

SEEP EX

EXCHANGE RULES

V2.3

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1 General organization principles and bodies

1.1 Preamble

SEEPEX is a fully electronic Exchange. It offers facilitation services for spot trading with Day-Ahead and Intraday Expiries.

The purpose of JSC SEEPEX (SEEPEX) is to establish a Serbian market for electronic standardized Day-Ahead and Intraday electricity trading, thereby creating reliable price reference via transparent trading and clearing mechanisms. At the moment, SEEPEX operates spot market in Serbia with the idea to join the Internal European Market by coupling its spot markets with neighbouring power exchanges.

SEEPEX possess a license to operate an organized power market in the Republic of Serbia. On June 16, 2022, the Government of the Republic of Serbia officially designated SEEPEX as the Serbian Nominated Electricity Market Operator (NEMO). NEMO designation procedure was performed in accordance with the Serbian Energy Law and corresponding by-law (Regulation on the market coupling of organized day-ahead and intraday electricity markets) and it is fully harmonized with the corresponding provisions of Commission Regulation (EU) 2015/1222, establishing the Guidelines on Capacity Allocation and Congestion Management (CACM regulation).

The roles, duties and powers of SEEPEX, its Markets Segments and products as well as its exchange bodies are detailed in these Exchange Rules.

1.2 SEEPEX market organization and Market Segments

1.2.1 Operation of SEEPEX

SEEPEX is in charge of operating SEEPEX Exchange and entering into the relevant agreements with the Exchange Members for admission purposes. It ensures the proper functioning of the Exchange.

In this capacity, SEEPEX:

- signs Trading Agreements with Applicants, thereby becoming Trading Members
- defines the requirements and procedures for trading
- matches buy and sell orders for the Contracts in accordance with the Exchange Rules
- where appropriate, provides the Clearing House with information about Transactions for clearing
- makes itself, or via the exchange bodies, all decisions deemed necessary to ensure the integrity and orderly operation of SEEPEX, in particular by monitoring the compliance of the Exchange Members with the Market Rules.

The Transmission System Operator (TSO) provides the actual Delivery of the Contracts traded on SEEPEX.

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

1.2.2 SEEPEX exchange bodies

In order to ensure an independent, external and expert supervision of the functioning of SEEPEX, the following exchange bodies have been established in accordance with strict governance rules:

- the Organized Market Committee
- the Market Surveillance Office

The Organized Market Committee is a body elected from the Exchange Members which decides on the Market Rules and, more generally, on the Exchange.

The Market Surveillance Office is an independent body in charge of monitoring SEEPEX market and Exchange Members on a daily basis.

1.2.3 Exchange Members

Exchange Members are admitted by SEEPEX. They place orders and, upon execution, enter into Contracts.

1.2.4 Clearing House

European Commodity Clearing AG (ECC) has been designated by SEEPEX as the Clearing House of the Exchange. As such, ECC acts as the central counterparty for Payment and Delivery of the Contracts traded or registered on the Exchange.

The rules, proceedings and responsibilities of ECC are stated in ECC Clearing Conditions, which are available as last amended on the following website: www.ecc.de. Clearing Houses are credit institutions that handle the clearing of Contracts traded on SEEPEX, in accordance with the specific procedures for each type of product. In a given Market Segment, the Clearing House operates under the terms of a licence signed with the Clearing Members.

1.2.5 Market Rules

The Market Rules of SEEPEX consist, among others, of the following parts:

- Trading Agreement
- Exchange Rules
- Code of Conduct
- Operational Rules.

These Market Rules govern the organisation of SEEPEX. They define:

- The terms on which the Exchange Member will carry on its trading business with SEEPEX
- the Market Segments that the Exchange Member wants to be admitted to
- the type of Exchange Membership available
- the rights and obligations of SEEPEX and of the Exchange Member.

1.2.6 Official language

The official language of SEEPEX is English.

1.3 Legal and regulatory framework

1.3.1 Market Rules

When operating on SEEPEX, all the Exchange Members shall comply at all times with the Market Rules, which they fully accept by entering into the relevant agreement with SEEPEX.

1.3.2 Trading Agreement

The Trading Agreement is signed between SEEPEX and the Exchange Member and consists of a standard agreement published by SEEPEX. The Trading Agreement is also part of the Market Rules. In the event of a conflict with the other parts of the Market Rules, as described in Paragraph “Market Rules”, such other parts shall prevail over the Trading Agreement.

1.3.3 Exchange Rules

The Exchange Rules set out the terms on which SEEPEX carries out its duties and Exchange Members trade in the market.

1.3.4 Code of Conduct

The Code of Conduct sets out the rules of conduct and market behaviour that Exchange Members shall comply with at all times.

1.3.5 Operational Rules

The Operational Rules set out the general service conditions as well as the contract details, trading parameters, price list and technical access rules.

1.3.6 Changes to the Market Rules of SEEPEX

SEEPEX may modify the Market Rules of SEEPEX unilaterally. As an exception to the above, any amendment to the Exchange Rules and Code of Conduct requires the prior approval of the Organised Market Committee.

1.3.7 Effective date of the changes to the Market Rules of SEEPEX

Changes to the Market Rules become effective on the day of their publication unless a different time is provided for. If an Exchange Member does not accept changes to the Market Rules, it may terminate its admission or its participation to the Exchange with immediate effect, within the next ten (10) calendar days following the date of publication.

1.3.8 Official Market Notices

SEEPEX informs through Market Notices the Exchange Members and the Applicants, in the context of their admission, of the changes made to:

- these Exchange Rules and any subsequent amendments as well as the annex to the Exchange Rules, which develops the provisions of the Exchange Rules and is an integral part thereof
- the Code of Conduct and any subsequent amendments
- the Operational Rules and any subsequent amendments.

1.3.9 Contractual relations

Relations between SEEPEX and Exchange Members are governed by contracts. By signing the Trading Agreement, Exchange Members undertake to comply with the current Market Rules applicable to them. The Trading Agreement can only be changed by way of signed amendments by the Parties. If an Exchange Member fails to fulfil an obligation resulting directly or indirectly from the Exchange Market Rules, SEEPEX is entitled to suspend its Membership or terminate the Trading Agreement according to the conditions set forth in the present Rules.

1.3.10 Exchange Members' Rights and Obligations

The services provided to Exchange Members by SEEPEX as well as Exchange Members' rights and obligations on SEEPEX are set forth in the Market Rules of SEEPEX.

1.4 Exchange bodies

1.4.1 Organized Market Committee

1.4.1.1 *Election and Composition of the Organized Market Committee*

The Organized Market Committee is the body where the Exchange Members are represented and can thus express their concerns as market participants. Therefore, its composition reflects the diversity of the economic and corporate profiles existing among the different categories of Exchange Members. The Organized Market Committee comprises at least five (5) members elected for three (3) years by and from the Exchange Members or experts designated in their own name. The Organized Market Committee sets its own election rules, which are annexed to these Exchange Rules. The Organized Market Committee meets at least once (1) every quarter and when deemed appropriate. SEEPEX or three (3) members of the Organized Market Committee shall have the right to require a meeting of the Organized Market Committee.

1.4.1.2 *Chairperson and Deputy Chairperson of the Organized Market Committee*

At the first meeting following an election and by means of a secret ballot, the Organized Market Committee shall elect a chairperson and up to two (2) deputies among its members. Unless explicitly stated otherwise, the three (3) persons receiving the highest number of votes in favour shall be elected, the first being the chairperson. The chairperson or, if unable to act, one (1) of the deputies, shall preside over the proceedings of the Organized Market Committee. If the chairperson and all the deputies are prevented from attending the proceedings, the oldest member of the Organized Market Committee shall serve as chairperson.

1.4.1.3 *Duties and powers of the Organized Market Committee*

The Organized Market Committee has the following powers:

- approving changes to the Exchange Rules and Code of Conduct upon proposal by SEEPEX, subject to the provisions below
- approving the introduction of new Trading Systems
- approving decisions of SEEPEX to introduce new Contracts or Market Areas
- requesting SEEPEX to report on market environment and activity, projects, changes in markets and products as well as market surveillance activities (on an anonymous basis in the last case).

In any case, the decisions of the Organized Market Committee are binding on SEEPEX, except if they are likely to have unnecessary and/or unreasonable impact on the Exchange and/or SEEPEX as a company, in particular economic, financial or strategic consequences.

1.4.1.4 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 abstains from voting the motion shall be deemed rejected. If unable to attend, a member of the Organized Market Committee may allow another member to submit his written vote. Resolutions can also be passed in writing, by email, telephone 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 upon the motion. Each member of the Organized Market Committee shall be able to ask that the decision be made 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 email, facsimile or by telephone, the minutes and the outcome of the decision making process can also be signed by the managing director of the Exchange. The Regulations of the Organized Market Committee shall specify details with respect to the preparation of minutes and the adoption of resolutions.

1.4.1.5 Organized Market Committee Committees

The Organized Market Committee is allowed to establish committees in order to prepare its resolutions.

1.4.1.6 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 public available.

1.4.2 Market Surveillance

1.4.2.1 Exchange body

The Market Surveillance is an independent exchange body established by SEEPEX.

1.4.2.2 Market Surveillance Office Personnel

SEEPEX appoints persons in charge of the Market Surveillance Office. The Organized Market Committee shall approve the designation of these persons.

1.4.2.3 Independence of the Market Surveillance Personnel

To the extent legally possible the Market Surveillance Office personnel are independent in both the decisions they make and the way they organise and perform their duties. In particular, they may reject orders from SEEPEX at their own discretion if such orders interfere with their tasks as Markets Surveillance Office. SEEPEX may instruct the Market Surveillance Office to conduct investigations within the scope of its duties.

1.4.2.4 Duties and Responsibilities of the Market Surveillance Office

Market Surveillance Office is in charge to:

- monitor the orderly trading on SEEPEX
- monitor the orderly settlement of exchange transactions
- check that Exchange Members behave in accordance with the SEEPEX' Market Rules.

The Market Surveillance Office shall systematically and completely record and evaluate data regarding exchange trading and the settlement of exchange transactions and shall conduct any necessary investigations. Besides, the Market Surveillance Office shall record all Cross Trades and shall establish on a case-by-case basis if such transaction could be deemed to be constitutive of exchange prices manipulation. If the Market Surveillance Office establishes facts justifying the conclusion that violations of exchange Market Rules or applicable law provisions or orders occur or that other irregularities exist which may impair the orderly conduct of exchange trading or the settlement of exchange transactions, it shall promptly notify the SEEPEX. 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 in the rules or any other incident with an impact on exchange trading, the Market Surveillance Office must immediately inform the SEEPEX. This is particularly relevant regarding possible disruptions in the correct prices setting.

1.4.2.5 Authority of Market Surveillance Office

For the fulfilment of its tasks, the Market Surveillance Office is authorised to conduct special investigations.

The Market Surveillance Office may, if necessary, request from Exchange Members:

- the disclosure of information and documents
- the disclosure of the economic beneficiary of a transaction, especially in case of a Cross Trade. In this latter case, the Market Surveillance Office shall, without delay, inform SEEPEX if such transaction is deemed as non-compliant with the Market Rules. The Market Surveillance Office shall particularly draw the attention of SEEPEX on the repetitive conclusion of Cross Trades by the same Exchange Member. Such Exchange Member could be excluded from trading on SEEPEX by a decision of SEEPEX taken at its sole discretion.

The Market Surveillance Office is not authorised to enact sanctions. It only informs the institutions responsible for sanctioning.

1.4.2.6 Reporting to the Management of the Exchange

The Market Surveillance Office reports to SEEPEX Management and if needed to the Organized Market Committee. The Market Surveillance Office may transmit data with respect to the execution of Transactions to SEEPEX Management.

1.4.2.7 Information Sharing with Supervisory Authorities and other Market Surveillance Offices

SEEPEX fully cooperates with the regulatory authorities of the Republic of Serbia, with the aim of ensuring harmonised, efficient and regulated trading across Europe. The Market Surveillance Office may transmit data with respect to the execution of Transactions to the authorities which are responsible for monitoring power trading and receive data from them, to the extent that this is necessary to ensure the orderly conduct of trading and the settlement of exchange transactions. Such data may only be transmitted to respective authorities if they and the persons commissioned by them are bound by an obligation of confidentiality. It must be pointed out to these authorities that they may only use the information for the purpose for which it was provided. The Market Surveillance Office will inform the SEEPEX of the data it has exchanged with authorities in other countries.

2 Admission

2.1 Categories of Exchange Members

2.1.1 Exchange Members

An Exchange Member is a legal entity that:

- signs a Trading Agreement with SEEPEX and is thereby authorised to trade in the market
- holds a license issued by the Energy Agency of the Republic of Serbia (AERS) which authorises them to participate in the organised power market – whether it is a wholesale electricity supply or electricity supply
- holds a valid balance responsibility agreement with the relevant TSO
- holds a valid agreement with European Commodity Clearing (ECC).

TSO and DSO from the Republic of Serbia are eligible to participate in the organized power market without obtaining any additional license.

2.1.2 Exchange trading

Exchange Members can trade on the Exchange as soon as they are authorised to by SEEPEX.

2.1.3 Trading Members

A Trading Member is an entity authorised to participate in trading on SEEPEX with respect to the Contracts that may be traded on the Exchange. It 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).

2.2 Admission of Exchange Members

2.2.1 General admission requirements for Exchange Members

An Applicant shall be authorised by SEEPEX to become an Exchange Member and hence to participate in trading on SEEPEX, provided that the following cumulative conditions are fulfilled:

- the Applicant shall satisfy SEEPEX of the reliability, good standing and economic capacity of its company, by way of a scoring carried out by SEEPEX
- the Applicant shall meet the commitments arising from the due diligence obligations applied by SEEPEX in order to secure the fair and orderly operation of the market, by way of a scoring carried out by SEEPEX
- the Applicant shall obtain all necessary authorisations for the electricity trading
- the Applicant shall ensure the orderly Settlement of Transactions in accordance with Title 2.3 below
- the Applicant shall appoint Exchange Traders
- the Applicant shall be equipped with the necessary technical connection for trading on the systems of SEEPEX.

2.2.2 Admission to SEEPEX

Application for admission to SEEPEX may be filed for one or more Market Segments. An Applicant shall be authorised by SEEPEX to become an Exchange Member and hence to participate in trading on SEEPEX once the above cumulative conditions are fulfilled, except if, among other reasons:

- incomplete application, in light of Title 2.2.3 Required information for admission, or
- an application does not meet the conditions listed under Title 2.2.1 General admission requirements for Exchange Members.

For this purpose, SEEPEX carries out a documentary verification to ensure that all membership requirements are met. Once all membership requirements are met, SEEPEX signs the Trading Agreement and sends an admission letter to the new Exchange Member.

Upon receipt of the admission letter, the new Exchange Member is entitled to enter Orders and trade on the Exchange. The admission of this new member will be published on SEEPEX website. If SEEPEX decides not to admit an Applicant, it shall justify its refusal in writing to the Applicant.

2.2.3 Required information for admission

Membership applications must include the following elements:

- a signed Trading Agreement standing for approval of the Market Rules of SEEPEX
- an identification form, which includes information identifying the company or main contacts
- a copy of the relevant license (whether it is a wholesale electricity supply or electricity supply) which grants the capacity to sell and buy electricity in the Republic of Serbia
- the following supporting documents: (i) an extract from the commercial register, including powers of attorney; (ii) a signature specimen of the authorised persons; (iii) a copy of the last annual report, drafted in accordance with the Applicant's national legislation; (iv) the current articles of association
- technical forms.

SEEPEX may request any additional information that is reasonably necessary 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 SEEPEX and may be in English or Serbian.

2.2.4 Authorised individuals as representatives

Exchange Members shall appoint at least one individual as Authorised Representative, chosen from the employees under their authority or acting on their behalf. Such Authorised Individual(s) as Representative(s) will be the contact(s) of SEEPEX for the administrative formalities completed in compliance with the Market Rules. Therefore, they shall commit to a confidentiality obligation at least equivalent to the one committed by the Exchange Member in the Market Rules. Exchange Members also have to appoint:

- a front office representative
- a back office representative
- an invoicing/payment representative
- administrative representatives.

Exchange Members are obliged to regularly update the list of appointed personnel. Only authorised representatives are entitled to ask SEEPEX to make changes in the areas that concern them.

2.2.5 Capacity to buy and sell electricity

Only legal entities that are not barred by applicable law from buying and selling electricity can become Exchange Members. As a result, the Applicant must obtain all legally required approvals, permissions, licenses and admissions or similar official documents that are required for trading on SEEPEX.

SEEPEX may request from the Applicant additional documents or information at any time and within a certain time limit. In this respect, SEEPEX may, either itself or through an agent and after a due assessment of the circumstances, conduct an examination of the Applicant at the Applicant's expense and require the Applicant to submit such documents and statements as deemed appropriate. Applications can be partially or fully suspended as long as no evidence of the lawfulness of the admission and participation in trading is provided by the Applicant.

2.3 Requirements for the Settlement of Transactions

2.3.1 Requirements for the Settlement of exchange Transactions

The orderly Settlement of Transactions on SEEPEX is deemed to be secured when all of the following cumulative requirements are fulfilled:

- the Exchange Member shall take part in clearing via ECC in accordance with the Clearing Conditions of ECC
- the Exchange Member shall have sufficient technical facilities at its disposal, which guarantee correct trading and Settlement by means of telephone or email or via the Trading Systems of SEEPEX. When using an IT system, it must be ensured that these technical facilities do not impair trading and the Settlement of Transactions. Details of the technical equipment are defined in the SEEPEX pertaining to technical facilities
- the Exchange Member shall ensure that (i) the technical facilities are correctly maintained and that (ii) their continuous readiness for operation is secured
- the Exchange Member shall provide the personnel required for trading and Settlement and take satisfactory organisational precautions.

The above requirements are deemed to be fulfilled when:

- the Exchange Member either has entered into a Non-Clearing Agreement with ECC and a Clearing Member or has been granted a Direct Clearing Participant licence by ECC for the Market Segment applied for
- the Exchange Member registered in Serbia, additionally to above mentioned, has entered into agreement with settlement agent and clearing member. In the case of local companies active on the SEEPEX market, one more entity is involved in the business chain - the Local Bank acting as the local Settlement Agent. This approach is applied bearing in mind that Serbian financial regulations currently in force do not allow local/Serbian companies to open non-resident bank accounts abroad for this purpose. The Local Settlement Agent in this case is the link between the Market Participant and the selected Clearing Member
- SEEPEX has received, for each traded Contract, a confirmation from ECC that the Exchange Member is approved by ECC as a Trading Participant in said Contracts. The approval as a

Trading Participant requires, in particular, provision of the necessary declarations and evidence of the capacity for physical Settlement of Transactions.

2.4 Technical access rules

2.4.1 Requirements for technical access

The technical requirements for connection to SEEPEX Trading Systems are met if the Exchange Member is equipped with IT facilities that comply with the requirements of SEEPEX Market Rules concerning technical equipment. SEEPEX is permitted to check on-site the compliance with said Market Rules.

Upon request of an Exchange Member or Applicant, SEEPEX may permit the installation of front-end systems in the offices of the Exchange Member outside the country in which the Exchange Member or Applicant has its registered office, provided that the application of and the compliance with the Market Rules of SEEPEX and any supplemental provisions thereof are also ensured in the country in which the additional offices are situated.

If SEEPEX permits an Exchange Member to use automated tools in accordance with the Operational Rules, such Exchange Member shall be responsible for ensuring that the automated data retrieval or automated trading facilities are used properly, for the Permitted Purpose and in accordance with the Market Rules, in particular the Code of Conduct.

The above provision also applies to any Data or Orders retrieved from or entered into SEEPEX Trading Systems via an automated system, by third parties who are not admitted to the Exchange. Should the Exchange Member fail to comply with these requirements, SEEPEX shall restrict or revoke the permission to use an automated system.

For automated tools connecting to the Exchange on behalf of a community (.e.g. for data retrieval or trading for the account of a team/department), Exchange Members shall always provide two types of contacts details:

- personal contact details of a senior/ an expert employee who will be a business point of contact for any question from the Exchange related to the automated tool, that can be reached during regular business hours. If algorithmic trading is operated on behalf of a community, it shall be under the responsibility of this point of contact designated by the Exchange Member
- operational contact details for the involved team/department, required for the Exchange to share system access credentials (e.g. password management) and to deal with any operational matter.

2.4.2 Trading Accounts

For each Trading System, SEEPEX assigns one Trading Account, together with a username and a password, to the Exchange Member. The Exchange Member may ask SEEPEX to create additional Trading Accounts or to delete existing Trading Accounts.

2.5 Admission of Exchange Traders

2.5.1 Admission of Exchange Traders

Exchange Members operate on SEEPEX through one or more Exchange Traders under their authority. The Exchange Traders shall be admitted by SEEPEX only if they are reliable and have the necessary professional qualifications. The Exchange Members warrant that the Exchange Traders have all necessary skills to trade on the different Market Segments.

One Exchange Trader can trade on SEEPEX on behalf of more than one Exchange Member if designated to do so by the said Exchange Members and if expressly authorised by SEEPEX. However, SEEPEX still reserves the right to decide otherwise, at any time, especially if this creates a confusion or malfunctioning of the Exchange. The Exchange Trader authorised to trade on behalf of several Exchange Members shall comply with the Code of Conduct. In particular, they shall not promote the interests of an Exchange Member rather than another (conflict of interests, collusive behaviour) nor disclose any Confidential Information and/or influence exchange prices. In case of one Exchange Trader acting on behalf of several Exchange Members, each Exchange Member remains liable for the acts and behaviours of the Exchange Trader related to its Contract.

2.5.2 Trader Identification

Members shall notify SEEPEX of any change to the list of authorised Exchange Traders. Exchange Traders are identified on SEEPEX and are the only persons authorised to place, modify or cancel Orders by themselves or by the use of an automated tool. Username and password are strictly confidential and assigned to one (1) Exchange Trader designated by Exchange Member. Therefore, they cannot be exchanged neither between Exchange Traders nor the personnel of the Exchange Member.

Orders are deemed to be entered exclusively by the Exchange Member identified in the Orders, under its own and sole responsibility or by its automated tool also under its own and sole responsibility. Members cannot decline responsibility for the actions of a person acting under their authority, on their behalf, in their name, and/or for their own account, regardless of whether such person has been identified as an Exchange Trader.

Similarly, Exchange Members cannot decline responsibility for the actions of an Exchange Trader admitted to SEEPEX, regardless of whether such Exchange Trader is acting under the Exchange Member's authority or in its name, on its behalf, and/or for its account, until such time as the Exchange Member requests the suspension of such Exchange Trader.

2.5.3 Skills

Exchange Traders shall read all the documents issued by SEEPEX concerning, in particular:

- SEEPEX Market Rules
- contract specifications
- the use of Trading Systems
- any other documents issued by SEEPEX.

The required specialised knowledge is evidenced by passing an examination (the "Trader's Examination") leading to the qualification as an Exchange Trader on SEEPEX. All Exchange Traders who were previously authorised to trade on SEEPEX shall not have to pass the Trader's Examination. Traders who already have a trader's license for Day-Ahead market obtained on EPEX SPOT Market do

not have to pass SEEPEX Trader Exam. Traders who already participate on Intra Day Market on BSP or EPEX SPOT markets do not need to pass SEEPEX Trader's Exam.

2.6 Procedures

2.6.1 Duration of membership

Membership on SEEPEX lasts for an indefinite period and shall be terminated upon termination of the Trading Agreement.

2.6.2 Communication of information

After being admitted, Exchange Members are still required to notify SEEPEX without delay of any changes of a factual or legal nature that could lead to the conditions for admission no longer being met, in particular changes:

- to the legal situation of the Exchange Member, such as:
 - changes in terms of compliance with one of the membership requirements
 - termination, suspension or modification of the clearing agreement
 - to the information communicated with the membership application or to the documents attached hereto such as, but not limited to, change of legal form, change of articles of association or change of the company's name
- to the Exchange Member's technical or organisational situation, insofar as such changes have an impact on the access to SEEPEX
- to the legal or regulatory framework or to judicial practice that affect the Exchange Member's compliance (or ability to comply) with the membership requirements and these Exchange Rules.

Upon request of SEEPEX, Exchange Members shall provide without delay all documents related to the above-mentioned changes.

2.6.3 Right of termination or Suspension or termination of the Exchange Membership by the Exchange Member

Any Exchange Member may partially resign from membership upon written notice to SEEPEX. A full resignation shall be made by termination of the Trading Agreement.

2.6.4 Right of termination or suspension of the Exchange Membership by SEEPEX

At any time, SEEPEX is entitled to suspend or terminate partially or fully the membership of any Exchange Member (which entails the suspension or respectively the termination of the Trading Agreement) upon written notice to the Exchange Member, in the following cases:

- Lack of an admission requirement

If any admission requirement described in the Exchange Rules is not fulfilled at the time of the admission or ceases to exist at any subsequent point in time or if the Exchange Member fails or ceases to prove its fulfilment.

- Non-compliance with the Market Rules

If the Exchange Member breaches any of its obligations provided for in the Market Rules of SEEPEX and, in particular, if:

- the Exchange Member does not comply with its obligation to pay the trading fees
- the Exchange Member does not comply with any provision of the Code of Conduct (or in the other cases provided for in the Code of Conduct)
- the Exchange Member does not fulfil the technical specifications described in the Market Rules
- in any other case expressly provided for in the Market Rules.

In the above cases, SEEPEX is entitled to suspend, upon written request and with immediate effect, the membership of the Exchange Member. If the Exchange Member does not remedy such breach within two (2) weeks, SEEPEX will notify the Exchange Member of the termination of the Trading Agreement. Upon receipt of such termination notice, termination will be effective within three (3) days. During such period, the Exchange Member will remain bound by the provisions of the Market Rules of SEEPEX.

- At the request of ECC

ECC, as Clearing House, or a Clearing Member of ECC may also submit to SEEPEX instructions regarding the suspension or termination of an admission if the Exchange Member is in default or does not fulfil its obligations towards ECC or its Clearing Member, as provided under the Market Rules of SEEPEX. In such a case, SEEPEX will suspend or terminate the admission to trading of the Exchange Member, upon the request of ECC.

2.6.5 Suspension from trading for the absence of the required balance responsible agreement

In order to maintain a proper spot trading of power, SEEPEX may indicate a specific TSO area for the fulfilment of the obligations to deliver electricity. If an Exchange Member has not signed any balance responsible agreement with a Balance Responsible Party, and if therefore a requirement for admission to ECC is missing, the Exchange Member can be suspended from trading for the period of the non-fulfilment of the admission requirement.

Should a Clearing Member of ECC be excluded from trading under the provisions of this paragraph, the Non-Clearing Members who have contracted with such Clearing Member may be excluded from trading only until they are able to engage in trading on SEEPEX through another Clearing Member. The right to revoke their admission remains unaffected.

2.6.6 Consequences of the termination or suspension of the Exchange Membership

A termination or suspension of the Exchange Membership of:

- a Direct Trading Member results in i) the termination/suspension of the admission of the Exchange Traders who are acting on behalf of this Exchange Member, ii) the termination/suspension of the trading on SEEPEX and, if applicable, iii) the termination/suspension of the use of the portfolio(s) granted to the Direct Trading Member to trade in the name and for the account of Indirect Member(s);
- an Indirect Trading Member, results in (i) the termination/suspension of the right to trade on SEEPEX markets, whether or not through a Direct Trading Member, and (ii) the

termination/suspension of the use of the portfolio(s) granted to the Direct Trading Member to trade in the name and for the account of this Indirect Member(s).

The Trading Agreement shall be terminated only after the fulfilment of all obligations owed to ECC or the relevant Clearing Member. In any case, a termination/suspension of the Exchange Membership does not relieve the Exchange Member from its obligations under the Market Rules (such as Payment obligations, confidentiality obligations, information obligations, liability, etc.), including the obligations arising from the Contracts concluded on SEEPEX markets prior to the date of suspension/termination.

In the event of a suspension or termination of the Exchange Membership of a Direct Trading Member in accordance with the above provisions, the Indirect Trading Member in the name and for the account for whom the Direct Trading Member is trading will no longer be allowed to trade on SEEPEX, unless the Indirect Trading Member has appointed another Direct Trading Member as its Contractual Representative, pursuant to a new Trading Agreement.

2.6.7 Right to trade in case of suspension or termination of the Exchange Membership

As described in Title 2.6.6 Consequences of the termination or suspension of the Exchange Membership, the Exchange Trader concerned by the termination must cancel all Orders and quotes and is not permitted to enter any new Orders. If an Exchange Member is suspended from trading single or all Contracts, the Exchange Member must cancel all its Orders and quotes in relation to the respective products and must not enter new Orders and quotes in the Trading Systems of SEEPEX.

If the Exchange Member does not cancel its Orders or enters new ones, then SEEPEX shall be entitled, either by itself or on request of ECC, to cancel the Orders on behalf of this Exchange Member. SEEPEX shall not be held liable to the Exchange Members for all consequences following a suspension made according to instructions from ECC. When an Exchange Member is suspended, SEEPEX informs the other Exchange Members thereof by means of a Market Notice.

3 Contracts, Market Areas and Market Segments

3.1 Contracts

3.1.1 Nature of the Contracts

The Contracts admitted to trading on SEEPEX are commercial contracts on commodities for the physical Delivery (Injection or Withdrawal) of electrical power within the Serbian transmission system.

3.1.2 Effect of the Contracts

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

- for the buyer, to take Delivery of (i.e. to withdraw) the Underlying and to settle the same at the set price;
- for the seller, to deliver (i.e. to inject) the Underlying and to receive Settlement of the same at the set price.

On the Day-Ahead and Intraday Markets, the Delivery obligations are performed by way of nomination of the purchases or sales to the relevant Transmission System Operator.

3.1.3 Listing of Contracts

SEEPEX makes decisions on the admission to trading, suspension and delisting of Contracts, subject to the approval of the Organized Market Committee. In order for a Contract to be listed, the condition is that orderly trading is expected to be maintained.

3.1.4 Contract specifications

The specifications of each Contract are set out by SEEPEX in the Operational Rules.

3.1.5 Decision not to open Expiries

Notwithstanding the Operational Rules setting out contract specifications, SEEPEX may decide not to open one or more Expiries, either temporarily or permanently. Save in exceptional circumstances, this decision is communicated to Exchange Members by Market Notices at least ten (10) calendar days before the date initially scheduled for the opening of the new Expiry.

3.1.6 Revocation and suspension of the admission of products

SEEPEX may revoke the admission of products to trading on SEEPEX or suspend trading on SEEPEX if the orderly trading on the Exchange is jeopardized or if deemed necessary for any other important reason. SEEPEX may also suspend trading entirely, for some Market Segments or for some Contracts, if required for technical reasons.

In the case of any revocation of an admission of products or any suspension from trading on SEEPEX, SEEPEX shall inform the Exchange Members without delay. The same applies to any suspension of trading on a Market Segment. If the trading of certain Contracts on SEEPEX is suspended entirely or in part, no new Orders or quotes may be entered for the suspended Contracts. All existing Orders and

quotes will be cancelled. The resumption of the trading of the suspended products shall commence with a pre-trading period.

SEEPEX may, in the event of a suspension, issue different instructions on a case-by-case basis.

3.2 Market Areas

3.2.1 SEEPEX Market Areas

Contracts on SEEPEX can be concluded for the Serbian Market Area. Subject to the prior approval of the Organized Market Committee, SEEPEX may decide to add new Market Areas on which Contracts can be traded.

3.2.2 Trading on SEEPEX Market Area

When Applicants apply for membership of SEEPEX, they select the Serbian Market Area in the Trading Agreement.

3.3 Market Segments

3.3.1 SEEPEX Market Segments

The current Market Segments of SEEPEX are the following:

- Day-Ahead Market Segment: all Transactions occurring on the day before the Delivery up until the gate closure time for nomination, as defined by the relevant TSOs of the respective Delivery Area, are considered as concluded on the Day-Ahead Market;
- Intraday Market segment: The following are considered as concluded on the Intraday Market continuous: all Transactions occurring after the intraday gate opening time and until the end of the specific trading session.

The Trading Procedure on the Day-Ahead Market Segment is the following:

- for the Serbian Market Area: a Day-Ahead auction, with Delivery made on the Serbian transmission system managed by JSC EMS.

The Trading Procedure on the Intraday Market Segment is the following:

- for the Serbian Market Area: an Intraday continuous, with Delivery on the Serbian transmission system managed by JSC EMS.

The Trading Procedures for each of the Market Segments are described in the Operational Rules of SEEPEX.

4 Trading

4.1 Principles

4.1.1 Provisions applying to trading on SEEPEX

Title 4 presents the common provisions applying to all Contracts traded on SEEPEX Day-Ahead and Intraday Market Segments and to any available Trading Procedure (Auction or Continuous Trading). This title:

- describes the general specifications of Orders under these Trading Procedures
- explains how these Orders are matched and executed
- describes the procedures for the process of the outcome.

4.1.2 Procedure for trading on the Day-Ahead Market Segment

Provisions related to trading on the Day-Ahead Market Segment are to be found in the Operational Rules of SEEPEX.

4.1.3 Procedure for trading on the Intraday Market Segment

Provisions related to trading on the Intraday Market Segment are to be found in the Operational Rules of SEEPEX.

4.2 Orders

4.2.1 Orders matching

Transactions on SEEPEX are performed by matching buy and sell Orders:

- either continuously, during a period specified by SEEPEX, in which Orders are entered in the Order Book for immediate execution;
- or by Auction, after an accumulation period during which Orders entered in the Order Book by Exchange Members are accumulated but not executed.

4.2.2 Exchange hours and trading periods

The exchange hours for the commencement and the end of trading for all products shall be determined by SEEPEX in the Operational Rules. SEEPEX may extend or reduce the exchange 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 SEEPEX. The exchange hours for Transactions in any available Auction Trading Procedure comprise three consecutive periods:

- pre-trading period;
- trading session;
- post-trading period.

The exchange hours for Transactions in Continuous Trading only comprise the trading session.

4.2.3 Order origin

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

4.2.4 Order description

An Order is an offer to enter into a Contract whose terms and validity are set out herein.

Orders sent to SEEPEX shall include at least:

- the identification as a Single-Contract Order or Block Order;
- the Exchange Member's identification;
- the Trading Account in which the Order is recorded;
- the Market Area and TSO;
- the Contract to which the Order relates;
- the Quantity;
- the Price limit;
- the side of the market (buy or sell Order);
- the type, validity and terms of execution of the Order.

4.2.5 Order categories

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

4.2.6 Anonymity of the Order book

The Order Book and Transactions are anonymous.

4.3 Matching

4.3.1 Principles for the Auction or Continuous Trading Procedure

The general principles applicable to the execution of orders on SEEPEX are the following:

- the execution method shall be transparent and described in the Market Rules and must enforce public principles;
- execution insures a level playing field among the Exchange Members;
- execution is compliant with the Orders submitted by the Exchange 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 the results related to a Clearing Member for credit reasons in which case, after cancellation of the Orders exceeding the limits, the Auction will be re-run.

4.4 Miscellaneous

4.4.1 Fully electronic exchange

SEEPEX is a fully electronic exchange.

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

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

4.4.2 Technical malfunctions

The affected Exchange Members shall inform SEEPEX without delay of any malfunction occurring on the technical equipment of the Segments during business hours. In case of technical malfunction, SEEPEX or third parties commissioned by it shall be authorised to take any appropriate measures necessary to safeguard or resume proper trading or Settlement.

For example, SEEPEX or the third party commissioned by it may i) exclude temporarily some or all Exchange Members from trading, ii) suspend trading or iii) delete the Orders placed by some or all Trading Members. The measures taken by SEEPEX or the third parties commissioned by it shall be binding on all Exchange Members.

Further rules are contained in the Operational Rules of SEEPEX. SEEPEX provides unrestricted technical support only during business hours. Outside business hours, support only comprises measures to remedy technical malfunctions and control damage. These measures concern, in particular, the remedy of technical malfunctions, the deletion of Orders placed by some or all Exchange Members, the cancellation of Transactions or the complete or partial suspension of trading.

SEEPEX is entitled to commission third parties to support the Exchange Members. However, the third party commissioned to that end shall only be granted access to the trading data of the Exchange Members or a right to inspect the same, provided such third party has signed a confidentiality agreement.

4.4.3 Time

The times referred to in the Market Rules correspond to the Central European Time (CET) zone during wintertime and to the Central European Summer Time (CEST) zone during summer time, unless stated otherwise.

5 Post – trade processing

5.1 Publication of market data

5.1.1 Publication of Transactions and data ownership

SEEPEX reserves the right to publish the outcome of the Trades. The manner and scope of the publication of prices shall be determined by SEEPEX. Published market databases belong to SEEPEX, which determines how they are to be published. Members are authorised to use such databases on an internal basis only and commit to comply with the General Conditions for the use of market data, available on SEEPEX's website, which they accept. Any external and/or commercial usage of such market database must be carried out pursuant to a specific contract with SEEPEX.

5.2 Transmission of trade information to ECC

Once Orders have been matched SEEPEX sends the following information on each Contract/product to ECC for registration:

- price
- quantity
- side of the market
- counterparties
- portfolios
- date and time.

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