on the Day-Ahead Auction Segments are to be found in Title 1 of Annex 2 (the Operational Rules of HUPX).

Chapter 2 Rules on Orders

Article 5.3 *Order Matching*

Transactions on HUPX are effected by matching supply and demand Orders by Auction, after an accumulation period during which Orders entered in the Order Book by HUPX Members are accumulated but not executed.

Article 5.4 *Trading Periods*

The market hours for the commencement and the end of trading for all products shall be determined by HUPX Ltd.

HUPX Ltd. may extend or reduce the market hours as well as the commencement of any of the trading periods to the extent necessary to maintain orderly trading conditions or for reasons relating to the trading systems of HUPX.

The market hours for transactions in Day-Ahead auctions comprise three consecutive periods:

- Pre-Trading Period,
- Trading Session,
- Post-Trading Period.

Further details are to be found in Annex 2 (the Operational Rules).

Article 5.5 **Order Origin**

An Order is deemed irrefutably to originate from a Member when the Member's technical identifier is present in the message containing the Order. Technical acceptance of instructions issued by a Member shall be evidenced by acknowledgment of such message, by entry or denial of entry in the Order Book or by a Transaction. An instruction issued by a HUPX Member can be revoked only as defined in the Market Rules.

This article is not applicable for the entity when acting as Implicit Participant.

Article 5.6 **Order Description**

An Order is an offer to enter into a Contract, the terms and validity of which are set forth herein.

Orders sent to HUPX Ltd. shall include at least:

- identification as a Single-Contract Order or a Block Order;
- the Member's identification;
- the Trading Account in which the Order is recorded;
- the Contract to which the Order relates;
- the quantity;
- the price limit;
- whether it is a buy or sell Order;
- the type, validity and terms of execution of the Order.

Article 5.7 **Order Categories**

Orders may relate to one Expiry only (Single-Contract Orders or Block Orders) or to several Expiries (Block Orders).

Article 5.8 **Anonymity of the Order Book**

The Order Book and Transactions are anonymous.

Chapter 3 **Rules on Matching****Article 5.9** **Principle of Auction**

The principles applicable to the execution of orders on HUPX Market are:

- Execution happens according to a method that is transparent and described in the Market Rules and must enforce principles which are public;
- Execution insures a level playing field among the HUPX Members;
- Execution is compliant with the Orders submitted by the HUPX Members;
- Auction results are published in a reasonable delay after closure of the Order Book;

- Before such publication the Clearing House is allowed to reject results for a Clearing Member for credit reasons in which case, after cancellation of exceeding limits orders, the Auction will be re-run.

Chapter 4 Post trade process

Section 1 Rules for publication of market data

Article 5.10 *Publication of Transactions and Data Ownership*

HUPX Ltd. reserves the right to publish the outcome of Trades. The manner, timing and scope of the publication of prices shall be determined by HUPX Ltd.

Published market databases belong to HUPX Ltd., which also determines how they are to be published. Members are authorized to use such databases on an internal basis. Any commercial usage of such market database (including offering derivative or future contracts derived from underlyings traded on HUPX Market) must be carried out pursuant to a specific contract with HUPX Ltd.

Section 2 Transmission of trade information to ECC

Article 5.11 *Transmission of Trade Information to ECC*

Once Orders have been matched HUPX Ltd. sends at least the following information on each Contract/Product to ECC for registration:

- Price,
- Quantity,
- Side,
- Counterparties,
- Position accounts,
- Date and time.

Following registration by ECC, the Payment and Delivery Obligations arising from Transactions are governed by the Clearing Conditions of ECC.

On HUPX all Trades are subject to Clearing.

Section 3 Delivery of Transactions

Article 5.12 *Delivery of Transactions through the balance group system of MAVIR Ltd.*

MAVIR Ltd., the Independent Transmission Operator (TSO) for the Hungarian Market Area provides the actual transmission of electricity in order to perform the physical delivery obligations specified in the Contracts traded on HUPX. In order to be able to perform the scheduling tasks towards the TSO and in order to maintain the possibility of physical settlement of the concluded trades by the Clearing House and its central counterparty, HUPX Ltd. concluded the required balance group agreement with MAVIR Ltd. on the base of the provisions of subsection 3 of section 21 and subsection 1 and of section 53 of the Hungarian

Electric Energy Act. The special rights and obligations of HUPX Ltd. as balance group responsible party and of ECC AG as the Clearing House of HUPX Market are specified in the Commercial Code of the Hungarian Electricity System.

The Balance group of HUPX is a one-person balance group, there are no further members of the balance group, all trades are executed by the means of inter balance group schedule-based trading on the scheduling system of the TSO.

The execution of transactions that the HUPX balance group has duly notified to the transmission system operator, and that have been settled and acknowledged by the transmission system operator may be restricted only according to Section 36 of the Hungarian Electricity Act and according to the provisions of Governmental Decree No. 285 of year 2007 on the detailed rules governing electricity supply emergencies and significant malfunctions of the electricity system.

Title 6 **Continuous trading on Physical Futures Market Segment and Intraday Market Segment of HUPX**

Chapter 1 **Principles**

Article 6.1 ***Provisions applying to trading on the Physical Futures Market Segment and the Intraday Market Segment of HUPX***

This Title presents the common provisions that apply to the Market ~~Segment~~Segments of Physical Futures Contracts ~~and of Intraday Contracts.~~

It

- describes the general specifications of Orders under these trading procedures,
- explains how these Orders are matched and executed, and
- describes the outcome-processing procedures

applying to the Physical Futures Contracts ~~and to Intraday Contracts.~~

Article 6.2 ***Procedure for Trading on the Physical Futures Segments***

Provisions related to trading on the Physical Futures Segments are to be found in Title 2 of Annex 2 (the Operational Rules of HUPX).

Article 6.3 ***Procedure for Trading on the Intraday Market Segment***

Provisions related to trading on the Intraday Segment are to be found in Title 3 of Annex 2 (the Operational Rules of HUPX).

Chapter 2 **Rules on Orders**

~~Article 6.3~~Article 6.4 ***Order Matching***

Transactions on HUPX are effected by matching Orders entered in the Order Book by HUPX Members. Matching is based on prices specified in the Orders.

~~Article 6.4~~Article 6.5 ***Trading Periods***

The market hours for the commencement and the end of trading for all products shall be determined by HUPX Ltd.

HUPX Ltd. may extend or reduce the trading hours as well as the commencement of any of the trading periods to the extent necessary to maintain orderly trading conditions or for reasons relating to the trading systems of HUPX.

The times and frequency of trading sessions may be set at the sole discretion of HUPX Ltd., who may also suspend or halt trading at any point during any session in order to preserve market integrity.

The market hours for continuous market of physical futures contracts comprise four plus one consecutive periods:

- Pre Open Session,
- Open (Continuous Trading) Session,
- Pre Close Session,
- Closing Session,
- Closed Session, and
- Halt Session.

The market hours for continuous market of intraday contracts comprise one plus one consecutive periods:

- Open (Continuous Trading) Session, and
- Halt Session.

Further details are to be found in Annex 2 (the Operational Rules).

~~Article 6.5~~ Article 6.6 **Order Origin**

An Order is accepted from a Member when the Member's technical identifier is present in the message containing the Order. An instruction by a HUPX Member is technically accepted and proved, if it is issued either by acknowledgment of an acceptance message, by entry or denial of entry in the Order Book, or by a Transaction. An instruction issued by a HUPX Member can be revoked only as defined in the Market Rules.

~~Article 6.6~~ Article 6.7 **Order Description**

An Order is an offer to enter into a Contract, the terms and validity of which are set forth herein.

For Physical Futures Contracts Orders sent to HUPX Ltd. shall include at least:

- the Member's identification;
- name of the product, identification as a Single Week Order, Single Month Order or a Calendar Order (Quarters and Years);
- the contract the order refers to;
- the Trading Account in which the Order is recorded;
- expiry type;
- the volume;
- the maximum or minimum price against which the order may be executed;
- Order Type (e.g.: Limit order (Firm, Fill-and-Kill or All-or-None) or Withheld orders);
- direction of the order – i.e. buy or sell Order.

For Intraday Contracts Orders sent to HUPX Ltd. shall include at least:

- the Member's identification;
- name of the product, identification as Single Order (quarter of hour) or Block Order;
- the contract the order refers to;
- the Trading Account in which the Order is recorded;
- expiry;
- the volume;
- the maximum or minimum price against which the order may be executed (price limit);
- Order Type (e.g.: limit order (Firm, Fill-or-Kill or All-or-None), Withheld Order, execution restrictions);
- direction of the order – i.e. buy or sell Order.

~~Article 6.7~~ Article 6.8 **Order Categories**

The following Order Types shall be supported:

Limit (firm tradable) orders

Limit orders are visible for the market, hence will be considered in the order matching process. Limit orders specify a quantity and a limit price.

The limit price is:

- the maximum price above which a buy limit Order cannot be executed, or
- the minimum price below which a sell limit Order cannot be executed.

The limit price must be:

- lower than the price of the best opposite Order in the order book in case of a buy Order,
- higher than the price of the best opposite Order in the order book in case of a sell Order.

Withheld orders

Withheld orders are not visible for the market, hence will not be considered in the order matching process.

Withheld orders can be deactivated and reactivated by its owner, unless the Order has reached its maturity or has been cancelled or deleted.

Order expiry types

- Good until cancelled: valid until deletion
- Good for day: valid until end of the day
- Good until date: valid until particular date including the specific date also
- Good for session: valid through the defined period

For Intraday Contract Orders the expiry types “Good for day” and “Good until date” are not applicable, hence only 2 expiry types are available for Intraday Contract Orders: “Good until canceled” and “Good for session”.

~~Article 6.8~~ Article 6.9 **Anonymity of the Order Book**

The Order Book and Transactions are anonymous.

Chapter 3 Rules on Matching

~~Article 6.9~~ Article 6.10 **Principle of Continuous market**

The principles applicable to the execution of orders on HUPX Market are:

- Execution happens according to a method that is transparent and described in the Market Rules and must enforce principles which are public;
- Execution insures a playing field for the HUPX Members;
- Execution is compliant with the Orders submitted by the HUPX Members;
- Prices of matched trades will be visible in the Trading System, but the daily Settlement Prices for the Physical Futures Contracts will be published once a day within the post trade process. Last trade prices and volume weighted average trade prices for the Intraday Contracts will be published at the time of its expiration.

Chapter 4 Post trade process

~~Article 6.10~~ Article 6.11 **Publication of Transactions and Data Ownership**

HUPX Ltd. reserves the right to publish the outcome of Trades. The manner, timing and scope of the publication of prices shall be determined by HUPX Ltd.

For the continuous market of Physical Futures Contracts HUPX will publish all market data, after the end of trading hours as soon as possible after 5:00 p.m. CET.

Published market databases belong to HUPX Ltd., which also determines how they are to be published. Members are authorized to use such databases on an internal basis. Any commercial usage of such market database (including offering derivative or future contracts derived from underlyings traded on HUPX Market) must be carried out pursuant to a specific contract with HUPX Ltd.

Article 6.12 Delivery of Intraday transactions through the scheduling system of MAVIR Ltd.

The Contracts concluded on the Intraday Market Segment will be physically settled through the balance group of HUPX Ltd. as specified in Article 5.12 above according to the rules of intraday balance group schedule modification procedures as specified in the Commercial Code of the Hungarian Electricity System. The financial settlement of Intraday Transactions shall take place through the clearing system of ECC in line with the provisions of Article 5.11 above.

Title 7 **Clearing Facility of OTC Trades of Physical Futures and Intraday Contracts**

Article 7.1 **Procedure for registering OTC cleared contracts**

Provisions related to registering OTC cleared contracts are to be found in Annex 2 (the Operational Rules of HUPX).

Article 7.2 **Clearing of OTC transactions**

HUPX provides an “OTC clearing facility” to companies, which are admitted as Members in Physical Futures Segment. The OTC clearing facility is defined as the bilateral exchange of trades concluded outside the HUPX Market. The entry of these trades as OTC trades into HUPX Physical Future trading system or HUPX Intraday trading system requires mutual consent for trades in question and is carried out subject to the conditions listed herein below. OTC trades can be entered into the system either:

- by one of the involved parties,
- through an OTC broker, or
- through a HUPX operator.

The involved parties may request HUPX to enter the OTC trade over the phone, however, a written notification sent by email or fax is necessary to make the request legitimate.

Conditions of OTC trades

An “OTC trade” within the meaning of these terms and conditions is considered to exist if the HUPX Members and/or their customers have agreed on the purchase and/or sale of one of the Contracts approved for the OTC clearing facility ~~off~~ of the HUPX Market, if the characteristics of said agreements correspond to the respective contract of HUPX Physical Futures Segment or HUPX Intraday Market Segment and if the Price agreed on is permissible.

The transaction-receiving Member can either accept or reject an OTC trade entered for registration by its counterparty. OTC trades, which are entered into HUPX system with the help of the OTC clearing facility, are not anonymous for the respective parties to the contract. After OTC trades have been entered, the participants in the OTC clearing facility receive a trade confirmation. In this confirmation the OTC trades are expressly specified as Off-market trades since the OTC trades are not Transactions concluded on the HUPX Market. Upon entry of an OTC trade with a valid price, which is confirmed by the other party, the regulations regarding the conclusion of trades and regarding the contractual obligation of the Clearing Conditions of the Clearing House shall apply accordingly with regard to the contractual relationships between the Clearing House and the HUPX Members involved in the OTC trade and/ or their Clearing Members.

In addition, the terms and conditions of the Clearing Conditions of the Clearing House in the respectively valid version shall apply with regard to the Settlement and provision of security for the OTC trades entered. If OTC trades do not correspond to the specifications and

requirements referred to in these terms and conditions or in case a participant does not fulfill the other conditions for participation, the Clearing House is entitled to reject the clearing of the entered OTC trade in a manner binding on both parties and on HUPX Ltd. HUPX Ltd. shall not be liable for such decision of the Clearing House, and HUPX Members shall accept and take the risk of such rejection of the clearing of entered OTC trades by the Clearing House.

ANNEX 1: ORGANIZED-MARKET COMMITTEE (OMC) ELECTION RULES

Title 1 Election Procedure for the Organized-Market Committee

Chapter 1 Introduction of the Organized-Market Committee

The first Organized-Market Committee shall consist of (i) the representatives of the Market Makers; (ii) the representative of the Hungarian Energy Traders' Association; and (iii) the rest of the nine (9) OMC Member positions shall be filled by other members appointed by HUPX Ltd. (The representatives of the Market Makers, the representative of the Hungarian Energy Traders' Association and the other members appointed by HUPX Ltd. hereinafter jointly referred to as the "OMC Members"). In case Market Makers or Hungarian Energy Traders' Association refuse to delegate representatives then their seats shall be filled by representatives of other HUPX Members.

These election rules (hereinafter the "Election Rules") set out the procedure for any election of the OMC Members if at least one (1) OMC Member position becomes vacant for whatever reasons at any time after the first Organized-Market Committee has been established

Chapter 2 Returning officer

HUPX Ltd., bestowed with the liability to ensure the proper functioning of HUPX Markets shall be the returning officer (i) for any election of the OMC Members; and (ii) for any procedure for amendments to these Election Rules.

Chapter 3 Nominations and appointments

Section 1 Nomination

If at least one (1) OMC Member position becomes vacant for whatever reasons at any time after the first Organized-Market Committee has been established and the vacancy is not subject to appointment, HUPX Ltd. shall request nominations (hereinafter the "Nominations") to fill such vacancy within thirty (30) business days upon the occurrence thereof.

The nomination requests shall be made by HUPX Ltd. giving notice to all HUPX Members in accordance with Chapter 6 herein and shall include a nomination form (hereinafter the "Nomination Form") with the form and content attached hereto as ANNEX 1 to the OMC Election Procedure.

Each HUPX Member shall qualify as an eligible voter (hereinafter the "Eligible Voter") and is entitled to nominate a number of nominees corresponding to the number of the vacant OMC Member position(s). The Nominations shall be (i) made in writing; (ii) signed by the authorized representative of the nominee; (iii) signed by the authorized representative of the Eligible Voter making the nomination; and (iv) on a Nomination Form which includes details as to how the nominee fulfills the membership criteria specified in Chapter 4 herein.

The Nomination Form shall be submitted to HUPX Ltd. to the attention of the person and at the address specified in the Nomination Form until the return date (hereinafter the "Return Date").

Section 2 Appointment

OMC Member positions reserved for Market Makers and the representative of the Hungarian Energy Traders' Association whose delegates are selected through appointment procedure (hereinafter the "Appointment"). Market Makers and Hungarian Electricity Traders Association are eligible appointers (hereinafter the "Eligible Appointers") who shall appoint an OMC Member whenever vacancy occurs in their own reserved places.

In case new Market Maker appears on HUPX markets, the new Market Maker is entitled to appoint a new OMC Member. In such cases the number of OMC Members will be temporarily higher than nine (9). Should an OMC Member finish its OMC membership term or be resigned or removed by the Nominator or Appointer the OMC Member will only be replaced in case the nine OMC Member positions are not filled.

Chapter 4 Member qualifications

The Eligible Voters shall ensure that a nominee for the vacant OMC Member position can completely fulfill the role of an OMC Member and has:

- (i) knowledge of and experience with the national electricity market;
- (ii) experience with and skills in resolving issues, by making decisions, in a competent manner;
- (iii) knowledge and understanding of the Market Rules and the related legislative and regulatory framework;
- (iv) to be delegated by a HUPX Member.

During the qualification process HUPX Ltd. ensures that the OMC as a whole has sufficient market specific knowledge of all HUPX Markets to be able to fulfill its consultative role. HUPX Ltd. may decide to qualify nominees specialized in an underrepresented market segment in case of unbalanced representation of market segments in the OMC.

During the qualification process HUPX Ltd. is responsible for ensuring the representation of the full diversity of HUPX Members in the OMC (e.g. by preventing excess representation of

a company group, or by prioritizing a nominee from a special segment of HUPX Members in case this segment is not or not enough represented).

Chapter 5 Elections

Section 1 Appointment if the number of qualified nominees is equal to or less than the number of vacancies

If the number of nominees fulfilling the qualifications for an OMC Member is less or equal to the number of vacancies, HUPX Ltd. shall determine those nominees to have been successfully elected to be OMC Members.

If the number of the nominees fulfilling the qualifications for an OMC Member is less than the number of the vacancies, HUPX Ltd. shall inform the Eligible Voters and give them five (5) business days to provide additional Nominations in accordance with Chapter 3 herein.

If no further Nominations are made, HUPX Ltd. shall be deemed to have satisfied its obligation under the Market Rules to establish the Organized-Market Committee and HUPX Ltd. shall inform the Eligible Voters by way of a notice that the election has failed.

Notwithstanding the election has failed, at least 75% of the Eligible Voters shall be entitled to ask HUPX Ltd. to request further Nominations relating to the OMC Member position(s) that has not been filled in the course of the procedure set out previously in this section. This right can be exercised by such Eligible Voters within six (6) months after the date of the notification given on the failed election. HUPX Ltd. shall comply with such request in accordance with Chapter 3 herein.

Section 2 Election of OMC Members if the number of Nominations is more than the number of vacancies

If the number of nominees fulfilling the qualifications for an OMC Member is more than the number of vacancies, HUPX Ltd. shall prepare and distribute to the Eligible Voters:

- (i) a ballot paper, listing the nominees in alphabetical order; and
- (ii) a biography for each nominee prepared by that nominee and addressing criteria detailed in Chapter 4 herein.

In order to be counted, the ballot paper shall be completed as per any instructions accompanying the ballot paper and served on HUPX Ltd.:

- (i) by 5 pm on the Return Date;
- (ii) to the person noted as the person to whom the ballot paper should be returned; and
- (iii) at the address noted as the address for the return of the ballot paper.

The number of votes that can be cast to the nominees by each Eligible Voter shall correspond to the number of the vacant OMC Member position(s).

Voting by each Eligible Voter shall be by way of a mark in the box against the name of the nominees.

If a ballot paper contains more marks against the names of the nominees than the votes that can be cast or the intention of the Eligible Voter is otherwise unclear, such vote shall not be valid and shall not be included in any count.

Section 3 **Determination and publication of results**

HUPX Ltd. shall determine those nominees which have been successfully elected to be OMC Members within ten (10) business days of the Return Date, as follows:

- (i) the nominee who receives the highest number of votes shall be elected as an OMC Member;
- (ii) and so on until all vacancies are filled.

If there is an equal number of votes for two (2) or more nominees, if there are sufficient vacancies, each of those nominees shall be elected in priority to a nominee who has received fewer votes. If there are insufficient vacancies, HUPX Ltd. shall place the names of the nominees receiving equal number of votes in a container and without favor randomly draw a name and that nominee shall be appointed as an OMC Member. Such procedure shall be repeated until all vacancies are filled.

HUPX Ltd. shall within five (5) business days of the count in Chapter 5 Section 2 herein publish the results of the election.

Chapter 6 **Notices**

HUPX Ltd.

Any Nomination Form or ballot paper issued by HUPX Ltd. shall provide the details of the Return Date and the person to whom the Nomination Form or ballot paper should be returned, including their:

- (i) name;
- (ii) position; and
- (iii) contact details (including a fixed and mobile phone number, fax number, postal and an electronic mail address).

The Return Date for a Nomination Form shall be a date which is not more than twenty (20) business days from the date of dispatch of a Nomination Form by HUPX Ltd.

The Return Date for a ballot paper shall be a date which is at least seven (7) business days from the date of dispatch of a ballot paper by HUPX Ltd.

Representatives of Eligible Voters

On the side of the Eligible Voters the person appointed to be membership contact by the HUPX Member during the admission process (hereinafter the “Membership Contact”) is entitled to act as the representative of the Eligible Voters in accordance with the OMC election procedure.

HUPX Ltd. shall be deemed to have complied with its obligations set out in these Election Rules when it serves notices to the Membership Contact. If an Eligible Voter has not complied its obligation to keep its contact details up-to-date, HUPX Ltd. shall not be responsible for that Eligible Voter failing to be aware of a notice.

Service of notices

Any notice required by these Election Rules to be given by HUPX Ltd. to an Eligible Voter may be given by:

- (i) serving it to the Membership Contact personally;
- (ii) sending it by prepaid post addressed to the Membership Contact’s notified address;
- (iii) sending it by a fax transmission addressed to the Membership Contact’s notified fax transmission address; or
- (iv) sending it by electronic mail to the Membership Contact’s notified electronic mail address.

Any notice served to the Membership Contact personally is deemed to have been served when delivered.

Any notice sent by post is deemed to have been served forty-eight (48) hours after the envelope containing the notice is posted; and in proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.

Any notice served on the Membership Contact by fax transmission is deemed to have been served when the transmission is sent and the sender has received electronic or other confirmation that the fax transmission has been successfully sent.

Any notice served to the Membership Contact by electronic mail is deemed to have been served when the electronic mail is sent, provided that the sender has not received electronic notification that the electronic mail was not deliverable or otherwise not successfully delivered to its intended recipient.

Any notice to be served to HUPX Ltd. other than a Nomination Form or a ballot paper shall be served on the Chief Executive Officer (however titled).

The above rules on serving notices apply to any notice to be given or served on HUPX Ltd. or a person nominated by HUPX Ltd. (with any necessary amendments being made).

Chapter 7 Term, removal, replacement and resignation

The Market Makers shall be deemed to be OMC Members until their market maker status exist under the provisions of the Market Rules. If a Market Maker loses its market maker status under the provisions of the Market Rules, Chapter 3, 4 and 5 herein shall be applied accordingly, provided, that the OMC Member replacing the Market Maker losing its market maker status shall be elected for a period of two (2) years.

Members of the first OMC other than the Market Makers and the representative of the Hungarian Energy Traders' Association have been appointed by HUPX Ltd. until 31 December 2012. Thereafter, the OMC Members other than the Market Makers and the representative of the Hungarian Energy Traders' Association shall be elected for a period of two (2) years.

An OMC Member who no longer meets the criteria set out in Chapter 4 herein shall immediately resign as an OMC Member. HUPX Ltd. will act on notification of resignation under this Clause served to it by the Organized-Market Committee. An OMC Member nominated by an Eligible Voter may be removed as an OMC Member by that Eligible Voter if the Eligible Voter believes the OMC Member no longer meets the criteria set out in Clause 4 herein. HUPX Ltd. will act on notification of removal under this Clause served to it by the Organized-Market Committee.

HUPX Members that delegated an OMC Member shall be entitled to replace the OMC Member with another person on their own decision, which person shall also comply with the criteria after a formal approval of HUPX Ltd. according to the qualification rules set out in Chapter 4.

Any vacancy on the Organized-Market Committee arising under this Clause shall be filled using the Election Rules described in Chapters 3 and 4 herein.

Title 2 ANNEX 1 to the OMC Election Rules

Nomination / Appointment Form

This Nomination/Appointment Form has been issued to you by HUPX Ltd. pursuant to Chapter 3 of the Organized-Market Committee Election Rules.

Please complete this form and return it to:

[insert name of contact person at HUPX Ltd. and contact details for that person]

by no later than 5.00pm (CET) on [insert date].

1. Nominee / Appointed person

(a) Name of nominee / appointed person:

(b) Contact details for nominee / appointed person:

(c) Attach evidence of satisfaction of criteria of Chapter 4 of the Election Rules:

2. Nominator/Appointer

(a) Name of Nominator/Appointer HUPX Member entity:

Signature Nominee / Appointed

Signature Nominator / Appointer

Date

ANNEX 2: OPERATIONAL RULES OF HUPX

Title 1 Contracts and Trading Parameters of Day Ahead Market

Chapter 1 Contracts Specifications

Article 1.1 Trading on HUPX Day-ahead Market

Contracts are traded on HUPX Day-ahead Market via Auction Trading.

Article 1.2 Main contracts specifications

HUPX CONTRACTS	
Underlying	Electrical power transiting over the Hungarian Transmission System managed by MAVIR Ltd. (the Hungarian TSO), which defines the voltage, frequency, cosine φ (displacement factor) and cut-off frequencies, in compliance with the regulations of the Grid Code of the Hungarian Electricity System.
Delivery	Delivery at any injection or withdrawal point on the Hungarian Transmission System.
Negative Prices	Negative prices are authorized where specified below (see minimum and maximum prices). NB: When a contract is traded with a negative price, it is legally regarded as a supply of service (removal service) by the recipient of power to the delivering party and not anymore as a supply of goods by the party delivering the power.

Article 1.3 Segments

HUPX DAY-AHEAD AUCTION	
General Information	
Trading procedure	Daily Auction
Trading days	Year-round
Tradable Contracts (Expiries)	1 hour of the day Hour 01: the period between midnight and 1:00 am Hour 02: the period between 1:00 am and 2:00 am, and so on and so forth Hour 24: the period between 11:00 pm and midnight
Order Book opening	24 hrs per day starting forty-five days preceding the Delivery Day
Order Book closes	Daily at 11:00 am
Publication time	As soon as possible from 11:40 am
Second Auction	As soon as possible after Order Book closure / Second Auction

	Publication time: as soon as possible after the Second Auction closure
Clearing and Settlement	Trade information transmitted by HUPX to the Central Counterparty, ECC AG for Settlement and Delivery of the Contracts
Delivery procedure	Nomination by HUPX (together with ECC) and by the Balance Group Responsible of the HUPX Member to the TSO (MAVIR Ltd.) on the basis of the regulations of the Commercial Code of the Hungarian Electricity System
Minimum and maximum prices	-500.0 € / 3000.0 €
Admissible Orders	<p>Instruments eligible for trading will be all 24* individual hours of the delivery day, which shall be the day immediately following the day of trading.</p> <p>* Exceptions: 23 hours are listed on the day of change to summertime (March), 25 hours are listed on the day of change to wintertime (October).</p>
Price characteristics	In euro per MWh with one decimal digit price tick
Quantity characteristics	in MW with one decimal digit
Single Hours Orders	
Minimum and Maximum numbers of price/quantity combinations for Single-Contracts orders	2 and 256
Block Orders	
Definition	Order on one or several combined Expiries with a minimum of one Expiry of the same Delivery Day. Expiries depend on each other in their execution. Pre-defined block orders exist but HUPX Members are not restricted in the determination of the Block Orders.
Pre-defined block orders	<p>The following Block Orders are pre-defined in the system:</p> <ul style="list-style-type: none"> → Block Baseload covering hours 1 to 24 → Block Peakload covering hours 9 to 20 → Block Off-peak 1 covering hours 1 to 8 and 21 to 24 <p>Additionally, user defined Block Orders may be determined consisting of both continuous and discontinuous blocks.</p>
Specific conditions	<ul style="list-style-type: none"> → All-or None → The maximum volume for a Block Order shall be set out in a Market Notice → The maximum number of Block Orders per Delivery Day and per portfolio that can be entered by the HUPX Members shall be set out in a Market Notice → Rules for submitting and nature of Conditional Block Orders shall

be set out in a Market Notice

Chapter 2 Auction trading on HUPX Day-ahead Market

Article 1.4 Trading limits

In order to enhance the confidence in the integrity of the Day-Ahead Market (DAM) maintained by HUPX, HUPX Ltd. may at all times set and modify Trading Limits for a DAM Product, a group of DAM Products, an individual Member, an individual user or a group of Members. Trading limits are to be assigned to the HUPX Members on the request of the Clearing Members in accordance with the provisions by the Clearing House on the basis of the risk assessment effected by the Clearing Members.

HUPX Members are not allowed to exceed their Trading Limit. If certain limits – determined in an agreement between the Member and his Clearing Member – are exceeded further entering or execution of orders can be limited for the duration of the exceedance, and open orders can be deleted from the trading system.

Specific conditions and guidelines on trading limit handling shall be communicated to the HUPX Members in form of a Market Notice with validity date at least 5 trading days later than the date of issue.

Article 1.5 Order Categories

Single-Contract Orders

Single-Contract Orders relate to one Contract only. They shall be submitted using a form that can contain up to 24 Orders for all 24 Contracts of the same Delivery Day. For each Trading Account, the last Single-Contract Order sent is the one that is valid.

Non-monotonous Single-Contract Orders are forbidden. Thus:

- in the case of a Single-Contract selling Order for a given hour, quantity and Price:
 - for a quantity which is higher than the given quantity, the corresponding Price must be higher than the given Price,
 - for a quantity which is lower than the given quantity, the corresponding Price must be lower than the given Price;
- in the case of a Single-Contract buying Order for a given hour, quantity and Price:
 - for a quantity which is higher than the given quantity, the corresponding Price must be lower than the given Price,
 - for a quantity which is lower than the given quantity, the corresponding Price must be higher than the given Price.

Block Orders

Block Orders shall contain one price per Order but different quantities for each Expiry, subject to the matching rules specified in articles 1.5 to 1.6 of these Operational Rules. They can only be totally matched with Block Orders or with the same combination of individual hours.

Specifications of block orders not defined in Articles 1.3 and 1.5 (such as but not limited to maximum allowed number and size of block orders, and rules for submitting and nature of Conditional Block Orders) shall be determined by the corresponding Market Notice with validity date at least 5 trading days later than the date of issue.

Order specifications

Orders are buy and/or sell orders of HUPX Members. The following types of orders may be entered into the respective trading systems:

- unlimited orders (market orders or price-independent orders) are buy or sell orders without a price limit and are executed at the price determined by the trading system,
- limited orders (limit orders) are buy or sell orders with a price limit which are executed at the specified price or better.

Mandatory Content

Regarding limit orders, prices must be included between a minimum and a maximum price specified in the Contract specifications.

Regarding the price-independent orders, they must contain only the minimum and the maximum prices and the same quantity for these two prices.

The side of the market (buy or sell) is expressed by means of a signed quantity, namely “+” for “buy” and “-” for sell. The prices are deemed to be exclusive of any taxes (especially value added tax and any power tax due), and fees or any similar costs.

Order validity

The Orders sent to HUPX Ltd. by HUPX Members remain in the Order Book until:

- the Order is cancelled by the Member that placed it or
- the Member places a new Single-Contract Order relating to the same Contract or
- the Member modifies the Order or
- the Order is executed.

Article 1.6 *Order Matching and Processing*

Transmission of Orders

Orders are sent electronically via an electronic interface to the Trading System for Matching and execution.

HUPX Members will receive an acknowledgement message indicating that the Order has been correctly registered in the Order Book.

This article is not applicable for the entity when acting as Implicit Participant.

Order Book

The Order Book and the Transactions are anonymous.

Closure of the Order Book may be postponed to the extent that this does not affect the time at which the Auction outcome is published, as provided for in Article 1.8 hereunder.

Once the Order Book is closed, Orders may not be modified or cancelled and are irrevocable.

Determining Auction Prices and Quantities and Net Positions

The Auction takes place daily, after the Order Book has closed. The price corresponds to the matching of Members' aggregate supply and demand curves of both Single-Contract Orders and Block Orders for each Contract. The Price determined by the Algorithm at the time of Auction is the Price at which all Trades will be executed.

For Price determination purposes, the Member's interest is assumed to be linear between two price/quantity combinations.

Market Coupling calculation ensures the efficient electric energy and cross-border transmission capacity allocation on the Coupled Markets and on the involved interconnections using all the orders from each Coupled Markets and the respective cross-border transmission capacity data by means of price coupling.

The Price determination Algorithm aims at optimizing the total welfare, i.e. the seller surplus, the buyer surplus and the Congestion Rent (if applicable). The presence of All-or-None Block Orders in the order book makes necessary the use of a specific search algorithm, in order to determine a market clearing Price.

The problem can be formulated as a Mixed Integer Quadratic Program (MIQP) allowing modeling the All-or-None condition of Block Orders. The state-of-the-art method used to solve MIQP is called branch-and-bound. The Algorithm has been designed as a branch-and-bound algorithm for solving the MIQP corresponding to the Order Matching Problem. The Algorithm consists of a systematic enumeration of all candidate solutions, where large subsets of fruitless candidates are discarded en masse, by using upper and lower estimated bounds of the quantity being optimized and adding constraints (or cuts). The Algorithm proceeds step by step. At the first step, the Algorithm will allow all Block Orders to be partially executed. In the next steps, the Algorithm will enforce the Block Orders as rejected or executed one by one in order to obtain a solution which respects the All-or-None condition of Block Orders. At a given step, two situations can occur:

- The Algorithm has produced a solution in which some Block Orders are either fully executed or rejected and some Block Orders are partially executed. Since it contains partially executed Block Orders, it is called a partial solution. The property of this partial solution is that its objective value is an upper bound of the welfare of any solution that could be produced by completing this partial solution. Two cases can occur:
 - Sub-case a: If the upper bound associated to this partial solution is smaller than the welfare of the best solution already found by the Algorithm, the Algorithm will discard this partial solution and will not consider it any more.
 - Sub-case b: Otherwise, the Algorithm will select a Block Order partially executed and create two new steps to be analyzed: in the first of these new steps, the Block Order is enforced to be executed, and in the second one it is forced to be rejected.

- The Algorithm has produced a solution in which all Block Orders are either fully executed or fully rejected (even those that were not enforced). In this case, the Algorithm must still check whether there exist Prices that are compatible with this solution and with the constraints (which is done by verifying that all properties set out in *Outcome properties* are satisfied). Two cases can occur:
 - Sub-case c: If such prices exist, the Algorithm has found a feasible solution. If this solution is better than the best one found so far, it is marked as such. The Algorithm will proceed a new step by examining a new partial Block Orders selection if any remains pending.
 - Sub-case d: If no such prices exist, then a new step is created with a transformed problem containing additional constraints to exclude this non feasible solution.

During the course of its execution, the Algorithm might sometimes increase the number of partial Block Orders selections that it has yet to consider (e.g. sub-case b) or reduce it (subcases a and c). When there remains none, this means that the Algorithm has finished and has found the best possible solution. Possibly, the Algorithm will reach the time limit although there remain some partial solutions that were not analyzed. In this case, the Algorithm will output the best solution found so far.

Because of the iterations of the Auction algorithm, it may happen that Block Orders are not executed even though their Price would have permitted execution at the market clearing Prices. The reason for this is that when carrying out a price calculation, which takes the Block Order into account, the Price is influenced to such an extent that the limit criteria of the Block Order is not fulfilled. However, should the Block Order be withdrawn, the determined Price changes, so that the limit criterion is fulfilled. However, the Algorithm discards during its computation the solutions with paradoxically rejected blocks which Price is significantly better than market clearing Price.

Outcome properties

- Single-Contract sell Orders shall not be executed for quantities offered, above the market clearing Price.
- Single-Contract buy Orders shall not be executed for quantities bid, below the market clearing Price.
- Single-Contract sell Orders shall be executed for quantities offered, strictly below the market clearing Price.
- Single-Contract buy Orders shall be executed for quantities bid, strictly above the market clearing Price.
- Single-Contract Order may not be executed or may be partially executed for quantities offered or bid, at a Price equal to the market clearing Price.
- A block sell Order shall not be executed when its Price is higher than the volume-weighted average market clearing Prices for the hourly Contracts to which it relates.
- A block buy Order shall not be executed when its Price is lower than the volume-weighted average market clearing Prices for the hourly Contracts to which it relates.

- Block Orders are executed for their full quantity only.
- Orders may not be executed for quantities greater than the quantity named in the Order.

Additional outcome properties for price coupling type of Market Coupling

The following properties must be satisfied for each Contract:

- The absolute value of the sum of Net Positions of the Coupled Markets is zero.
- The result calculated for the Implicit Participant has to be smaller than or equal to the relevant cross-border available transfer capacity.
- The Market Price on the import side of an interconnection is more than or equal to the Market Price on the export side of the interconnection.
- Whenever the result calculated for the Implicit Participant is strictly smaller than the relevant cross-border available transfer capacity value, then the clearing prices on both sides of the border are equal.
- On each market the sum of Cross Border Flows shall be equal to the Net Position which is equal to the volume to be cleared and settled via ECC.

Due to the nature of mathematical rounding of the results in certain cases a rounding difference may occur on markets having more than one border included in Market Coupling. This difference shall be handled on national level. In case of the Hungarian Market Area this difference shall be allocated to the Implicit Participant.

Determining Quantities Allocated in respect of Single-Contract Orders

The quantities bought and sold by HUPX Members for each Trading Account shall be determined by linear interpolation at the non-rounded Price determined by the Auction.

Once the quantities have been determined using the non-rounded Price, the Price is rounded by the Trading System.

Prices determined by the Auction are commercially rounded off:

- To two digits after the decimal point.

Quantities bought and sold are commercially rounded off:

- To one digit after the decimal point.

In the event of a difference between total purchase and sale quantities that results from the rounding rules, the residual quantities shall be reallocated to HUPX Members on a per-Trading Account basis by successive allocations of one unit of volume.

Article 1.7 *Second Auction Procedure*

If the market is in Curtailment (imbalance of purchases and sales leading to out-of-scale prices) or if the auction can lead to a Price that can be considered as abnormal given current market conditions (one or several hourly prices are significantly different from the other hours of the day or from the same hour(s) of a comparable day), then HUPX may trigger a Second Auction. In this case, it will inform all HUPX Members that:

- in case of high prices, more volume for sale, less volume for purchase, and/or a lower price
- in case of low prices, more volume for purchase, less volume for sale, and/or a higher price

are called on one or several specific hours and

- the Order Book gate closure time is postponed in order to leave enough time to Members to modify or delete their Orders or submit new ones.

During the reopening of the Order book, the modification or deletion of existing Orders and/or the submission of new Orders (whether Single-Contract Orders or Block Orders) which do not improve the prices or balance of the market for the critical hours are forbidden.

Block Bid modifications or new Block Bids which include the critical hours and aim to improve prices or balance of those are considered compliant with the Market Rules.

If Second Auction is applied on a coupled Market Area, then the other Coupled Markets must be informed. Coupled Markets shall inform their own members and delay accordingly the gate closure of their own Order Book.

If in spite of the Second Auction procedure, purchase and sale quantities still cannot be filled in their entirety at the maximum or the minimum Prices specified in the Orders, all block Orders which contain the respective hour(s) and which unfavorably influence the determination of intersections between the sales and purchase curves may be rejected and quantities will be allocated in proportion to buyers' and sellers' Single-Contract Orders.

Article 1.8 *Outcome and Publication of the Outcome*

The outcome of the Auction is made available not earlier as mentioned in the contracts specifications (Chapter 1 above). The Auction outcome includes:

- the Price and total quantity executed for each Contract,
- the purchase and sale quantities relating to Transactions, per Contract and Trading Account.

HUPX Ltd. sends Members a trade confirmation containing the following information:

- the Price and total quantity determined by the Auction algorithm for each Contract,
- Transactions, per Contract and Trading Account,
- the Transaction summary for Block Orders.

Once the outcome is published and validated, Members agree to be bound by the terms of the Transactions that they have effected in the Contracts.

Members are deemed to have taken note of the outcome as soon as it is made public.

After the market has been closed and the auction price has been calculated the Order Book will be checked for non-compliance with the Market Rules, and the appropriate sanctioning may be performed, if necessary. If any non-compliant bids are entered during the Second Auction Procedure, the HUPX Member will be sanctioned for not complying with the Market Rules and its Code of Conduct. The applicable procedure in case of non-compliance and the

form of the sanctioning shall be determined by the corresponding Market Notice. Such Market Notice shall be issued after prior opinion of Organized-Market Committee with validity date at least 5 trading days later than the date of issue. The value of the fines (if applicable) will be defined in the Market Notice on the Price List of HUPX Day-Ahead Market. Applicable sanctions beyond the above fines are set out in Article 2.22 of the Market Rules.

Article 1.9 ***Postponing Closure of the Order Book, the Auction or Publication of the Outcome***

If an exceptional situation arises, in particular if a system or the information needed to hold an Auction is unavailable or if an incident prevents the Order Book from being closed or the Auction from being held under normal circumstances, HUPX Ltd. may take the following measures:

- modify the time at which the Order Book is closed or the outcome is published,
- authorize the participant HUPX Members to submit new Orders or to modify existing Orders; in this situation, HUPX Ltd. will provide Members with a new closing time for the Order Book.

If an exceptional situation arises, Members will be notified of this by email, by a message on the trading System or by a message on HUPX website. HUPX Ltd. shall not be liable for the consequences of its measures taken on the basis and in accordance with the regulations of present article.

Title 2 Contracts and Trading Parameters of Continuous Physical Futures Market

Chapter 1 Contracts Specifications

Article 2.1 Trading on the HUPX Market of Physical Futures

Physical Futures Contracts are traded on HUPX via Continuous Trading in the Open (Continuous Trading) Session and via implied auctions in the Pre Open and Pre Close Sessions.

Article 2.2 Main contract specifications

HUPX CONTRACTS	
Underlying	Electrical power transiting over the Hungarian Transmission System managed by MAVIR Ltd. (the Hungarian TSO), which defines the voltage, frequency, cosine φ (displacement factor) and cut-off frequencies, in compliance with the regulations of the Grid Code of the Hungarian Electricity System.
Delivery	Delivery at any injection or withdrawal point on the Hungarian Transmission System.

Article 2.3 Segments

HUPX HUNGARIAN POWER BASE LOAD	
General Information	
Description	Physical delivery of power from Hour 01 on the first day of the Contract period until Hour 24 on the last day of the Contract period where power is delivered in the Hungarian Transmission System.
Delivery Point	Delivered as day-ahead contract via the Clearing House at any injection or withdrawal point on the Hungarian Transmission System following a successful nomination to the TSO (MAVIR)
Contract series	Eligible Contract series are : Front 4 individual Weeks Front 3 individual Months Front 4 individual Quarters (defined as Jan-Mar, Apr-Jun, Jul-Sep and Oct- Dec) Front 3 individual Years (defined as Jan-Dec)
Contract delivery size	1 MW x days x hours Weekly Contract series: 168 MWh (Normal week) 167 MWh (March week summertime change) 169 MWh (October week wintertime change)

	<p>Monthly Contract series:</p> <p>672 MWh (Feb, non-leap) 743 MWh (Mar)</p> <p>696 MWh (Feb, leap) 744 MWh (Jan, May, Jul, Aug, Dec)</p> <p>720 MWh (Apr, Jun, Sep, Nov) 745 MWh (Oct)</p>
Lot size	1 MW
Minimum tradable size	1 lot
Price characteristics	In euro per MWh with two decimal digits
Minimum Tick	One euro cent per MWh; € 0.01/MWh
Expiration and cascading	<p>Expiry of contract series is at the Expiration Day, as set out in the applicable Trading Calendar, published by HUPX Ltd. on its official website.</p> <p>Rules for defining expiries of contract series are set in Article 2.8.</p> <p>For Weekly contract series no cascading is applied. Weekly contract moves into physical delivery according to prevailing rules of the Day-Ahead Market.</p> <p>Monthly contract cascades into day-ahead contracts and moves into physical delivery according to prevailing rules of the Day-Ahead Market.</p> <p>Quarterly contract cascades into 3 individual Monthly contracts.</p> <p>Yearly contract cascades into 3 individual Monthly contracts and 3 Quarterly contracts.</p>
Introduction	Introduction of new contract series takes place at expiry of old contract series
Settlement Prices	Fixing each Business Day is set out in the applicable Operating Time Schedule, and will be published by HUPX Ltd. on its official website as soon as possible after 5:00 p.m.
Clearing and Settlement	Trade information transmitted by HUPX to the Central Counterparty, ECC for Settlement and Delivery of the Contracts.

HUPX HUNGARIAN POWER PEAK LOAD	
General Information	
Description	Physical delivery of power from Hour 09 on all weekdays, public holidays included until Hour 20 during the contract period where power is delivered in the Hungarian Transmission System.
Delivery Point	Delivered as day-ahead contract via the Clearing House at any injection or withdrawal point on the Hungarian Transmission System following a nomination to the operator of the Transmission System (MAVIR)
Contract series	Eligible Contract series are : Front 3 individual Months Front 4 individual Quarters (defined as Jan-Mar, Apr – Jun, Jul – Sep and Oct –Dec) Front 3 individual Years (defined as Jan – Dec)
Contract delivery size	1 MW x weekdays in contract period x 12 hours
Lot size	1 MW
Minimum tradable size	1 lot
Price characteristics	In euro per MWh with two decimal digits
Minimum Tick	One euro cent per MWh; € 0.01/MWh
Expiration and cascading	Expiry of contract series is at the Expiration Day, as set out in the applicable Trading Calendar published by HUPX Ltd. on its official website. Rules for defining expiries of contract series are set in Article 2.8. Monthly contract cascades into day-ahead contracts and moves into physical delivery according to prevailing rules of the Day-Ahead Market. Quarterly contract cascades into 3 individual Monthly contracts. Yearly contract cascades into 3 individual Monthly contracts and 3 Quarterly contracts.
Introduction	Introduction of new contract series is at expiry of old contract series
Settlement Prices	Fixing each Business Day as set out in the applicable Operating Time Schedule, and will be published by HUPX Ltd. on its official website as soon as possible after 5:00 p.m.
Clearing and Settlement	Trade information transmitted by HUPX to the Central Counterparty, ECC for Settlement and Delivery of the Contracts.

Chapter 2 Trading on Physical Futures Market of HUPX

Article 2.4 Position Limits

In order to enhance the confidence in the integrity of the physical futures market maintained by HUPX, HUPX Ltd. may at all times set and modify Position Limits for a Futures Product, a group of Futures Products, an individual Member, an individual user or a group of Members. Position limits can also be assigned to the HUPX Members on the request of the Clearing

Members or the Clearing House on the basis of the risk assessment effected by the Clearing Members. The Position Limit is a limit established by means of a monetary value within which the HUPX Member can trade contracts. Notification on changes to a HUPX Member's position limits will be sent by the Clearing Member.

The values of sales (or of purchases in the case of negative prices) which have not been settled yet are taken into account with regard to the Position Limit.

HUPX Members are not allowed to exceed their Position Limit.

HUPX Market Surveillance Office may monitor the positions of the HUPX Members on an ongoing basis in order to verify compliance by the HUPX Members with the Position Limits. However HUPX Ltd. shall not be liable to its Members for not having exercised the powers conferred upon it by this clause.

Specific conditions and guidelines on trading limit handling shall be communicated to the HUPX Members in form of a Market Notice with validity date at least 5 trading days later than the date of issue.

Article 2.5 *Trading sessions*

Trading on the physical futures market of HUPX takes place during the following official market sessions:

Pre Open Session – Pre-opening order entry

The market will open in the Pre Open Session in order to allow the Traders of the HUPX Members to submit orders prior to the commencement of trading. No orders will match until the end of the session, and no OTC trade registration and no cross trades are permitted.

At the end of the session, an auction will be scheduled to open the market with the aim of maximizing the executable volume. Overlapping orders will be automatically matched and executed at a uniform auction price at the end of the session, where the auction algorithm aims to maximize the executable volume. The auction will provide an opening price to the market. HUPX Members may place orders to expire at the end of the Pre Open Session or to remain valid into the Open (Continuous Trading) Session.

Open (Continuous Trading) Session – Physical futures market and OTC Clearing services

During the Open (Continuous Trading) Session Traders of the HUPX Members may submit orders into the order book, which will match when bids and offers are equal or overlap in price. OTC trades can be reported for clearing. Cross trades are not permitted.

Pre Close Session

During the Pre Close Session Traders may submit orders, which will be visible for all participants and will not match until the end of the session. In the Pre Close Session no OTC trade registration and no cross trade are permitted.

Closing Session

At the end of the Pre Close Session the market will be closed at a random time, and an auction will be scheduled to close the market. Overlapping orders will automatically be matched and executed at a uniform auction price at the end of the session, where the

auction algorithm aims to maximize the executable volume. This auction price will set the Reference Price. If no matches are possible within the auction, the procedure defined in Article 2.7. will take place in order to establish a settlement price.

After the market has been closed and the auction price has been calculated the Order book will be checked for non-compliance with the Market Rules, and the appropriate sanctioning will be performed, if necessary. If any cross trades are entered during the Pre Close Session, the HUPX Member will be sanctioned for not complying with the Market Rules and its Code of Conduct. The applicable procedure in case of non-compliance and the form of the sanctioning shall be determined by the corresponding Market Notice. Such Market Notice shall be issued after prior opinion of Organized-Market Committee with validity date at least 5 trading days later than the date of issue. The value of the fines (if applicable) will be defined in the Market Notice on the Price List of HUPX Physical Futures Market.

Closed Session

After the closure of the market, firm order entry, trading and OTC trade reporting are not permitted.

Halt Session

The Halt Session is an “override” session that can be scheduled by HUPX Ltd. instantly if necessary to close the market, for example in response to extraordinary market events. At the end of the Halt Session, the system can be quickly returned to the session that was in place prior to the halt.

- All contracts are switched to withheld status.
- The message "Market in Halt. No Trading possible" then appears in the "News" window.
- All contracts are shown in light grey in the main trading window and the status of the session is changed to "HALT".
- Contracts cannot be traded.
- Neither firm orders nor OTC trades can be entered or changed.
- Neither inactive orders nor inactive OTC trades can be activated.
- Once trading is resumed, the message "Market set to Trading" appears in the "News" window; the status of the session is changed to that was in place prior to the halt, at this point entering and changing of orders and OTC trades is possible again.
- After the market is set to trading, all withheld orders can be re-activated by its owner (unless the contracts have expired in the meantime) and can be executed provided there is a corresponding order book situation.

Article 2.6 *Trading Days and Hours*

HUPX will operate the Physical Futures market and OTC clearing facility on all Business Days, as specified in the Trading Calendar published by HUPX Ltd. on its official website, during the hours as indicated in the respective Market Notice and as published on the official website of HUPX Ltd.

Article 2.7 **Auction algorithm for Pre Open and Pre Close Session**

During the Pre Open and Pre Close Session an auction runs to open and to close the market, where the orders will be matched and will be executed at a uniform auction price at the end of the session. The auction algorithm is a four step approach determining the auction price. If a clear result cannot be achieved when the first decision rule applied, the model progresses to the second decision rule and so on.

- The primary decision rule is based on the maximum executable volume.
- If the application of maximum executable volume does not achieve a single price, the second base of the decision is the minimum surplus, which method determines the eligible price levels at which the unfilled or unmatched quantity is a minimum.
- The quantity left in the market at the auction price should always be the lowest possible. If it achieves more eligible prices, then the model progresses to the third decision method. This method ascertains where the market pressure of the potential auction prices exists – on the buy or the sell side. If the market pressure is on the buy side, then the calculation algorithm uses the highest of the potential auction prices. If the market pressure is on the sell side, then the algorithm chooses the lowest of the potential auction prices.
- If both positive and negative market pressure exists or if the minimum surplus is zero for each potential auction price, the algorithm continues to fourth level of decision making: consulting of the Reference Price. The fourth and final method determines an auction price from the range of prices, established in third level of the decision making, on the basis of their proximity to the reference price.

Article 2.8 **Cascading and Expiry**

Each open position of a Hungarian Power Base/Peak Load Year Physical Future Contract is replaced with equal positions of the three Hungarian Power Base /Peak Load Month Physical Future Contract for the delivery months from January through to March and three Hungarian Power Base /Peak Load Quarter Physical Future Contracts for the second through to the fourth delivery quarter whose delivery periods taken together correspond to the delivery year on the expiry day.

Each open position of a Hungarian Power Base/Peak Load Quarter Physical Future Contract is replaced with equal positions of the three Hungarian Power Base /Peak Load Month Physical Future Contract whose delivery periods taken together correspond to the delivery quarter on the expiry day.

Each open position of a Hungarian Power Base/Peak Load Month Physical Future Contract cascades into daily settlement instructions and moves into physical delivery performed according to rules of Article 5.12 of the Market Rules of HUPX. At HUPX all trades are subject to clearing.

Last trading day of a contract series takes place with 2 ECC business days (according to the ECC calendar) before start of the delivery period for weekly and monthly contracts, and 3 ECC business days (according to the ECC calendar) for quarterly and yearly contracts. Expiry of the contract series is set out and published in the applicable Trading Calendar of HUPX.

Article 2.9 **Bids and offers on the HUPX Physical Futures Market**

An order is firm with a specified quantity and price in certain Product. It can be either a buy order with a maximum price or a sell order with a minimum price. Each order must be made in a multiple of the minimum trading amount and at a Limit Price that is a multiple of the minimum tick size as these are set out in the Product Specifications.

All valid orders are displayed anonymously in the Trading System. A HUPX Member may submit multiple Orders regarding the same Product.

Article 2.10 **Conditions to orders on the HUPX Physical Futures Market**

At the HUPX Members' discretion, the following conditions may be attached to an order:

Limit (firm tradable) orders

Limit orders are visible for the market, hence will be considered in the order matching process. Limit orders specify a quantity and a limit price. These orders can only be executed at their specified limit price or at a best price, i.e.: less than, if it is a bid, or greater than if it is an offer.

- Firm (until filled / removed / expired)
- "Fill-and-Kill": the order will be matched in its entirety up to the cumulative volume against opposite orders already entered into the Trading System. The remainder will be deleted.
- "All-or-None": the order has to be executed in its entirety, no partial execution available.
- "Iceberg": orders may be submitted with partially hidden quantities. The specified part of the hidden quantity will be disclosed to other Members, and receive the time stamp of the time of disclosure, as soon as the part that had already been disclosed has been executed. The HUPX Member specifies the total quantity and the initial quantity:
 - the first Order relates to the initial quantity;
 - the hidden quantity is then executed through a series of Orders. Each Order relates to the same quantity as the initial quantity. Each successive order is treated as a new Order in terms of priority in the Order Book.

Withheld orders

Withheld orders are not visible for the market, hence will not be considered in the order matching process. A withheld order is an inactive stance of an Order entered into the Trading System, which is either due to the act of its owner, or due to any unforeseen malfunction that caused the halting of the trading.

Withheld orders can be deactivated and reactivated by its owner unless the Order has reached its maturity or has been cancelled or deleted.

Validity

The following validity periods may be defined during which the Orders remain active unless cancelled by the HUPX Member:

- Good until cancelled: the Order stays valid until the last Trading Day;
- Good until date: the Order stays valid until the specified date-time indicated or until the last Trading Day if sooner than;
- Good for day: the order stays valid until the end of the Trading Day when it has been introduced;
- Good for session: the Order stays valid until the end of the Trading Session it was introduced in.

Orders can be modified, withheld or deleted as long as no matching has taken place. If an order has been matched partially, then only the unmatched part can be modified, withheld or deleted.

For each Product, Orders will be ranked by the Trading System according to their Best Price and, further according to the time of entry as a firm order in the Trading System. Any modification in an Order will result in a new time of entry. An Order remains in the Trading System of HUPX up to the time:

- it is matched;
- it is withheld, deleted or modified by the HUPX Member;
- it is withheld, because the HUPX Member is disconnected;
- it is withheld or deleted by HUPX Ltd. because of the expiration or suspension of the Product, or because of termination of the Membership Agreement with the HUPX Member or suspension of the HUPX Member; or any other reason pursuant to the provisions of the Market Rules of HUPX.

Article 2.11 *Simultaneous trading of Contracts on the HUPX Physical Futures Market*

The Trading Platform allows trading Contracts in pairs in the following manner:

- The creation and exposition, automatic and differentiated, of Implicit Orders based on the best bids and offers existing on the Order Book, using for that purpose existing Orders on those Contracts in question;
- The input as well as the automatic creation and exposition of Spread Implicit Orders.

In any circumstance mentioned above, the Operations executed based on Implicit Orders will always result in Operations carried out on the traded Contracts underlying these Orders.

A Member may enter Orders into the Trading System of HUPX prior to the start of trading. Such Orders will not be disclosed to the other HUPX Members until the start of trading.

Article 2.12 *Order Matching*

To execute a Trade, a HUPX Member may either elect to match a single Order or elect to deal a specified volume in a specific Order or to match two orders by trading their price difference, i.e. spread. Trades are executed at the time the matching is recorded by the Trading System.

If an Order has been matched, then the remainder, if any, of that Order will retain the time priority originally assigned to it.

The matching of a newly submitted Order against Orders already entered into the Trading System of HUPX occurs until the desired volume has been reached or no further matching is possible given the Limit Price of the newly submitted Order and order conditions attached to the Orders. The matching process for Products is as follows:

- In case of selecting a single Order already being firm in the system, the Best Price (lowest sell price when matching a buy Order, highest buy price, when matching a sell Order) is applied. Should there be more Orders at the Best Price, then matching occurs according to the time these Orders were entered into the Trading System, starting from the least recent to the most recent (first in first out principle).
- In case of dealing volume, the Best Price of the Orders already entered into the Trading System is applied. Should there be more Orders at the Best Price, then matching occurs according to the time these Orders were entered into the Trading System, starting from the least recent to the most recent (first in first out principle). If, after applying the abovementioned criteria, the volume is not yet entirely matched, then the second Best Price will be applied, and so on.
- If matching of an Order, already entered into the Trading System, is not possible because of a condition attached to the Order, then such an Order will be ignored in the matching process.
- Hidden quantities are ignored in the matching process.

If a newly submitted Order is not matched, the Order will remain in the Trading System, until withdrawn by the HUPX Member or matched by other Orders, subject to any conditions attached to the order.

If a newly submitted order is not matched entirely, then (the non-matched part of) the Order remains in the Trading System, until withdrawn by the HUPX Member or matched by other Orders, subject to any conditions attached to the order.

After execution of a Trade in a Cleared Product, HUPX will submit the executed Trade to the Clearing House for Clearing.

In case of technical problems a HUPX Member can request HUPX Ltd. to place orders in the Trading System on its behalf, if it is temporarily not in a position to place the orders in the Trading System itself. HUPX Ltd. will use this power in a non-discriminatory way and only as long as the HUPX Member is unable to place the orders in the Trading System itself. The HUPX Member, who has requested HUPX Ltd. to place orders in the Trading System on its behalf, will inform HUPX forthwith as soon as the reason for its inability to place orders in the Trading System has been remedied.

Article 2.13 *Modification of Orders*

HUPX Members may modify Orders while they remain in the Central Order Book.

Orders may be modified in respect of the price and the quantity, subject to the following criteria:

- A modification in price or an increase in quantity imply a new time of introduction, losing the time priority of the original Order;
- A modification implying only in a reduction of the quantity has no effect on the time of introduction of the Order, keeping its time priority.

Article 2.14 *Removal of the Orders from the Trading System*

HUPX Members may cancel their Orders that have not been executed as well as the remaining balance of those that have been partially executed.

Whenever a technical problem occurs, HUPX Ltd. may remove from or make the Orders of a HUPX Member withheld in the Order Book at the HUPX Member's request. In such cases HUPX Ltd. shall require the Trader communicating the request to prove its identification. Should there remain any doubt of the authorization or identification of the person communicating the request, HUPX Ltd. shall reject to fulfill the request.

Article 2.15 *Mistrade Rules*

In the event of a manifest error (wrong entry), HUPX Members should notify HUPX Ltd. to make the necessary correction measures, if the counterparty accepts the cancellation. The Transaction to be cancelled cannot be an OTC trade.

With respect to trades executed on the Global Vision system, the cancellation request towards HUPX Ltd. must be made over the phone no later than 5 minutes after the conclusion of the contract. The request must then be immediately (not later than 15 minutes) notified in writing to HUPX operation:

- by email or facsimile during the usual opening hours defined in the Trading Calendar of HUPX;

HUPX contacts the counterparty and asks for its approval to cancel the corresponding Transaction. Generally, any transaction can be classified to be a mistrade, if the counterparty accepts the terms and justification of the HUPX Member that concluded the mistrade. According to the Code of Conduct and fair trade principles, a mistake is recommended to be accepted in any of the following cases:

- the entered price refers to another product traded on HUPX,
- the decimal of the price is shifted compared to the common market price,
- the digits of the price are swapped compared to the common market price,
- the limit price of a sell Order is more than 5 €/MWh lower than the last traded prices, if not trades for the current day, use the opening auction price,
- the limit price of a buy Order is more than 5 €/MWh higher than the last traded prices, if not trades for the current day, use the opening auction price,
- the trade price differs more than 5 €/MWh compared to the common market price at HUPX Ltd.

HUPX Ltd. will apply the following approach regarding the necessary notification processes:

- If the counterparty cannot be contacted within 30 minutes or if it refuses to cancel the Transaction, HUPX contacts (via email or fax) the requesting counterparty in order to inform it that its cancellation request has been refused.
- If the counterparty accepts the cancellation of the Transaction, HUPX contacts (via email or fax) the requesting counterparty in order to inform it that its cancellation request has been accepted.

In case the cancellation request has been approved by both counterparties, HUPX Ltd. proceeds with the cancellation of the Transaction.

- The deal will be deleted from the Trayport Trading System.
- A request will be sent to ECC to reverse the previously accepted deal.

For reporting a mistrade, HUPX will charge an administrative fee ~~of EUR 5 000 from~~for the party that made the mistrade, however, transaction fees for the mistrade will not be charged from any of the counterparties, in case cancellation was approved. The payment of clearing fees is subject to the rules and business policies of the Clearing House and the Clearing Members.

Article 2.16 *Ex officio cancellation*

HUPX can decide to cancel a Transaction ex officio if all of the following preconditions are met:

- the cancellation is technically and operationally possible,
- the Transaction results from a manifest error;
- the Transaction breaches Market Rules;
- exceptional circumstances so warrant.

Article 2.17 *Order management in case of technical problems*

In case there is a temporary difficulty for accessing the Trading Platform of HUPX due to technical problems, the HUPX Member may request to HUPX Ltd., by fax or by telephone, the introduction, modification or cancellation of Orders.

After receipt of that request, HUPX Ltd. shall provide its best efforts in order to implement, as soon as possible, the request submitted by the HUPX Member.

After the request has been executed or in case that execution is not possible, HUPX Ltd. notifies the HUPX Member of that fact. The HUPX Member is obliged to accept the outcome of the activities undertaken on its behalf by HUPX.

Article 2.18 *Provision of Information*

For each Futures Product, the following information will be made available to the HUPX Members on a real time basis through the Trading System of HUPX:

- the price and the quantity of all buy and sell Orders;
- the specific conditions attached to those Orders;
- the price, quantity, time and clearing status of recently executed Trades;

- for each HUPX Member, an itemized list of its own recently executed Trades; and
- for each HUPX Member, the status of all its own orders and Orders.

For each Futures Product, HUPX Ltd. may make the following information available to the Public:

- the price and quantity of the buy and sell Orders in each listed contract;
- the volume and the prices of executed Trades;
- all other relevant information, the disclosure of which HUPX Ltd. deems necessary in order to enhance market transparency.

On the PhF Market for each Futures product a standard notification can be sent out by HUPX to all HUPX PhF Members through an appropriate IT solution available to all Members.

Chapter 3 Rules applicable to Pricing on HUPX Physical Futures Market

Article 2.19 Settlement Prices

Settlement Price will be calculated on each trading day for all Products traded on HUPX physical futures market.

The last Settlement Price of a contract Month before delivery serves as the Final Settlement Price at which the commodity relating to an Open Position will be delivered.

The Settlement Price serves as input for the daily margining process by the Clearing House.

Article 2.20 Methodology of Price Determination

Procedure for Settlement Price determination shall involve two steps by first calculating a Reference Price, and then determining a Settlement Price after adjustments made, if necessary. In case no adjustments are necessary during the price establishing procedure, the Settlement Price will be equal to the Reference Price.

Reference Price calculation

The Reference Price will be established following the below approach:

- The Reference Price will be set by considering session and quantity weighted mean traded price during the Open (Continuous Trading) Session.
- If there was no trade during the Open (Continuous Trading) Session, the Reference Price will be set by considering weighted mean of the Best Bid and the Best Ask offers of the Open (Continuous Trading) Session. In case there is insufficient market activity, i.e. no offers and no prices are available, during a trading day, a Pricing Panel will be convened in order to establish a Reference Price. The Pricing Panel will be comprised at least of two (2) HUPX Members, all Market Makers and OTC Brokers based on the invitation and decision of HUPX Ltd.

Should the Pricing Panel be convened, its members will receive a predetermined form in email to fill in, which they should send back to HUPX in the shortest time possible, but not later than 4:30 p.m.

Settlement Price determination

After the Reference Price has been calculated, HUPX examines the Reference Price, whether:

- the Reference Price is free from arbitrage: non-arbitrage is ensured in case a difference of EUR 0.00 is found between the contracts with an overlapping due date after standard rounding,
- the Reference Price is plausible considering the Settlement Price of the previous day,
- the Reference Price is sufficiently representative considering the market circumstances.

If a cross trade happened, the Reference Price is considered to be non-representative.

In case any of the above criteria is not fulfilled by the calculated Reference Price, HUPX reserves the right to make adjustments to the Reference Price to determine a modified price (to be considered as the Settlement Price) in order to prevent price deviations on the market. For this purpose, HUPX will execute one or more of the following measures:

- not to consider the Closing Session auction results, if any cross trades occurred, not to consider any cross trades in the price calculation, if any, to consider solely a Best Bid or solely a Best Ask from the Open (Continuous Trading) Session,
- not to consider highest and lowest bid and ask offers or trades in calculating the Settlement Price, except if the prices to be excluded amount to more than 1/3rd of the overall set of offers in the Open (Continuous Trading) Session,
- to align the price of the least liquid product with the price of the more liquid product in case of overlapping contract series.

In case neither of the above results in an appropriate Settlement Price, HUPX will use objective and verifiable sources to determine an adjustment that results in an acceptable and appropriate Settlement Price. For this purpose, HUPX will consider sources such as the submitted quotes from the Pricing Panel, proposals and executed trades on the market, registered OTC trades, Settlement Prices of the previous fixings, and the DAM Index.

As a result of the above price establishing procedure, a Settlement Price will be set for all product types, which will be published in the Trading System as well as on the HUPX website.

Any further specification to the settlement price setting procedure will be published in separate Market Notices by HUPX with validity date at least 5 trading days later than the date of issue.

Article 2.21 *Application of Pricing Rules*

HUPX Ltd. cannot be held liable for any loss resulting from applying the Pricing Rules, any inaccuracy in the published Settlement Prices, the information used for making adjustments to the Reference Prices, or the actual adjustments or changes or any other act or omission to act.

HUPX Ltd. will be the sole proprietor of all rights relating to the composition and method of computation of the Settlement Prices. HUPX Members are not allowed to communicate these Settlement Prices to third parties without the prior written approval of HUPX Ltd.

Title 3 Contracts and Trading Parameters of Continuous Intraday Market

Chapter 1 Contracts Specifications

Article 3.1 Trading on the HUPX Intraday Market

Intraday Contracts are traded on HUPX via Continuous Trading in the Open (Continuous Trading) Session.

Article 3.2 Main contract specifications

<u>HUPX INTRADAY CONTRACTS</u>	
<u>Underlying</u>	<u>Electrical power transiting over the Hungarian Transmission System managed by MAVIR Ltd. (the Hungarian TSO), which defines the voltage, frequency, cosine ϕ (displacement factor) and cut-off frequencies, in compliance with the regulations of the Grid Code of the Hungarian Electricity System.</u>
<u>Delivery</u>	<u>Delivery at any injection or withdrawal point on the Hungarian Transmission System.</u>
<u>Negative Prices</u>	<u>Negative prices are authorized where specified below (see minimum and maximum prices).</u> <u>When a contract is traded with a negative price, it is legally regarded as a supply of service (removal service) by the recipient of power to the delivering party and not anymore as a supply of goods by the party delivering the power.</u>

Article 3.3 Segments

<u>HUPX INTRADAY MARKET</u>	
<u>General Information</u>	
<u>Trading procedure</u>	<u>Continuous</u>
<u>Trading days</u>	<u>Year-round</u>
<u>Tradable Contracts (Expiries)</u>	<u>Quarter hourly (15 min.)</u> <u>For an hour (e.g. Hour 01), the following 15-minute contracts will open per the corresponding hour:</u> <u>00:00-00:15</u> <u>00:15-00:30</u> <u>00:30-00:45</u> <u>00:45-01:00</u>
<u>Trading session opens</u>	<u>24 hours a day</u>

	<u>Contracts for the next day open at 3:45 pm</u>
<u>Clearing and Settlement</u>	<u>Trade information transmitted by HUPX to the Central Counterparty, ECC AG for Settlement and Delivery of the Contracts</u>
<u>Delivery procedure</u>	<u>Nomination by HUPX (together with ECC) and by the Balance Group Responsible of the HUPX Member to the TSO (MAVIR Ltd.) on the basis of the regulations of the Commercial Code of the Hungarian Electricity System</u>
<u>Minimum and maximum prices</u>	<u>-9999.0 € / 9999.0 €</u>
<u>Admissible Orders</u>	<u>Delivery or purchase of electricity with a constant output during the quarter of an hour* in the Hungarian Electricity Transmission Grid owned by MAVIR. 96 consecutive trade contracts** are available for a day.</u> <u>* four 15-minute contracts of the respective hour (e.g. hour 01 it will be 00:00-00:15, 00:15-00:30, 00:30-00:45, 00:45-01:00)</u> <u>** Exceptions: 92 quarter hours are listed on the day of change to summertime (March), 100 quarter hours are listed on the day of change to wintertime (October).</u>
<u>Trading closes</u>	<u>120 minutes before delivery</u>
<u>Price characteristics</u>	<u>In euro per MWh with two decimal digit price tick</u>
<u>Quantity characteristics</u>	<u>in MW with one decimal digit</u>
<u>Minimum price increment</u>	<u>0. 01 €/MWh</u>
<u>Minimum Volume</u>	<u>0.1 MW</u>
<u>Block Orders</u>	
<u>Definition</u>	<u>Block Orders combine several Expiries with a minimum of two contiguous Expiries which depend on each other in their execution. Pre-defined Block Orders exist but HUPX Members are not restricted in the determination of the Block Orders.</u>
<u>Pre-defined block orders</u>	<u>The following Block Orders are pre-defined in the system:</u> <u>→ Individual hours</u> <u>→ Block Baseload covering hours 1 to 24</u> <u>→ Block Peakload covering hours 9 to 20</u>
<u>Specific conditions</u>	<u>All-or-None (Orders are not partially executable by default, therefore have the execution restriction “All-or-None”. It is possible to add further execution restrictions, such as “Fill-or-Kill”, “Immediate-or-cancel”.)</u>

Chapter 2 Trading on intraday market of HUPX

Article 3.4 Position Limits

In order to enhance the confidence in the integrity of the intraday market maintained by HUPX, HUPX Ltd. may at all times set and modify Position Limits for an Intraday Product, a group of Intraday Products, an individual Member, an individual user or a group of Members. Position Limits can also be assigned to the HUPX Members on the request of the Clearing Members or the Clearing House on the basis of the risk assessment effected by the Clearing Members. The Position Limit is a limit established by means of a monetary value within which the HUPX Member can trade contracts. Notification on changes to a HUPX Member's position limits will be sent by the Clearing Member.

The values of sales (or of purchases in the case of negative prices) which have not been settled yet are taken into account with regard to the Position Limit.

HUPX Members are not allowed to exceed their Position Limit.

HUPX Market Surveillance Office may monitor the positions of the HUPX Members on an ongoing basis in order to verify compliance by the HUPX Members with the Position Limits. However HUPX Ltd. shall not be liable to its Members for not having exercised the powers conferred upon it by this clause.

Specific conditions and guidelines on trading limit handling shall be communicated to the HUPX Members in form of a Market Notice with validity date at least 5 trading days later than the date of issue.

Article 3.5 Trading sessions

Trading on the intraday market of HUPX takes place during the following official market sessions:

Open (Continuous Trading) Session

During the Open (Continuous Trading) Session Traders of the HUPX Members may submit orders into the order book, which will match when bids and offers are equal or overlap in price. OTC trades can be reported for clearing. Cross trades are not permitted.

Halt Session

In the event of a threat to the integrity or orderly and fair operation of the market, HUPX Ltd. can suspend a trading session, postpone the start or cancel the session altogether.

The Halt Session is an "override" session that can be scheduled by HUPX Ltd. instantly if necessary to close the market, for example in response to extraordinary market events. At the end of the Halt Session, the system can be quickly returned to the session that was in place prior to the halt.

- All contracts are switched to withheld status.
- Relevant messages are communicated to Members.
- Status of contracts is changed to "HALT".

- Contracts cannot be traded.
- After the market is set to trading, all withheld orders can be re-activated by its owner (unless the contracts have expired in the meantime) and can be executed provided there is a corresponding order book situation.

Article 3.6 Trading Days and Hours

The order book is open twenty-four (24) hours a day throughout the year except for maintenance periods or unless otherwise decided by HUPX Ltd. and duly announced to Exchange Members.

Article 3.7 Bids and offers on the HUPX Intraday Market

An order is firm with a specified quantity and price in certain Product. It can be either a buy order with a maximum price or a sell order with a minimum price. Each order must be made in a multiple of the minimum trading amount and at a Limit Price that is a multiple of the minimum tick size as these are set out in the Product Specifications.

All valid orders are displayed anonymously in the Trading System. A HUPX Member may submit multiple Orders regarding the same Product.

Article 3.8 Conditions to orders on the HUPX Intraday Market

At the HUPX Members' discretion, the following conditions may be attached to an order:

Limit (firm tradable) orders

Limit Orders are buy and sell Orders which carry a price limit and which can only be executed at this price or at a better price. When they are entered into the Trading System, the limit Orders must contain the following information:

- · Buy or sell offer (bid/ask);
- · Expiry
- · Volume,
- · Price limit,
- · Delivery Area
- · Validity restriction

Limit orders are visible for the market, hence will be considered in the order matching process. Limit orders specify a quantity and a limit price. These orders can only be executed at their specified limit price or at a best price, i.e.: less than, if it is a bid, or greater than if it is an offer.

Execution types:

- Firm (until filled / removed / expired)
- "Fill-or-Kill": The order is either immediately and entirely executed or cancelled in its entirety.

- “Immediate-or-cancel”: The order is executed immediately to its maximum extent. In case of a partial execution, the remaining volume is removed from the order book.
- “All-or-None”: the order has to be executed in its entirety, no partial execution available.
- “Iceberg”: orders may be submitted with partially hidden quantities. The specified part of the hidden quantity will be disclosed to other Members, and receive the time stamp of the time of disclosure, as soon as the part that had already been disclosed has been executed. The HUPX Member specifies the total quantity and the initial quantity:
 - the first Order relates to the initial quantity;
 - the hidden quantity is then executed through a series of Orders. Each Order relates to the same quantity as the initial quantity. Each successive order is treated as a new Order in terms of priority in the Order Book.
 - In case an Iceberg Order is cancelled, the visible and the hidden quantity are removed.

Withheld orders

Withheld orders are not visible for the market, hence will not be considered in the order matching process. A withheld order is an inactive stance of an Order entered into the Trading System, which is either due to the act of its owner, or due to any unforeseen malfunction that caused the halting of the trading.

Withheld orders can be deactivated and reactivated by its owner unless the Order has reached its maturity or has been cancelled or deleted.

Market Sweep Orders

A Market Sweep Order applies to several contiguous Single-Contracts (15 minutes) and is matched with Single-Contracts Orders only.

When they are entered into the Trading System, the Market Sweep Orders must contain the following information:

- Buy or sell offer (bid/ask);
- Time Range
- Volume,
- Price limit,
- Delivery Area

Depending on the Order’s Price limit and quantity and on the Order Book configuration, all Single-Contracts within the time range may not be executed. The executed volume may also be different on each Single-Contract. Market Sweep Orders are not entered in the Order Book and any unexecuted quantity is cancelled. That is Market Sweep Orders are Orders with “Immediate-or-cancel” restriction (see above).

Single-Contract and Block Orders

The Single-Contract Orders (which comprise one Expiry only individual 15-minute period) are included in a central, open and anonymous order book provided they fulfil all the minimum requirements specified.

Block Orders are included in a separate order book if they fulfil all the prescribed minimum requirements. They can be matched by other Block Orders or with Single-Contract Orders.

Validity

The following validity periods may be defined during which the Orders remain active unless cancelled by the HUPX Member:

- Good until cancelled: the Order stays valid until it is deleted or if not deleted then until its Expiry;
- Good for session: the Order stays valid until the end of the Trading Session it was introduced in.

Orders can be modified, withheld or deleted as long as no matching has taken place. If an order has been matched partially, then only the unmatched part can be modified, withheld or deleted.

For each Product, Orders will be ranked by the Trading System according to their Best Price and, further according to the time of entry as a firm order in the Trading System. Any modification in an Order will result in a new time of entry. An Order remains in the Trading System of HUPX up to the time:

- it is matched;
- it is withheld, deleted or modified by the HUPX Member;
- it is withheld, because the HUPX Member is disconnected;
- it is withheld or deleted by HUPX Ltd. because of the expiration or suspension of the Product, or because of termination of the Membership Agreement with the HUPX Member or suspension of the HUPX Member; or any other reason pursuant to the provisions of the Market Rules of HUPX.

Article 3.9 Order Matching

Once Orders have been transmitted, they are arranged in the Order Book on the following basis:

- by side (bid or ask),
- by limit price,
- by time of reception, for each limit.

To execute a Trade, a HUPX Member may either elect to match a single Order or elect to deal a specified volume in a specific Order. Trades are executed at the time the matching is recorded by the Trading System.

If an Order has been matched, then the remainder, if any, of that Order will retain the time priority originally assigned to it.

The matching of a newly submitted Order against Orders already entered into the Trading System of HUPX occurs until the desired volume has been reached or no further matching is possible given the Limit Price of the newly submitted Order and order conditions attached to the Orders. The matching process for Products is as follows:

- In case of selecting a single Order already being firm in the system, the Best Price (lowest sell price when matching a buy Order, highest buy price, when matching a sell Order) is applied. Should there be more Orders at the Best Price, then matching occurs according to the time these Orders were entered into the Trading System, starting from the least recent to the most recent (first in first out principle).
- In case of dealing volume, the Best Price of the Orders already entered into the Trading System is applied. Should there be more Orders at the Best Price, then matching occurs according to the time these Orders were entered into the Trading System, starting from the least recent to the most recent (first in first out principle). If, after applying the abovementioned criteria, the volume is not yet entirely matched, then the second Best Price will be applied, and so on.
- If matching of an Order, already entered into the Trading System is not possible because of a condition attached to the Order, then such an Order will be ignored in the matching process.
- Hidden quantities are ignored in the matching process.
- Matching between Single-Contract Orders and Block Orders may be allowed when the functionality is available in the Trading System and the following requirements are met: Single-Contract Orders are exactly covering the Expiries combined in the Block Order, there is enough quantity in all concerned 15-minute periods and average price of these 15-minute Single-Contract Orders results in at least as good (or better) price as in the concerned Block order. In case matching requirements are met, orders on both sides are executed in such way that market clearing price is the price of the Single-Contract Orders (i.e. Single-Contract Orders' price prevails).

If a newly submitted Order is not matched, the Order will remain in the Trading System, until withdrawn by the HUPX Member or matched by other Orders, subject to any conditions attached to the order.

If a newly submitted order is not matched entirely, then (the non-matched part of) the Order remains in the Trading System, until withdrawn by the HUPX Member or matched by other Orders, subject to any conditions attached to the order.

After execution of a Trade in a Cleared Product, HUPX will submit the executed Trade to the Clearing House for Clearing and to the balance group schedule (by means of intraday schedule modification) to the Transmission System Operator for physical settlement.

In case of technical problems a HUPX Member can request HUPX Ltd. to place orders in the Trading System on its behalf, if it is temporarily not in a position to place the orders in the Trading System itself. HUPX Ltd. will use this power in a non-discriminatory way and only as long as the HUPX Member is unable to place the orders in the Trading System itself. The HUPX Member, who has requested HUPX Ltd. to place orders in the Trading System on its

behalf, will inform HUPX forthwith as soon as the reason for its inability to place orders in the Trading System has been remedied.

Article 3.10 Modification of Orders

HUPX Members may modify Orders while they remain in the Order Book.

Orders may be modified in respect of the price and the quantity, subject to the following criteria:

- A modification in price or an increase in quantity imply a new time of introduction, losing the time priority of the original Order;
- A modification implying only in a reduction of the quantity has no effect on the time of introduction of the Order, keeping its time priority.

Article 3.11 Removal of the Orders from the Trading System

HUPX Members may cancel their Orders that have not been executed as well as the remaining balance of those that have been partially executed.

Whenever a technical problem occurs, HUPX Ltd. may remove from or make the Orders of a HUPX Member withheld in the Order Book at the HUPX Member's request. In such cases HUPX Ltd. shall require the Trader communicating the request to prove its identification. Should there remain any doubt of the authorization or identification of the person communicating the request, HUPX Ltd. shall reject to fulfill the request.

Article 3.12 Mistrade Rules

In the event of a manifest error (wrong entry), HUPX Members should notify HUPX Ltd. to make the necessary correction measures, if the counterparty accepts the cancellation. The Transaction to be cancelled cannot be an OTC trade.

With respect to trades executed on the trading system, the cancellation request towards HUPX Ltd. must be made by entering a recall request no later than 5 minutes after the conclusion of the contract and at the latest 15 minutes before the end of trading of the contract. The request must then be immediately notified in writing to HUPX operation by email or fax during the usual operating hours defined in Market Notice.

HUPX contacts the counterparty and asks for its approval to cancel the corresponding Transaction. Generally, any transaction can be classified to be a mistrade, if the counterparty accepts the terms and justification of the HUPX Member that concluded the mistrade. According to the Code of Conduct and fair trade principles, a mistake is recommended to be accepted in any of the following cases:

- the entered price refers to another product traded on HUPX,
- the decimal of the price is shifted compared to the common market price,
- the digits of the price are swapped compared to the common market price.

HUPX Ltd. will apply the following approach regarding the necessary notification processes:

- If the counterparty cannot be contacted within 15 minutes (until 30 minutes before expiry at the latest) or if it refuses to cancel the Transaction, HUPX contacts (via

email or fax) the requesting counterparty in order to inform it that its cancellation request has been refused.

- If the counterparty accepts the cancellation of the Transaction, HUPX contacts (via email or fax) the requesting counterparty in order to inform it that its cancellation request has been accepted.

In case the cancellation request has been approved by both counterparties, HUPX Ltd. proceeds with the cancellation of the Transaction.

- The deal will be deleted from the trading system.
- A request will be sent to ECC to reverse the previously accepted deal.

For reporting a mistrade, HUPX will charge an administrative fee from the party that made the mistrade, however, transaction fees for the mistrade will not be charged from any of the counterparties, in case cancellation was approved. The amount of the payable administrative fee shall be specified by HUPX in a separate Market Notice.

The payment of clearing fees is subject to the rules and business policies of the Clearing House and the Clearing Members.

Article 3.13 Ex officio cancellation

HUPX can decide to cancel a Transaction ex officio if all of the following preconditions are met:

- the cancellation is technically and operationally possible;
- the Transaction results from a manifest error;
- the Transaction breaches Market Rules;
- exceptional circumstances so warrant.

Article 3.14 Order management in case of technical problems

In case there is a temporary difficulty for accessing the Trading Platform of HUPX due to technical problems, the HUPX Member may request to HUPX Ltd., by fax or by telephone, the introduction, modification or cancellation of Orders.

After receipt of that request, HUPX Ltd. shall provide its best efforts in order to implement, as soon as possible, the request submitted by the HUPX Member.

After the request has been executed or in case that execution is not possible, HUPX Ltd. notifies the HUPX Member of that fact. The HUPX Member is obliged to accept the outcome of the activities undertaken on its behalf by HUPX.

Article 3.15 Provision of Information

For each Intraday Product, the following information will be made available to the HUPX Members on a real time basis through the trading system of HUPX:

- the price and the quantity of all buy and sell Orders;
- the specific conditions attached to those Orders;

- the price, quantity, time and clearing status of recently executed Trades;
- for each HUPX Member, an itemized list of its own recently executed Trades; and
- for each HUPX Member, the status of all its own orders and Orders.

For each Intraday Product, HUPX Ltd. may make the following information available to the Public:

- the price and quantity of the buy and sell Orders in each listed contract;
- the volume and the prices of executed Trades;
- all other relevant information, the disclosure of which HUPX Ltd. deems necessary in order to enhance market transparency.

On the Intraday Market for each intraday product a standard notification can be sent out by HUPX to all HUPX ID Members through an appropriate IT solution available to all Members.

Article 3.16 Start date of application of rules related to Intraday Market Segment and launch of Intraday Market

The application of the rules and regulations of the Market Rules of HUPX in connection with the Intraday Market Segment shall be withheld until the “Intraday Go Live Date”. HUPX Ltd. will inform the HUPX Members in a separate Market Notice about the exact date of the Intraday Go Live Date, which will define the start of application of the rules related to the Intraday Market Segment and also the launch date of the trading on Intraday Market of HUPX.

Title 3 Title 4 Rules applicable to the OTC clearing facility**Article 3.1 Article 4.1 Cleared Products in the OTC clearing facility of HUPX**

HUPX Members trading on the Physical Futures Market and/or the Intraday Market respectively of HUPX are able to report their negotiated off-market trades to OTC clearing facility. The OTC clearing facility is only available for products (contracts) tradable on HUPX Physical Futures Market- and/or the Intraday Market respectively. The Clearing House to whom a trade is submitted for Clearing is determined in Article 1.5 of the Market Rules of HUPX. A certain trade can be subject of OTC clearing until the product with the same specifications is still tradable on HUPX that it complies with the contract specifications set out in Title 2 and/or Title 3 of Annex 2 of HUPX Market Rules specifications, and is not expired.

Article 3.2 Article 4.2 Trade Registration Process for the OTC clearing facility

Trades will not be accepted for OTC clearing that are outside of the high/low of the day as set by the screen traded on the HUPX Physical Futures market- or the Intraday Market respectively. For Physical Futures, if no volume has been traded on the HUPX market, then OTC transactions will only be registered that are within 5% fluctuation of the previous nights' close for that instrument. Furthermore the price of the OTC transaction must be within the OTC price range as defined by the Clearing House.

HUPX Ltd. can accept Trades in the Open (Continuous Trading) Session until the closing time, unless HUPX Ltd. has prolonged trading hours. In case of prolonged trading hours, Trades can also be accepted for OTC clearing during the time of prolongation. Trades that have not been accepted before the time-deadline or – as the case may be – before the time to which trading hours have been prolonged, will be null and void.

A Seller or – as the case may be – an OTC Broker must provide the following Trade details to HUPX:

- the name of the Buyer, Seller and – if applicable – Broker, including the names of the Traders involved;
- the name of the Product and contract series;
- the time and date of execution of the Trade;
- the price and volume of the Trade.

The Trade details are entered into the Trading System either by one of the counterparties, through a Broker, or through a HUPX operator, after which the Seller and Buyer are asked for confirmation of the Trade details. Such confirmation must be given immediately, but in no event later than thirty (30) minutes after the Seller and Buyer have received such a request from HUPX.

HUPX operator is only available to assist OTC trade registration within the usual operating hours as defined in the relevant Market Notice.

Article 3.3 Article 4.3 Trade submission for Clearing to the Clearing House

Upon receipt of the confirmation from the Seller and the Buyer, HUPX will validate the Trade details and submit the confirmed Trade for Clearing to the Clearing House.

If HUPX Ltd. discovers that Trade details as notified to HUPX are not correct, or if the Seller and/or Buyer fail to confirm the Trade to HUPX in time, then HUPX Ltd. will not accept the Trade and will not submit the Trade for Clearing to the Clearing House. HUPX Ltd. will notify the Parties of the Trade accordingly.

If a Trade is not registered within the time limits, or the price of the Trade deviates significantly from the actual market price, or the price of the Trade is not within the price range set by the Clearing House, then the Clearing House may reject or decline, in its sole discretion, to register the Trade until sufficient margin, as calculated by the Clearing House, has been deposited to the Clearing House by the relevant Clearing Member(s). HUPX Ltd. will notify both parties of the Trade of such a decision of the Clearing House.

HUPX Ltd. will keep an OTC registered Trade private and confidential, but will publish a composite volume of OTC registered trades to the Market during the Trading hours of the day of registration.

Title 4 Title 5 General Services Conditions**Chapter 1 Market Activity****Article 4.1 Article 5.1 Services providers and subcontractors**

Each party accepts that the other may engage one or more service providers or subcontractors of its choosing to perform the provisions of the Rules and Regulations of HUPX. Both parties agree to exercise due care and attention when choosing and supervising such service providers and subcontractors, where applicable.

Under all circumstances, the party that engages a subcontractor or service provider shall remain liable for the performance of its obligations and as well as for the compliance with the Rules and Regulations of HUPX.

In consequence whereof, each party authorizes the other to divulge to its service providers or subcontractors, where strictly necessary, the information that such providers or subcontractors need to fulfill their obligations. However, the parties must ensure that their contractual relations with service providers or subcontractors are compatible with the Rules and Regulations of HUPX, in particular the clauses governing confidentiality and trade secrets.

Article 4.2 Article 5.2 Audits

The HUPX Member agrees to submit itself to audits that are initiated by HUPX Ltd. (i.e. by the Market Surveillance Office) with the purpose of maintaining the security and integrity of the market or the orderly trading of the HUPX Member in order to ensure that:

- ➔ the HUPX Member complies with the Rules and Regulations of HUPX, and
- ➔ the technical access facilities to the services offered by HUPX Ltd. are properly used.

Audits may be performed at the facility where the HUPX Member is doing business on HUPX. The HUPX Member agrees to provide HUPX Ltd. with all necessary information. When an audit is to be performed on the HUPX Member's premises, HUPX Ltd. undertakes to give the HUPX Member prior notice if appropriate.

Following the audit, HUPX Ltd. may forward recommendations to the HUPX Member, who agrees to examine them. If the HUPX Member fails to fulfill one of its obligations under the Rules and Regulations of HUPX and if it fails to implement the modifications required by HUPX Ltd., then HUPX Ltd. may suspend or terminate the Membership Agreement, as provided in the Market Rules.

A HUPX Member that engages a service provider or a subcontractor hereby agrees:

- ➔ to introduce provisions into the agreements binding it to the service provider or subcontractor whereby HUPX Ltd. is authorized to audit the said provider or subcontractor,
- ➔ to introduce provisions into the aforementioned agreements, insofar as possible, whereby the service provider or subcontractor agrees to implement all modifications

required by the HUPX Member further to audit-related recommendations from HUPX Ltd.

Chapter 2 Provision Relating To Technical Systems

~~Article 4.3~~ Article 5.3 **Technical facilities for accessing services**

HUPX Ltd. undertakes to utilize usual and customary resources when implementing information systems, in order to ensure insofar as possible the continuity and availability of the services provided under the Rules and Regulations of HUPX.

In the event of a malfunction in the trading system that could impact a HUPX Member, HUPX Ltd. shall inform the concerned HUPX Member of the nature and probable duration of such malfunction. The alternative equipment and resources to be used by the HUPX Member in the event of a prolonged service interruption are described in the Market Rules.

The HUPX Member shall access HUPX Ltd.'s trading system solely through the electronic order-transmission and reception system specified by HUPX Ltd. and described in the Operational Rules.

The HUPX Member agrees to comply with the procedures for accessing HUPX systems. In particular, it shall not conceal its true identity or appropriate another's identity; nor shall it transmit information with a view to causing a system malfunction or overload.

~~Article 4.4~~ Article 5.4 **Technical documentation**

At or before the signature of the Membership Agreement, HUPX Ltd. supplies on demand the HUPX Member with the technical and operational documents needed to operate the technical facilities for accessing its services.

The HUPX Member acknowledges that it has received all the information and advice needed to operate the technical access facilities, notably in the form of technical specifications contained in documents that HUPX Ltd. gives to the HUPX Member.

The HUPX Member also agrees to take into account any technical or operational documents that HUPX Ltd. may supply at a later date, and acknowledges that the aforementioned documents are flexible reference materials that may be amended by HUPX Ltd.

~~Article 4.5~~ Article 5.5 **HUPX Member equipment**

The HUPX Member agrees to maintain a hardware and software environment that complies with the technical specifications defined in the reference materials referred to in the "Technical documentation" clause herein.

Accordingly, the HUPX Member shall ensure that the characteristics of its hardware and software environment will not disrupt or interfere with HUPX Ltd.'s systems.

In the event that the HUPX Member's use of services disrupts the operation of the trading systems of HUPX, HUPX Ltd. shall contact the HUPX Member in order to terminate such disruptions. If these disruptions cannot be terminated within a reasonable time period, or if they endanger the trading system of HUPX, then HUPX Ltd. reserves the right to suspend the HUPX Member's access to the market, without prejudice to the enforcement of the other provisions herein and to the damages that may be claimed in respect of such disruptions.

Under all circumstances, the HUPX Member agrees to take all necessary steps to comply with the technical specifications, as defined in the materials referred to in the "Technical documentation" clause.

~~Article 4.6~~Article 5.6 **HUPX Member's use of the systems**

The HUPX Member agrees to use the services offered by HUPX Ltd., the technical facilities for accessing those services, the associated hardware and software, the IT and telecommunications equipment, and transmission media:

- in compliance with applicable legal and regulatory provisions;
- in compliance with the technical specifications supplied by HUPX Ltd. in the documents referred to in the "Technical documentation" clause;
- in compliance with the Rules and Regulations of HUPX;
- solely in connection with the services offered by HUPX Ltd.; all other use, connection to other networks, and sharing of files or data with other networks or applications is expressly subject to prior authorization in writing from HUPX Ltd.;
- without making them available to third parties not authorized under the Rules and Regulations of HUPX; in this respect the HUPX Member shall not assign, sublease, modify, pledge, transfer or, in general, make them available to third parties in any form whatsoever.

The HUPX Member agrees to seek and abide by the legal, regulatory, administrative and contractual authorizations arising from the applicable domestic or foreign laws or international law pertaining to the use of the services offered by HUPX Ltd., and in particular to comply with the requirements of protection of confidential information as it is stipulated in the Data Protection Act of the Hungarian Parliament (Act No. LXIII. of year 1992), the provisions of the Hungarian Civil Code regarding the protection of confidential information or any equivalent provision.

~~Article 4.7~~Article 5.7 **Functional assistance**

HUPX agrees to provide the HUPX Member with functional assistance, as defined in the Rules and Regulations of HUPX.

~~Article 4.8~~Article 5.8 **Security measures**

HUPX Ltd. and the HUPX Member agree to respect the physical and logical security measures intended to protect the integrity of the other party's systems. Each party retains full control, either directly or indirectly, over the design and implementation of its policy of administering authorizations for logical access to the network. Furthermore, it assumes entire responsibility for drafting policies, rules, methods and procedures in this matter, and reserves the right to update these in order to maintain and improve the protection of its IT resources in compliance with the Market Rules and the technical documentation.

In particular, as regards to system access, each party will take personal responsibility for organizing any internal logical and physical security measures, including restriction of access to the site in which its equipment is located, in order to protect its access codes from unauthorized third parties.

Before sending any information over the transmission systems put in place to access HUPX, each party shall also ensure that measures are taken to avoid the propagation and dissemination of, in particular, computer viruses over the other party's systems and its own configuration.

Furthermore, the parties shall each put in place back-up procedures for instructions, data and files.

If a party observes that the systems have been penetrated by an unauthorized third party, it shall alert the other party in an effort to seek the cause of such penetration and to take appropriate solutions.

The HUPX Member authorizes HUPX Ltd. (or its duly commissioned sub-contractor) to record telephone conversations and accept that such recordings may constitute admissible evidence.

~~Article 4.9~~ Article 5.9 **Other provisions concerning Internet use**

HUPX Ltd. and the HUPX Member each have a system for which they are responsible. However, all the information transmitted between those two systems is carried over the Internet.

As a consequence whereof, both parties:

- certify that they are cognizant of the Internet, its technical performance and, in particular, its response times and operating modes; they therefore hold one another harmless from the performances of the Internet,
- are responsible for their choice of IT service providers and, in particular, their respective Internet access providers; they therefore hold one another harmless for the consequences of the acts or defaults of such providers,
- acknowledge that the technical reliability of Internet-based data transmission is relative, since such data are carried on heterogeneous networks with varying technical characteristics and capacities; they therefore hold one another harmless from the absence of data transmission or from the degradation of data occurring between the time they are transmitted by the HUPX Member and the time they are received by HUPX Ltd.,
- acknowledge that each party is responsible for taking the appropriate measures to protect its own data, software and hardware from unauthorized third-party access and contamination by computer viruses, by means of logical and physical security measures, including firewalls, implemented according to accepted practice.

The HUPX Member shall be responsible for connecting to the trading system. Accordingly, the HUPX Member must obtain the administrative authorizations, take out the necessary subscriptions, and make the necessary connections or have them made.

~~Article 4.10~~ Article 5.10 **Upgrades**

The HUPX Member must upgrade their services and technical access facilities to the trading systems as soon as such upgrades are made available.

HUPX Ltd. shall make these upgrades either with a view to improving the services provided to the HUPX Member or because of technical imperatives. HUPX Ltd. will make every effort to give the HUPX Member reasonable notice of such upgrades.

~~Article 4.11~~ Article 5.11 **Intellectual Property and License**

HUPX Ltd. warrants that it has obtained all the licenses necessary for using the aforementioned trading and order transmission systems.

Each party shall retain ownership of the documents, data and information of any sort that is transmitted to the other party under this agreement and to which either party may have access.

The HUPX Member guarantees HUPX Ltd. that it holds the authorizations, property rights and license contracts for all the configurations, firmware and software needed for trading.

For cases where a software application used by the HUPX Member to access HUPX requires a license or an equivalent right, the provisions pertaining to such license or right are appended to the Rules and Regulations of HUPX or are provided by HUPX Ltd. to the HUPX Member and must be adhered to by the HUPX Member.

The HUPX Member undertakes to respect the intellectual property rights of HUPX Ltd. and of all third parties providing a system or software application needed to access HUPX. To this end, the HUPX Member shall take all reasonable measures as regards its staff and third parties to protect said rights and, in particular, shall refrain from altering references to property rights and copyright specified on the materials supplied by HUPX. The HUPX Member can neither remove nor modify references to copyright, trademarks, trade names or any other sign of intellectual property.

Chapter 3 Use of Data

~~Article 4.12~~ Article 5.12 **Ownership**

HUPX Ltd. is the sole owner of the Market Data resulting from Transactions on HUPX (including but not limited to the "HUPX DAM Index", and the "HUPX Hungarian Physical Futures Index").

Especially, HUPX Ltd. is entitled to use the trading volumes generated by the HUPX Member for statistical purposes, inter alia. Such statistics may be made public. In this case, HUPX Ltd. agrees to ensure that members remain anonymous.

If the HUPX Member uses an external service provider in connection with its activities on HUPX, it undertakes to introduce the above provision into its contractual relations with the said service provider.

~~Article 4.13~~ Article 5.13 **Dissemination of Market Data**

The HUPX Member shall use Market Data solely for the purpose of trading on HUPX and for its own requirements.

If the HUPX Member wishes to disseminate Market Data to third parties, it cannot do so without having signed a special contract with HUPX Ltd.

If a non HUPX Member third party intends to incorporate HUPX's Market Data in any manner into its products or services traded on its energy exchange or equivalent facility, it shall conclude a special contract with HUPX Ltd. on the use of the Market Data and shall pay the applicable charges set out in a Market Notice. This paragraph of Article 4.13 does not apply to OTC transactions.

~~Article 4.14~~ Article 5.14 **Information Providing and Commercial references**

Each party authorizes the other to quote its corporate name or trading name as a commercial reference.

HUPX Ltd. agrees not to disclose information about the HUPX Member's individual activity on the market nor to disseminate such information to a third party, with the exception of entities or other institutions directly involved in performing the duties and responsibilities arising from the Rules and Regulations (such as for instance, clearing institutions or supervisory authority) provided that such dissemination stems from the enforcement of the Rules and Regulations of HUPX.

Chapter 4 Liability, Jurisdiction

~~Article 4.15~~ Article 5.15 **Principle**

HUPX Ltd. and the HUPX Member are liable for direct economical damages incurred by the other party:

- in the event of negligence, willful default or fraud by either party where the damages originate from the non-performance of an obligation incumbent on the party under the Rules and Regulations and the Membership Agreement;
- in the other circumstances expressly provided for in the Rules and Regulations of HUPX;
- without prejudice to the provisions of this title.

~~Article 4.16~~ Article 5.16 **Limitation of liability**

Barring the enforcement of a special provision provided for in the Rules and Regulations of HUPX, neither party shall seek to render the other liable for compensation for the harmful consequences of:

- force majeure, including strikes and civil unrest;
- malfunctions of a service used by the other party, attributable to circumstances beyond its control and arising in particular from the unavailability, failure or interruption of telecommunications networks or from constraints or limits imposed by telecommunications operators or other service providers;
- inaccuracy, partial or total unavailability or incompleteness of technical information or data originating from third parties;
- degradation of computerized data during transfer over the Internet or upon arrival at, or dispatch from, the computer hardware used to communicate between the HUPX Member and HUPX Ltd.

Article 4.17~~Article 5.17~~ **Liability of HUPX Member**

The HUPX Member is liable for improper use of the services offered by HUPX Ltd. under the Membership Agreement.

In particular, the HUPX Member shall be held liable in the event of:

- non-compliance with the provisions of the Rules and Regulations of HUPX and their Annexes;
- discredit to the image or reputation of HUPX Ltd., either directly or indirectly.

Article 4.18~~Article 5.18~~ **Liability of HUPX Ltd.**

HUPX Ltd. is subject to a best-efforts obligation. Should the liability of HUPX Ltd. be sought for negligence, such negligence shall be assessed in the light of the procedures implemented to deal with a technical or market-related incident or a system defect.

HUPX only accepts liability for damages resulting from the use of the HUPX trading systems if and in as far as this results from gross negligence or actions of intent committed by its organs or vicarious agent. Over and above this, HUPX shall only be liable for the careful operation of the system used for trading in accordance with the Rules and Regulations of HUPX.

HUPX Ltd. shall in no way be held liable for the harmful consequences of the following:

- impossibility or difficulty for the HUPX Member to access HUPX's trading systems owing to access hardware or equipment for which the HUPX Member or a third party is responsible,
- indirect damage, such as commercial damage, loss of business, commercial disruption of any kind, loss of earnings attributable inter alia to the absence of order communication or processing, it being understood that any legal proceedings taken against the HUPX Member by a third party constitute indirect damage, which does not therefore confer a right to compensation. The parties expressly agree that the HUPX Member guarantees HUPX Ltd. against any action or complaint and shall hold it harmless for any judgment against it, regardless of the basis and nature of such action or complaint.
- objection to a trade executed by the HUPX Member, where such objection is raised following the cancellation period.
- in the case of force majeure affecting delivery; such events include those considered as force majeure under the network access agreements and balance group agreements signed by Transmission System Operator.

Whatever the circumstances, should HUPX Ltd. incur liability, the parties expressly agree that the total compensation shall not exceed one hundred thousand euro (EUR 100,000) annually all events included.

Article 4.19~~Article 5.19~~ **Jurisdiction and Dispute Resolution**

All disputes arising out of or in connection with the validity, interpretation, performance, non-performance or termination of this General Market Rules shall be submitted to the Court of

Arbitration attached to the Hungarian Chamber of Commerce and Industry, Budapest, which shall decide any such dispute in accordance with its own Rules of Proceedings. The place of jurisdiction shall be Budapest, the language shall be English.

Chapter 5 Miscellaneous

~~Article 4.20~~Article 5.20 **Representations and warranties**

The HUPX Member acknowledges that it has taken note of:

- all the regulations pertaining to its business;
- the contractual documents;
- all other documents sent to it by HUPX Ltd.

The HUPX Member agrees to take note of and comply with all communications sent by HUPX Ltd. by whatever means.

The HUPX Member represents and warrants that it has the skills necessary to perform in accordance with the Rules and Regulations of HUPX. In particular, it acknowledges the volatile nature of the Contracts on HUPX and accepts the risks arising from the use thereof.

The HUPX Member agrees to pass on to HUPX Ltd. any document that could help HUPX Ltd. to identify an infringement of the Rules and Regulations of HUPX.

~~Article 4.21~~Article 5.21 **Confidentiality**

Each party agrees to respect the general principle of privileged communications, pursuant to applicable laws and regulations. In particular, each party agrees to respect trade secrets and to refrain from divulging to third parties, either free of charge or for consideration and in any form whatsoever, the information that it receives from the other party or that it obtains through performance of this agreement, concerning but not limited to the party's business, commercial policy, industrial strategy, management or organizational plans, computer applications and any medium bearing the word "confidential" and, in general, any information or document of a financial, economic, technical, IT-related, commercial or social nature, without the prior written authorization of the other party, designating the beneficiaries of such information and the tenor thereof.

Furthermore, both parties undertake not to divulge to third parties the concepts, ideas, know-how and techniques revealed by either party in the performance of this agreement.

However, each party is entitled to communicate:

- to the service providers or subcontractors of its choosing: the information received from the other party that is strictly necessary to the provisions of their services, subject to the provisions of the "Service providers and subcontractors" clause,
- to the competent authorities: the information that such authorities may request under applicable laws or regulations or the Rules and Regulations of HUPX.

The provisions of this article shall remain in force, including after termination of the Membership Agreement, for a period of five years.

Title 6 Price List**6.1. Entrance Fee, Annual Fees, Transaction Fees, Fees of Trading Systems and Other Expenses**

The HUPX Member shall be liable for payment to HUPX Ltd. of the below fixed and variable fees and expenses.

- Entrance Fee;
- Annual Fees;
- Transaction Fees;
- Fees of Trading Systems;
- Fees for Order Cancellation or Entry by HUPX Ltd.;
- Fines (if applicable);
- Other Expenses.

The amount of fees, expenses and fines shall be accessible in a corresponding Market Notice, and are published on the official website of HUPX Ltd. The methods for calculating and collecting said fees and expenses are set forth in the Operational Rules.

Amounts are expressed in euro.

Conditions for HUPX Day-Ahead Market

~~The valid price and fee list, discounts and their conditions for HUPX Day-Ahead Market shall be determined taking into consideration the following items related to HUPX Day-Ahead Market:~~

- ~~→ reasonable costs such as costs of operation, costs of capital, depreciation,~~
 - ~~• reasonable costs of fulfilling the obligations derived from Hungarian and European Union regulations (without any additional costs deriving from failing to fulfill such obligations for reasons attributable to HUPX),~~
- ~~→ any other revenues or non-refundable resources.~~

HUPX Ltd. shall disclose the Market Notice on the valid price and fee list, discounts and their conditions based on the ~~above fee calculation~~ following price determination methodologies and processes. The Market Notice shall be valid from at least 10 calendar days after its date of issue.

Conditions for HUPX Physical Futures Market**6.2. Pricing of services related to market coupling**

HUPX Ltd. calculates and defines its fees and prices for its services being in connection with the performance of tasks specified in Article 7 of Commission Regulation (EU) 2015/1222 of

24 of July 2015 establishing a guideline on capacity allocation and congestion management (hereinafter: “CACM Regulation”) for each calendar year by applying the rule of cost-based price determination according to the method specified in Article 2.32 under Chapter 7 of Title 2 of the Market Rules.

HUPX Ltd. shall inform the Regulator about the details of the exact calculation being the base of the annual price determination each year following the publication of the prevailing prices of the services being in connection with the process of market coupling.

Should the Regulator stipulate so, HUPX Ltd. will immediately modify its prices in line with the recommendation and observation of the Regulator.

Due to the circumstance that price definition under present Article is based on strict calculation and application of the predefined methodology as specified in Article 2.32. of the Market Rules without application of discretionary decisions or considerations in the calculation process, furthermore the exact details of the calculation will be introduced to the Regulator each year, the price definition under present Article is not subject to preliminary opinion of the Market Committee.

6.3. Pricing of services not being related to market coupling

The valid price and fee list, discounts and their conditions for HUPX Physical Futures Market the services being out of the scope of the performance of tasks specified in Article 7 of the CACM Regulation can be revised by HUPX Ltd. which will notify the HUPX Members of the new schedule of charges by updating the Price List. Such notification shall be published in a Market Notice. Such Market Notice shall be issued after prior opinion of Organized-Market Committee. In case of quarterly payable fees the validity date of such modification is the beginning of the subsequent quarter year but at least 10 calendar days later than the date of issue. In any other cases the validity date is the beginning of the subsequent month but at least 10 calendar days later than the date of issue.

In case a regulation relevant to HUPX defines special conditions for a specific type of trades, HUPX when required may charge its services accordingly to the concerned Members without having to include this in the Price List.

6.2.6.4. Transaction fee

The total payable amount of transaction fees is calculated as multiplication of

- traded volume or
- the volume allocated to the Implicit Participant

by the standard transaction fee for the invoicing period without taking into account the side taken when executing the transaction (i.e. buy/sell). Traded volumes in different portfolios and volumes allocated to the Implicit Participant for different borders cannot be netted.

HUPX is entitled to determine different discount types, which can be available for any HUPX Member, in case the HUPX Member meets the set of non-discriminative conditions defined. The applicable HUPX transaction fee discounts are accessible in a corresponding Market Notice, and are published on the official website of HUPX Ltd.

6-3.6.5. Payment of fees

Entrance fees are payable in a single sum and due when HUPX Ltd. sends to the Applicant its approval letter for the HUPX Market. They are invoiced in fifteen (15) calendar days from the date of admission to HUPX Market.

Annual fees and system fees (also additional user, portfolio and read-only user fees) are payable quarterly and invoiced at the beginning of each calendar quarter. For partial quarters, the fees shall be calculated on a monthly basis; they are charged from the month following the admission and invoiced when the duration of the period is known. In case of termination, the entire last month is charged.

Trading fees are assessed and invoiced per calendar month.

Other additional service fees (e.g. trader's training and exam fees or fees for order cancellation or entry by HUPX Ltd.) are assessed and invoiced after the effective rendering of the services.

After the deadline for payment, HUPX Ltd. shall charge late-payment interest on the outstanding amounts at one and a half times the legal rate (legal rate is stipulated in section 301/A.§. of the Hungarian Civil Code).

6-4.6.6. Fees for Order Cancellation or Entry by HUPX Ltd.

HUPX Ltd. charges administrative fees for entering or cancelling an Order on the Auction Segment or the Futures Segment at a Member's request.

These fees apply only to the party requesting the entering or cancellation. The fees mentioned in this article are assessed and invoiced after the effective rendering of the services.

6-5.6.7. Value Added Tax (VAT) on Fees

The fees referred to in Articles 5.1 of this Annex relate to financial transactions. They shall be subject to the Value Added Tax (VAT) according to the fiscal location of the taker. The VAT handling is governed by applicable Tax Law.

6-6.6.8. Terms of Payment

Invoices shall be sent per definition via e-mail (e-invoice). In accordance with the party's reference invoices may be issued per regular mail with regards the hardcopy. Invoices are payable on the payment due date indicated on the invoices. The payment due date is after fifteen (15) calendar days from the date of the invoice. Fees shall be collected either by HUPX or by ECC AG and remitted to HUPX Ltd. The corresponding decision shall be communicated in form of a Market Notice with validity date at least 5 trading days later than the date of issue.

Title 6 Title 7 Technical Access Rules for Day-Ahead Market**Section 1 Configuration, licenses and support****~~Article 6.1~~ Article 7.1 Required Configuration of the Member's Equipment for HUPX DAM Client**

HUPX Members shall have the following hardware and software:

- A PC with
 - Intel Dual core or equivalent
 - RAM : 2048 Mb
 - Free Hard Drive Space : 100 Mb
 - MS Windows 7
 - MS Windows 8
 - MS Excel, 2007, 2010, 2013
- Virtual machines on the Client are not supported
- Network requirements:
 - Stable Internet connection
 - Minimum connection speed of 256 Kbit/s or higher recommended
 - Opening of port 443 on firewalls.
 - HTTP proxies are supported
 - All traffic is encrypted
- Port 443 is used with SSL protocol and may require some firewall configuration to all such a use.
- Proxies are not supported.

~~Article 6.2~~ Article 7.2 Launching HUPX DAM Client

The HUPX DAM Client's install file and technical documentation are made available for download by HUPX on its website.

HUPX DAM Client is a "fat" Client which has to be installed on each user PC. HUPX Ltd. shall supply the Member with the user-id and access code needed to have access to the HUPX DAM Client Order transmission program.

A Member can have access to HUPX DAM Client from several computers, provided that the equipment configuration and network requirements are met.

HUPX Ltd. shall inform the Member of the availability of any update of HUPX DAM Client.

Article 6.3 Article 7.3 HUPX DAM Client User License

The Member is granted a HUPX DAM Client User license and shall abide by its terms.

All intellectual property rights related to HUPX DAM Client are held by Soops Investment BV and are protected under applicable laws and international treaties. HUPX Ltd. and its suppliers retain all rights not expressly granted to Members.

HUPX DAM Client is reserved for the exclusive use of the Member and for the sole purpose of making trades on HUPX Day-Ahead Market under the terms of the Market Rules of HUPX. Only Members are authorized to download and use HUPX DAM Client. HUPX DAM Client can be accessed from another of the Member's computers under the terms of the user license.

The Member shall not modify, disassemble, decompile, or merge HUPX DAM Client or any copy thereof.

The Member shall not sublicense, assign, or transfer the user license.

The user license remains granted as long as the Trading Agreement remains in effect. The user license shall be cancelled if the Member does not abide by the terms and conditions thereof.

Article 6.4 Article 7.4 Operating and technical documentation

The purpose of the technical documentation is to provide the explanations needed for using the HUPX DAM Client. It is subject to change and has no contractual value. The recommendations must be followed in order to ensure proper use of the Trading System.

Article 6.5 Article 7.5 Operating support

To facilitate such communication and meet Member demands, HUPX Ltd. provides an operating support service that may be reached by telephone. The phone number and the availability hours are communicated via a Market Notice.

Section 2 Communications
Article 6.6 Article 7.6 Normal procedure

AUCTION TRADING DAY-AHEAD SEGMENT IN HUNGARIAN MARKET AREA	
Order transmission	Result transmission
Whichever comes first, 45 days before delivery, 24 hours a day, until 11:00 am the day before delivery day	As soon as auction is finished.
Members	HUPX Ltd.
HUPX Ltd.	Members
Price	Market Prices
Quantities	Volumes
Order Type	Individual executed volumes per Trading Account

EPEX Trading System Platform	EPEX Trading System Platform
e-mail	e-mail

~~Article 6.7~~ Article 7.7 **Fallback procedures**

- Upon the occurrence of technical problems:
 - the Member(s) affected shall immediately notify HUPX Ltd. of problems entering, sending or receiving data from the trading system according to modalities specified in the corresponding Market Notice;
 - conversely, HUPX Ltd. shall notify its Members of any general disruption of its systems according to modalities specified in the corresponding Market Notice.
- If the auction system is not available:
 - If it decides to maintain the Auction, HUPX will trigger the fallback modalities as specified in the corresponding Market Notice.
 - Orders will then be entered into the Trading System, on behalf of the HUPX Members, by HUPX Ltd. (or its sub-contractor) on a best effort basis considering the obligations to maintain a fair and orderly market and to execute the market coupling contracts. Such Orders shall be binding for the HUPX Members.
 - HUPX Ltd. shall not be liable for mistakes in such cases except if there are intentional or the result of gross negligence.
- HUPX Ltd. and/or its sub-contractor informs the members by email of one the following decisions:
 - The postponing of the auction with a new order transmission schedule, more adapted to the new publication time, or
 - The cancellation of the day's auction.
- In case of impossibility to run an auction:
 - No Orders will be executed;
 - Prices calculated based on relevant historical prices or any other fair and representative prices will be published instead of auction results.
- HUPX Ltd. shall specify the fallback modalities of submitting bids in the form of Market Notices after prior opinion of Organized-Market Committee with validity date at least 5 trading days later than the date of issue unless they are specified in this Article.

~~Title 7~~ **Title 8 Technical Access Rules for Physical Futures (PhF) Market and Intraday (ID) Market**

Section 1 Configuration, licenses and support

~~Article 7.1~~ **Article 8.1 Required Configuration of the Member's Equipment for HUPX PhF Client**

HUPX Members shall have the following hardware and software.

- Operating System One of the followings:
 - Microsoft Windows 2008 Server
 - Microsoft Windows 7
 - Microsoft Windows 8
- Processor: 2 GHz Pentium class Intel Dual Core or equivalent processor
- Memory: at least 2 GB RAM, 100 MB of free Hard Disk space
- Software: Internet Explorer version 9
MS Excel 2007, 2010, 2013 (MS Excel Viewer is not supported)

- Network requirements :
 - Stable Internet connection
 - Minimum connection speed of 256 Kbit/s or higher recommended
 - Front End natively uses Port 11997 and 11995 by default
 - Alternatively port 443 and port 80 can be used on firewalls if preferred
 - All traffic is encrypted

~~Article 7.2~~ **Article 8.2 Launching HUPX PhF Client / HUPX ID Client**

The HUPX PhF Client install file and the HUPX ID Client install file can be downloaded on the following URL:

www.hupx.hu

HUPX PhF Client / HUPX ID Client has to be installed on each user PC. HUPX Ltd. shall supply the HUPX Member with the user-id and access code needed to have access to the HUPX PhF Client / HUPX ID Client Order transmission ~~program~~programs.

A HUPX Member can have access to HUPX PhF Client / HUPX ID Client from several computers, provided that the equipment configuration and network requirements are met.

NOTE: By default, a user can only Login from one system at one time. They would need to ensure they have logged out before they can change workstations.

HUPX Ltd. shall inform the HUPX Member of the availability of any update of HUPX PhF Client– or HUPX ID Client.

The technical documentation for HUPX PhF Client and HUPX ID Client is available at the following address:

www.hupx.hu

~~Article 7.3~~ Article 8.3 **HUPX PhF Client / HUPX ID Client User License**

The HUPX Member is granted a HUPX PhF Client / HUPX ID Client User license and shall abide by its terms.

HUPX PhF Client is reserved for the exclusive use of the Member and for the sole purpose of making trades on HUPX Physical Futures Market and HUPX ID Client is reserved for the exclusive use of the Member and for the sole purpose of making trades on HUPX Intraday Market under the terms of the Market Rules of HUPX. Only HUPX Members are authorized to download and use HUPX PhF Client– / HUPX ID Client. HUPX PhF Client / HUPX ID Client can be accessed from another of the HUPX Member's computers under the terms of the user license.

The HUPX Member shall not modify, disassemble, decompile, or merge HUPX PhF Client / HUPX ID Client or any copy thereof.

The HUPX Member shall not sublicense, assign, or transfer the user license.

The user license remains granted as long as the TradingHUPX Membership Agreement remains in effect. The user license shall be cancelled if the HUPX Member does not abide by the terms and conditions thereof.

~~Article 7.4~~ Article 8.4 **Operating and technical documentation**

The purpose of the technical documentation is to provide the explanations needed for using the HUPX PhF Client– / HUPX ID Client. It is subject to change and has no contractual value. The recommendations must be followed in order to ensure proper use of the Trading System.

~~Article 7.5~~ Article 8.5 **Operating support**

To facilitate such communication and meet HUPX Member demands, HUPX Ltd. provides an operating support service that may be reached by telephone on business days. The phone number and the availability hours are communicated via a Market Notice.

Section 2 Communications

~~Article 7.6~~ Article 8.6 **Normal procedure**

PHYSICAL FUTURES TRADING SEGMENT IN HUNGARIAN MARKET AREA	
Order transmission	Result transmission
Every business day	Continuously
Members	HUPX Ltd.
HUPX Ltd.	Members

Price	Settlement Prices
Contracts	Volumes
Open interest	HUPX Ltd.
Trayport Global Vision SM	Trayport Global Vision SM
e-mail/ Fax	e-mail/ Fax

<u>INTRADAY TRADING SEGMENT IN HUNGARIAN MARKET AREA</u>	
<u>Order transmission</u>	<u>Result transmission</u>
<u>Every calendar day</u>	<u>Continuously</u>
<u>Members</u>	<u>HUPX Ltd.</u>
<u>HUPX Ltd.</u>	<u>Members</u>
<u>Price</u>	<u>Closing Prices</u>
<u>Contracts</u>	<u>Volumes</u>
<u>Open interest</u>	<u>HUPX Ltd.</u>
<u>M7</u>	<u>M7</u>
<u>e-mail</u>	<u>e-mail</u>

Article 7.7 Article 8.7 Fallback procedures

- Upon the occurrence of technical problems:
 - the HUPX Member(s) affected shall immediately notify HUPX Ltd. according to modalities specified in a Market Notice of problems entering, sending or receiving data from the trading system;
 - conversely, HUPX Ltd. shall notify its Members of any general disruption of its systems according to modalities specified in the corresponding Market Notice.
- If the trading system is not available:
 - orders can be sent by fax or email, if the fax or email is received by HUPX Ltd. (or its sub-contractor) as set forth in the Market Notice 10 minutes before Order Book closure, or in case of Intraday trading 10 minutes before the expiration of the concerned product. Such orders will be entered into the system after identification of the Trader concerned;
 - in such cases, and if HUPX Ltd. decides to maintain the Trading, Orders will then be entered manually, on behalf of the HUPX Members, by HUPX Ltd.'s sub-contractor. Such Orders shall be binding for the HUPX Members. HUPX Ltd. shall not be liable for mistakes in such cases except if therethey are intentional or the result of gross negligence.
- HUPX Ltd. and/or its sub-contractor informs the HUPX Members by email of one the following decisions:
 - ~~→ The postponing of the auction with a new order transmission schedule, more adapted to the new publication time, or~~

- The cancellation of the day's auction. Due to a technical problem status of products is switched to halt

- HUPX Ltd. shall specify the fallback modalities of submitting bids in the form of Market Notices after prior opinion of Organized-Market Committee with validity date at least 5 trading days later than the date of issue unless they are specified in this Article.

ANNEX 3: HUPX CODE OF CONDUCT

Chapter 1 Preamble

- (1) Pursuant to the HUPX Market Rules, the following rules of conduct are applicable to HUPX Ltd. for itself and the HUPX Members.
- (2) This HUPX Code of Conduct is based on the fundamental principle of the need for the joint responsibility of HUPX Ltd. and its Members for a fair and transparent energy market.
- (3) These rules make an active contribution to the requirements of the developing internationalization of energy trading and aim at complying with the market's need for a uniform and internationally harmonized control system.
- (4) These rules are intended to strengthen the confidence which the market and the public have in the markets of HUPX, its pricing mechanisms and the reference character of the HUPX Market prices.

Chapter 2 Scope of Application

Section 1 Scope of Application

- (1) The HUPX Code of Conduct is applicable to the HUPX Ltd. company itself, all HUPX Members and Traders authorized to trade on HUPX. It shall be binding for all the parties involved.

Section 2 Legal Classification

- (1) The HUPX Code of Conduct is part of the Market Rules of HUPX.
- (2) The HUPX Code of Conduct does not release the HUPX Members from the obligation to comply with the other documents composing the HUPX Rules and Regulations, such as the Membership Agreement, the Market Rules (including its annexes) as well as any Notice or communication issued by HUPX Ltd. in compliance with the HUPX Market Rules.

Chapter 3 Definitions

- (1) For the purposes of this Code of Conduct the following definitions shall apply:
- (2) **'Inside Information'** means information of a precise nature which has not been made public, which relates, directly or indirectly, to one or more Physical Power Contracts and which, if it were made public, would be likely to significantly affect the prices of those Physical Power Contract.
- (3) **Market Manipulation** means:
 - a. entering into any transaction or issuing any order to trade which:
 - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Physical Power Contracts;
 - (ii) secures or attempts to secure, by a person, or persons acting in collaboration, the price of one or several Physical Power Contracts at an artificial level,

unless the person who entered into the Transaction or issued the order to trade establishes that his reasons for doing so are legitimate and that that transaction or order to trade conforms to accepted market practices on HUPX markets; or

- (iii) employs or attempts to employ a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Physical Power Contracts;

or

- b. disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Physical Power Contracts, including the dissemination of rumors and false or misleading news, where the disseminating person knew, or ought to have known that the information was false or misleading.

Chapter 4 Rules of Conduct for Trading on HUPX

Section 1 Prohibition of Market Manipulation

Article 4.1 Principles

(1) Any engagement in or Attempt to engage in Market Manipulation on a Physical Power Contract is prohibited.

(2) This prohibition includes, without limitation:

- a. Any kind of false or misleading behaviour;
- b. Any kind of collusions or the collusive cooperation of HUPX Members among each other or with third parties;
- c. Any kind of Price positioning behaviour.

(3) The HUPX Members commit to fairness towards HUPX Ltd. and the other HUPX Members. They shall only conclude Transactions on HUPX markets in compliance with the customary trade practices and the principles of professional market traders.

(4) All orders submitted on HUPX must have a due economic justification. HUPX Ltd. is entitled to look for such justification by requesting explanations to the beneficiary of such orders.

Article 4.2 Prohibition of false and misleading behaviours

(5) HUPX Members are especially forbidden to:

- a. Entering of orders without a due economic justification.
- b. Place orders with no intention of executing them.
- c. Give false or misleading signals as to the supply of, demand for, or price of Physical Power Contracts;

- d. Employing a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of wholesale energy Physical Power Contracts;
- e. Disseminate false or misleading market information through media, including the internet or by any other means.

Article 4.3 Prohibition of collusion or collusive cooperation

- (6) HUPX Members are especially forbidden to:
- a. Submit buy or sell orders at the same time (or nearly the same time) for the same price and quantity (i.e. pre-arranged trades).
 - b. Enter into arrangements for the sale or purchase of a wholesale energy Physical Power Contract where there is either no change in beneficial interests or market risk or enter into arrangement where the transfer of beneficial interest or market risk is only between parties who are acting in concert or collusion.

Article 4.4 Prohibition of price positioning behaviors

- (7) HUPX Members are especially forbidden to:
- a. securing the price of one or several Physical Power Contracts at an artificial level, unless the person who entered into the transaction or issued the order to trade establishes that his reasons for doing so are legitimate and that that transaction or order to trade conforms to accepted market practices on the wholesale energy market concerned;
 - b. artificially cause prices to be at a level not justified by market forces of supply and demand, including actual availability of production, or transportation capacity, and demand
- (8) The conclusion of Cross Trades with no real economic justification and/or with the purpose of influencing settlement prices.

Article 4.5 Alternative procedures

- (9) If alternative procedures are established to determine indexes, all participants in these procedures in which the fair market value is established shall convey their assessment free from any self-interest and to the best of their knowledge and belief.

Section 2 Transparency Requirements

Article 4.6 Prohibition of Insider Trading

- (10) HUPX Members or their Traders who possess inside information in relation to a Physical Power Contract shall be prohibited from:
- a. using that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of a third party, either

directly or indirectly, Physical Power Contracts traded on HUPX to which that information relates;

- b. disclosing that information to any other person unless such disclosure is made in the normal course of the exercise of their employment, profession or duties;
- c. recommending or inducing another person, on the basis of inside information, to acquire or dispose of Physical Power Contracts traded on HUPX to which that information relates.

Article 4.7 Transparency Commitment

(11) The HUPX Members support HUPX in further developing the transparency of the activities on the HUPX markets.

Article 4.8 Qualification of the Traders

The HUPX Member shall ensure that their Traders are sufficiently qualified and enjoined to comply with the Rules and Regulation of HUPX, including this HUPX Code of Conduct.

Chapter 5 The HUPX Member's Conduct towards its Clients

Article 5.1 Principle and Scope of Application

(1) The provisions of this section apply to the HUPX Member and traders who carry out their clients' orders directly or indirectly on HUPX.

(2) The HUPX Members are obliged to treat their clients with the required professionalism and fairness and to resolve conflicts with client's interests adequately.

Article 5.3 General Rules of Conduct

(1) HUPX Member shall, in particular, be obliged

- ➔ to provide their services in connection with trading on HUPX with the required expert knowledge, care and conscientiousness in the interest of their clients at all times,
- ➔ to endeavor to avoid conflicts of interests and to clearly explain the general type and origin of conflicts of interest to the clients prior to the execution of transactions for clients.

(2) All the information which HUPX Member make accessible to their clients has to be honest, unmistakable and such information must not be misleading.

(3) Generally, any introduction of client orders should serve the interest of the client and should have the same result as if the individual order would have been directly submitted to the HUPX Market for execution.

Article 5.4 Processing of Orders

Upon the execution of client orders an HUPX Member shall take precautions safeguarding that

- ➔ client orders are executed on the HUPX Market forthwith, in particular, without favor for other client orders or own interests of the HUPX Members,

- comparable client orders are executed or forwarded in accordance with the sequence, in which they were received,
- the interests of all the clients involved are preserved in combining client orders,
- any misuse of information in connection with client orders which have not yet been carried out is prevented.

Chapter 6 Instructions, Information and Penalties

Article 6.1 Instructions

(1) The HUPX Member and Traders authorized to trade on HUPX are obliged to comply with the instructions and rules by the relevant supervisory authorities as well as HUPX Ltd. itself and in particular the HUPX market surveillance office.

(2) In as far as HUPX Member or Traders authorized to trade on the HUPX Market violate existing provisions or fail to comply with instructions they can be temporarily suspended from trading on HUPX Market by HUPX Ltd. in accordance with the more detail provisions contained in the Market Rules or they can be banned from dealing with client's orders.

Article 6.2 Information Rights

(1) The relevant supervisory authorities and the HUPX market surveillance office are entitled to request information and the submission of documents from any HUPX Member and to carry out inspections in as far as this is required for the performance of their tasks.

(2) The relevant supervisory authorities and the HUPX market surveillance office can request information from everyone, they can also request the submission of documents and the surrender of copies, summon and interview persons in case there are indications substantiating the assumption that provisions or instructions under laws applicable to trading on the HUPX Market are violated or that there are other grievances which might affect the proper execution of trading on the HUPX Market or the settlement of transactions traded on HUPX or the establishment of indexes.

Article 6.3 Penalties

(1) In case HUPX Member and Traders authorized to trade on the HUPX Market violate existing rules, fail to comply with instructions by HUPX Ltd. or the request for information by the market surveillance office or the relevant supervisory authority, they can be excluded from trading on the HUPX Market by HUPX Ltd. in accordance with the more detailed provisions in the Market Rules or they can be banned from dealing with client's orders.

(2) This provision does not exclude penalties on account of other provisions. In as far as there are possibilities for further penalties for HUPX Ltd. on account of other provisions, such shall not be restricted by this provision.

ANNEX 4: DEFINITIONS

Algorithm	The matching algorithm that is used for calculation of settlement price on day-ahead market segment.
Applicant	Legal entity having submitted a Membership application to HUPX Ltd.
Available Interconnection Capacity	Available Interconnection Capacity means ATC for ATC based market coupling.
Auction	Procedure for making Transactions after a period of time during which the Orders entered by HUPX Members in the Order Book are accumulated but not executed.
Best Price	The lowest sell price, the highest buy price, and the lowest price in case of identical conditions.
Block Order	All-or-none contract type on DAM market segment. Order on one or several combined Expiries with a minimum of one Expiry of the same Delivery Day. Expiries depend on each other in their execution.
CEO	Chief Executive Officer
Clearing Conditions	Document issued by ECC, describing the settlement and collateralization of transactions. Clearing conditions are binding for all Clearing Members and Non-Clearing Members.
Clearing House	Central counterparty of the transactions on HUPX, handling Settlement, Delivery and collateralization of Transactions. Also responsible for the clearing of OTC trades.
Clearing Member	Participant in the clearing procedure holding a clearing license with ECC.
Code of Conduct	The Code of Conduct sets forth the rules of conduct and market behavior which must be respected at all times by the HUPX Members.
Commercial Code	The commercial code of the Hungarian electricity system.
Conditional Block Orders	The category of Conditional Block Orders refers to standard block orders having logical interconnections between the execution of each other.

Congestion Rent	The difference between market prices of two neighbouring coupled markets multiply by the amount of electric energy transmitted on the respective border. Also defined as TSO revenue in case of congestion on its interconnection involved in Market Coupling.
Contract	Commercial contracts traded on HUPX Market, whose specifications and parameters are described in the Operational Rules.
Coupled Markets	Organized markets, power exchanges or any other equivalent trading platforms organized and operated for electricity trading purpose of day-ahead contracts of electricity trading with delivery on Market Areas (directly or indirectly) interconnected with the HUPX Market Area, provided that the operator companies of such markets concluded agreements regarding the market coupling with HUPX Ltd.
Cross Border Flow	The volume allocated to the Implicit Participant that is calculated within the Market Coupling process for each hour and on each connection involved in a market coupling.
Curtailement	Imbalance of purchase and sale leading to out-of-scale prices on the Auction Segment.
Delivery	Injection or Withdrawal of electricity on the Hungarian Market Area pursuant to Transactions on HUPX.
Delivery Area	Power Transmission Network managed by a TSO.
Delivery Day	Day on which the Contracts negotiated on HUPX are to be delivered.
Electric Energy Act	Act of the Hungarian Parliament on Electric Energy No. LXXXVI. of year 2007
European Commodity Clearing AG ("ECC")	Clearing House for all transactions on HUPX.
Expiry	Maturity of a tradable Contract on HUPX.
General Assembly	The supreme body of a private limited company within its organizational structure, which consists of all shareholders. According to subsection (2) of section 284 of the Act No. IV of 2006 on Business Associations in case of single-member limited companies (all shares are owned by one person), the shareholder shall resolve the issues falling within the competence of the general assembly.

General Service Conditions	Legal conditions under which HUPX Ltd. provides its services to the HUPX Members.
Hungarian Energy and Public Utility Regulatory Authority [HEA]	The Hungarian Energy and Public Utility Regulatory Authority in charge of regulating the Hungarian electricity and gas markets. HEA was established on 4 April 2013 as the successor of Hungarian Energy Office (HEO).
HUPX Ltd.	A private company limited by shares, with registered office located at 1134 Budapest, Dévai u. 26-28., Hungary and registered under the Company Registration number 01-10-045666. HUPX Ltd. holds a license to operate an organized market of electricity in Hungary that is HUPX Market.
HUPX Market (HUPX)	An organized market for electricity trading in Hungary that is an electronic platform on which the Contracts tradable on HUPX can be negotiated.
HUPX Member	Legal entity that has signed a Membership Agreement with HUPX Ltd.
Implicit Participant	Implicit Participant is responsible for transmitting commercially and settling financially the electric energy between the Hungarian and the neighbouring Market Area on a given connection involved in a market coupling.
Market Area	A geographical area for which a single clearing price is calculated.
<u>Intraday Market</u>	<u>Market for the conclusion of transactions after the gate closure time for nomination defined by the relevant TSOs of the respective delivery area and tradable until end of the trading session as defined in the Operational Rules.</u>
Market Coupling	Means a coordinated day-ahead electricity implicit auction mechanism, performing the matching of the supply and demand curves of different power exchanges, taking into account the cross border capacity made available by the TSOs, using a software application embedding a matching algorithm. Unless explicitly stated otherwise in this Agreement Market Coupling means the common auction mechanism of Coupled Market Areas.
Market Notice	Document issued by HUPX Ltd. to communicate with HUPX Members.

Market Rules	Part of the Rules and Regulations of HUPX Market that sets forth the terms on which HUPX Ltd. carries out its duties and on which HUPX Members trade in the market. Its integral parts are its annexes, the Election Procedure of the Organized Market Committee, the Operational Rules of HUPX, the Code of Conduct, the Definitions and the Membership Agreement sample.
Market Surveillance Office	A market organizational body of HUPX, as described in the Market Rules with the tasks to monitor the orderly trading on the HUPX Market and the orderly settlement of Transactions and to check that HUPX Members behave in accordance with the Rules and Regulations of HUPX Market.
Matching	Combination of two compatible opposite orders that leads to a Transaction.
Membership Agreement	Contract between the HUPX Member and HUPX Ltd. whereby the HUPX Members accepts to comply with the Rules and Regulations of HUPX Ltd.
Net Position	Balance of all sale and purchase for a given contract.
Non-Clearing Member	Participant in the clearing procedure which has concluded a "NCM agreement" with a Clearing member and is approved as a Trading Participant by ECC.
Operational Rules	Annex n°2 of the Market Rules of HUPX that sets forth the Contracts details and trading parameters, General Services Conditions, Price List and Technical Access Rules.
Order Book	Centralization by the Trading System of buy and sell Orders and ranking based on the execution priority determined by the matching algorithm.
Order Type	Classification of orders based on specific attributes that influences the execution of an order (e.g. limit/withheld orders or firm/fill-or-kill/all-or-none orders in case of PhF, and single contract/block orders in case of DAM).
Orders / Orders and quotes	Electronic document by which the Member submits the price and the quantity for which it seeks to make a Transaction in a Contract.

Organized-Market Committee	One of the Market Organizational Bodies of HUPX, as described in the Market Rules. A consultative committee of HUPX Members, having certain proposal making and advisory roles in the decision-making process of HUPX.
Payment	Obligation to pay resulting from a Transaction on HUPX.
Physical Power Contract	A contract whose underlying is the electrical power transiting over a transmission system managed by a TSO, which defines the voltage, frequency, cosine φ (displacement factor) and cut-off frequencies, in compliance with the contractual obligations of the prevailing concession agreement for the general power grid. The delivery of such contract happens at any injection or withdrawal point on the relevant transmission system.
Price Coupling	In price coupling all market data of the Coupled Markets are processed in a central market coupling calculation. The central algorithm determines the prices, the list of accepted block orders for each Coupled Markets and the net positions (or flows) between the Coupled Markets.
Price List	Set of fees payable by HUPX Members upon trading on HUPX, as described in the Operational Rules.
REMIT	Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency.
<u>REMIT IR</u>	<u>Commission Implementing Regulation (EU) No 1348/2014 on data reporting implementing Article 8(2) and (6) of REMIT</u>
Rules and Regulations	Set of documents issued by HUPX Ltd., comprising the Membership Agreement, the Market Rules (including its annexes) and Market Notices or any other decisions of HUPX Ltd. made on the base of the regulations of the Market Rules. Rules Regulations govern the organization of HUPX.
Segment / Market Segment	Describes the modality of trading for a Market Area.
Settlement	Payment of Transactions executed on HUPX and handled by the Clearing House.
Single-contract order	Order relating to one contract with one Expiry.
Technical Access Rules	Rules pertaining to the configuration and installation of Trading Systems.

Trader	Person authorized to trade in the name of a HUPX Member.
Trader's Exam	Exam leading to the qualification as a Trader on HUPX.
Trading account	Username and password giving access to the Trading Systems.
Trading Participant	Company which is approved as a Trading Participant according to the ECC Clearing Conditions.
Trading Procedure	Auction Trading
Trading System	Electronic system operated by HUPX Ltd. that allows HUPX Members to trade on HUPX Market Segments.
Transaction/Trade	Contract agreed on HUPX for which the procedures and specifications are defined in the Rules and Regulations.
Transmission System Operator (TSO)	A natural or legal person responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.

ANNEX 5: MEMBERSHIP AGREEMENT SAMPLE

HUPX

Membership Agreement

concluded between the undersigned:

HUPX Ltd., a private company limited by shares, incorporated under the Hungarian Law with registered office located at _____, Hungary and registered under the Company Registration number 01-10-045666 represented by _____, in his capacity as Chief Executive Officer,

hereafter "**HUPX Ltd.**",

and

_____, having its registered office at _____, registered on _____ Companies Register under the number _____, represented by _____, in his capacity as _____,

hereafter "**the HUPX Member**",

hereafter together referred to as "the Parties".

Preamble

HUPX Ltd. holds a license to operate an organized market of electricity in Hungary on the base of section 89 of the Act No. LXXXVI. of year 2007 of the Hungarian Parliament on Electric Energy issued by the Hungarian Energy Office under the resolution number 136/2009. On the base of the regulations of the above license HUPX Ltd. operates and ensures the proper functioning of an organized market for electricity called “HUPX Market” pursuant to the Rules and Regulations of the said organized market.

The HUPX Member has approached HUPX Ltd. with a view to trading on HUPX.

In consequence whereof, the parties hereto now agree as follows.

Article 1 Purpose

The purpose of this Membership Agreement is to define:

- the types of contracts that the HUPX Member is authorized to trade;
- the terms on which the HUPX Member will carry on its trading business and the resulting relations with HUPX Ltd.

Article 2 Contents of this Agreement - Obligation of the HUPX Member

The Membership Agreement is part of the Rules and Regulations of HUPX, which consist of:

- this Membership Agreement,
- Market Rules (including its annexes),
- the Market Notices and other resolutions, decisions made by HUPX Ltd. on the base of the regulations of the Market Rules.

In the event of any contradiction between this document and the Market Rules, the Market Rules shall prevail over the Membership Agreement.

By signing this Membership Agreement, the HUPX Member agrees to comply with the Rules and Regulations of HUPX in all respects and to fulfill all of the duties and obligations of the Rules and Regulations of HUPX which may be applicable.

Article 3 Authorizations

Subject to the provision of all essential supporting documents for its admission and membership on HUPX, the Member is authorized to access trading for the market segments which it has chosen in the Appendix to this Membership Agreement.

The HUPX Member can modify its choice of market segments after notifying HUPX Ltd. by letter.

The list of market segments on which contracts can be traded may evolve, in which case HUPX Ltd. will notify HUPX Members accordingly.

Article 4 Amendments

The Parties may modify the terms of this Membership Agreement by means of a supplemental agreement. Such supplemental agreement shall then prevail over the provisions of the Membership Agreement.

HUPX Ltd. can make any amendments to this Membership Agreement necessary to conform this Membership Agreement to changes in laws or regulations (including the regulations of the Market Rules of HUPX) as soon as such regulatory changes take effect.

HUPX Ltd. reserves the right to modify the provisions of the Market Rules in its sole and absolute discretion subject only to prior written notice given to the HUPX Member under the conditions set forth in the Market Rules.

Article 5 Term and Termination

Effective Date – Term

The entry into force of this Membership Agreement is contingent upon the fulfillment of the conditions contained in the Rules and Regulations of HUPX.

This Membership Agreement has been entered into for an indefinite period of time from its effective date.

Suspension of the Membership Agreement

This Membership Agreement shall be suspended automatically:

- in the event of force majeure,
- if the HUPX Member's status is temporarily withdrawn by HUPX Ltd. or the competent authorities,
- if the conditions to be a HUPX Member and mentioned in the Rules and Regulations of HUPX are not met.

Termination

This Membership Agreement shall be terminated automatically:

- if the grounds for suspension persist for more than three months or if such grounds are final in nature at the time they occur or become final within the aforementioned time period,

- if HUPX Ltd. decides to withdraw the HUPX Member's status, as provided in the Market Rules.

This Membership Agreement can be terminated:

- if either party fails to perform any obligations under this agreement and remedy such failure within thirty (30) calendar days of written notice to that effect from the other party by registered letter with return receipt. Such other party may terminate this agreement as of right, without prejudice to any damages it may claim on account of such failure,
- if the HUPX Member does not comply with the Rules and Regulations of HUPX, with immediate effect by registered letter with return receipt addressed to the other Party,
- at any time, by the parties, by registered letter with return receipt addressed to the other party, subject to a notice period of thirty (30) calendar days,
- as provided for in the Rules and Regulations of HUPX. In this case, HUPX Ltd. must give reasons for its decision,
- if the HUPX Member refuses to implement a Market Rules amendment. In this case, termination shall take effect on the effective date of such amendment, and the HUPX Member shall be informed thereof by registered letter with return receipt or, in case of emergency, by a facsimile followed immediately by a registered letter with return receipt.

Termination of this Membership Agreement, whatever the cause, shall render due and payable all sums owed by one party to the other under this agreement at the date of the termination.

Article 6 Interpretation, Nullity, Tolerance, Entire Agreement

In case of conflict of construction between any heading to a provision and any provision itself, the heading shall be deemed non-existent.

If one or more provisions of this Membership Agreement are deemed to be invalid or ruled to be invalid in application of a legal regulation or following a final decision of a competent court, the other provisions hereof shall remain in full force and effect.

The Parties reciprocally agree that the fact that one party tolerates a situation does not afford the other party vested rights. Furthermore, such tolerance cannot be construed as a waiver of the rights in question.

This Membership Agreement constitutes the entire agreement between the parties. It supersedes all prior oral or written agreements with respect to its subject matter.

Article 7 Governing Law

This Membership Agreement is governed by the Hungarian law.

Article 8 Leading Language

Two English-language originals of this Membership Agreement have been signed by the Parties.

In the event of any conflict between the English version and any translation into a foreign language, the English version shall prevail.

Signed in TWO originals.

For the HUPX Member

For HUPX Ltd.

Date _____

Date _____

In _____

In Budapest

Annex 1 of HUPX Membership Agreement

—

Access to HUPX Market and Segments

Pursuant to article 3 of the HUPX Membership Agreement, the HUPX Member applies to be authorized to access trading for the following categories of contracts:

- HUPX Day-Ahead Market
- HUPX Physical Futures Market and HUPX OTC Clearing
- HUPX Intraday Market

Signed in TWO originals.

For the HUPX Member

For HUPX Ltd.

Date _____

Date _____

In _____

In Budapest
