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 powernext

# Powernext® Auctions Market Rules

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## Table of Market Notices

### Market Rules

The Market Rules and appendixes were initially published by the following Market Notices:

Notice	Date	Content
AUCTIONS-2019-01	17/05/2019	Publication – Market Rules regarding the Auctions on the Guarantees of Origin

POWERNEXT AUCTIONS  
 Notice no. AUCTIONS-2019-01  
 17/05/2019

TITLE 1

-  
 POWERNEXT AUCTIONS GENERAL REQUIREMENTS

**Chapter 1 Introduction**

**Article 1.1.1. General organisation of the Market**

Powernext, a French simplified joint-stock company (*société par actions simplifiée*) governed by French law, having its registered office at 5 Boulevard Montmartre, 75002 Paris, France, registered on the Trade and Companies Register (RCS) of the Commercial Court of Paris under number 438 750 440 operates the organised market Powernext Auctions.

Powernext Auctions is divided into various Market Segments on which Products are traded that meet:

- the characteristics defined in a Contract Notice;
- the conditions defined in the special requirements devoted to them.

As such, Powernext:

- defines the Products that may be traded on the Powernext Auctions market, within the limit of applicable texts where applicable;
- offers Trading Agreements with Members complying with the conditions defined by Powernext for obtaining that status,
- sets out the requirements for admission to Product trading,
- matches buy and sell orders for the Products in accordance with the Market Rules,
- where appropriate, transmits information about Transactions to a Clearing House for clearing,
- where appropriate, transmits information to a Payment and/or Delivery Organisation for Payment and/or Delivery purposes,
- makes all decisions necessary for the integrity and orderly operation of the market, in particular by monitoring Members' compliance with the Market Rules.

The Clearing Houses are credit institutions that handle the clearing of Products traded on Powernext Auctions, in accordance with the specific procedures for each type of Product. In a given Market Segment, the Clearing Houses operate under the terms of an agreement signed with the Clearers chosen by the respective Trading Members. The Trading Members may also sign an agreement directly

with the ECC Clearing House in the framework of "DCP" special admission status and, in that case, to open a payment account with a payment bank.

The Payment and/or Delivery Organisations handle the actual Payment and/or Delivery of the Products traded on Powernext Auctions, in accordance with the specific procedures for each type of Product.

**Article 1.1.2. Market Rules**

These Market Rules set out the conditions under which:

- Powernext ensures the orderly operation of the Market;
- Members are admitted to operate on the Market.

These Rules are divided into general requirements, which apply to all Market Segments, and special requirements, which apply only to a specific Powernext Auctions Market Segment.

Powernext shall provide Members and Applicants with:

- these Market Rules and the amendments to them;
- the Appendices, which clarify the provisions of the Market Rules and are an integral part thereof;
- the Market Notices;
- all other decisions and programming parameters.

Market Notices shall be used to communicate with Members. They shall be sent:

- to all Members when they concern Powernext Auctions;
- to Members in a given Market Segment, when they concern only that Segment.

Powernext may unilaterally amend the Market Rules, in accordance with applicable legal and regulatory provisions. Except in case of a justified emergency, such amendments shall be announced to Members by means of a Market Notice issued at least five (5) calendar days before the amendments enter into force. Members shall be deemed to have accepted the amendments when they enter into force. If a Member does not accept the amendments, it may exceptionally terminate its Trading Agreement within the same period of time.

The Market Rules and Market Notices are public documents. They are made available on the website of Powernext.

**Article 1.1.3. Contractual relations**

Relations between Powernext and Members shall be governed by contract. By signing the Trading Agreement, Members undertake to comply with the Market Rules and Market Notices relevant to them.

Any violation by a Member of any obligation resulting directly or indirectly from the Market Rules entitles Powernext to suspend or terminate the Member's Trading Agreement.

**Chapter 2 Market Participants**

**Article 1.2.1. Authorised Applicants**

Applicants represent and warrant to Powernext:

- i) that they have been duly organised in accordance with the laws of their jurisdiction of incorporation;
- ii) that their signature and performance of the Trading Agreement:
  - are within their statutory powers and have been duly authorised by all the measures required under their by-laws;
  - do not require any type of deposit to be made with a government organisation, agency or administration, or in relation to such institutions;
  - do not infringe or breach applicable legal or regulatory provisions or their own statutory documents or any contract, order, injunction, ruling or other legally binding procedure;
- iii) that they are not subject to arbitration or court actions, or proceedings or any administrative or other measures that could lead to an evident and substantial deterioration in their business activities, assets or financial situation or that could affect the validity or proper performance of the Trading Agreement;
- iv) that they undertake to take note of all communications issued as Market Notices by Powernext and to comply with such Notices;
- v) that they undertake to immediately inform Powernext of any changes concerning the representations made above;
- vi) that they are fit and proper to operate on the Market;
- vii) that they enjoy the business standing suitable for admission to Membership;
- viii) that a portion of their staff has the qualifications and experience required to establish and manage adequate internal procedures and controls in relation to the intended business on the Market;
- ix) that, where relevant, they have entered into any agreement provided for by these Rules and met any technical requirements specified by Powernext;
- x) that a portion of their staff speaks French or English;
- xi) that they have sufficient resources for the role they intend to perform on Powernext Auctions;
- xii) that they meet any other criteria, particularly of a financial nature, that may be specified by Powernext or its clearing house ECC;

xiii) that they have conducted their own analysis of the documents that they have received, and of the benefits and risks, especially those of an economic, legal or tax-related nature, that may arise from the Market Rules and from each Transaction, having the necessary knowledge and experience and the necessary skills; and

xiv) that they are aware of the potentially volatile nature of the Contracts offered on the Market and accept the risks associated with their use.

**Section 1. Members**

**Sub-section 1. Member status and access requirements**

**Article 1.2.1.1.1. Definition of Members**

A Member is a legal entity that has signed a Trading Agreement with Powernext and chosen to join the Powernext Auctions market, and is thereby authorised to trade directly on that market.

Access to trading on Powernext Auctions is restricted to Members only.

**Article 1.2.1.1.2. Members' rights and obligations**

The rights and duties of Powernext and Members on Powernext Auctions are set out in the Market Rules and the Trading Agreement.

The Member remains liable for all actions carried out on Powernext Auctions in respect of Powernext.

**Article 1.2.1.1.3. Trading Agreement**

The Trading Agreement defines:

- the terms under which Members carry out their trading business and conduct the ensuing relations with Powernext;
- the Market Segments to which the Member chooses to initially have access.

The Trading Agreement is a standard agreement established by Powernext. In the event of a conflict between the Market Rules and Market Notices and the Trading Agreement, the Market Rules and Market Notices shall take precedence (the latter shall take precedence where they comply with the Market Rules).

**Article 1.2.1.1.4. Compliance with access requirements**

This section sets forth the Membership requirements for Powernext Auctions. Powernext ensures that Applicants meet these requirements before deciding whether to admit them.

Powernext reserves the right not to proceed with the Admission process if compliance with the conditions set out below, notably in view of the risk analysis that

Powernext must perform for each proposed Admission, is not ensured.

#### Article 1.2.1.1.5. Access requirements common to all Applicants

Applicants seeking access to trading must provide the admission forms, documents and information listed in a Market Notice and required by Powernext for the purpose of:

- identifying the Applicant as well as identifying its shareholders and all beneficial owners;
- knowing and evaluating the technical and human resources to be allocated to trading on Powernext Auctions.

Powernext shall also be entitled to ask for the list of the Member's counterparties in a given Product and to require Applicants to provide any additional information that may reasonably be deemed necessary to assess its specific characteristics.

Such documents shall be provided to Powernext in English or French. Applicants shall guarantee the authenticity of the provided documents and the validity of the information communicated to Powernext.

It is up to the Member to update the information and documents as necessary and communicate them to Powernext.

#### Article 1.2.1.1.6. Admission and becoming a Member

Powernext shall make decisions concerning Members in accordance with requirements defined in the Market Rules.

Powernext shall decide to admit a Member once the Applicant has sent Powernext all the necessary information and satisfied all the membership requirements.

Membership on the Powernext Auctions market shall take effect on the date the Trading Agreement is signed.

Powernext shall inform all of the Members of the relevant Powernext Auctions Market Segment of the new Member's identity and Admission date by means of Market Notices.

The list of Members of Powernext Auctions is public.

Powernext reserves the right to withhold market access from a Member that is not ready to begin its Trading activities for technical or organisational reasons.

#### Article 1.2.1.1.7. Assignment of the Trading Agreement

The Trading Agreement cannot be assigned or transferred in any way, whether free of charge or for consideration, without the prior written consent of Powernext.

#### Article 1.2.1.1.8. Duration, suspension and termination of Membership

Membership of Powernext Auctions shall continue so long as the Trading Agreement is in force.

Suspension or termination of the Trading Agreement shall result in the suspension or termination of Membership of Powernext Auctions.

Upon motivated decision, Powernext may suspend or terminate the Trading Agreement if the Member does not comply with the Market Rules.

Powernext shall suspend a Member if the Clearing House or, where relevant, the Payment and/or Delivery Organisation, so requests. Such suspension shall be done in accordance with the provisions of the special requirements applying to the Market Segment in question.

Depending on the circumstances, a Member may be suspended on one or several Market Segments.

As soon as possible, Powernext shall inform the other Members of the Member's suspension or termination by means of a Market Notice. In the case of a suspension for purely technical reasons and for fewer than five (5) business days, Powernext reserves the right not to inform other Members of the suspension.

### Sub-section 2. Access to Powernext Auctions and Identification

#### Article 1.2.1.2.1. Technical identification

Members shall access the Trading System through a secured electronic interface, the use of which is governed by the Market Rules and the Trading Agreement.

Members may ask Powernext to create, suspend or delete additional Trading Accounts.

#### Article 1.2.1.2.2. Authorised representatives

The Member shall appoint authorised representatives, chosen from among the people under its authority or acting on its behalf, who shall be Powernext's contacts for the administrative formalities arising from the Market Rules.

#### Article 1.2.1.2.3. Identification of Negotiators

Before they start trading, Members must provide Powernext with the list of the individual Traders and information identifying them. Members shall inform Powernext of any change of assignment.

Members operate on Powernext Auctions Market Segments through one or more Traders acting under their authority or on their behalf.

Members assign an official Trader to each Trading Account. That Trading Account may not be used by any other person.

Unless otherwise stipulated, a Trading Account shall be allotted for one or several given Market Segment(s) and Product(s). Traders are assigned to the Market Segments listed in their individual records. These natural persons shall be identified individually by Powernext.

**Article 1.2.1.2.4. Negotiators' qualifications**

Members shall ensure that the Traders they have designated have all necessary qualifications.

Traders shall read all the documents issued by Powernext concerning in particular:

- these Market Rules and the Market Notices,
- the characteristics of the Products traded on the Market Segment(s) that they have chosen to join,
- the use of the Trading Systems,
- where appropriate, the clearing system,
- where appropriate, the delivery system.

**Section 2. Rules of conduct**

**Article 1.2.2.1. Principle**

For the purposes of these rules of conduct, the terms "attempted market manipulation", "market manipulation" and "inside information" have the meanings given to them in a Market Notice published by Powernext.

**Article 1.2.2.2. Rules of conduct**

When trading on Powernext Auctions by sending Orders for their own account or for the account of a third party, Members are required to:

- comply with the general principles of market integrity, honesty and good conduct,
- comply with the rules and instructions of the competent supervisory authorities as well as those of Powernext.

All Orders submitted on the Market must have a due economic justification. Powernext is entitled to look for such justification by requesting explanations from the beneficiary of such Orders.

**Article 1.2.2.3. Prohibition of market manipulation**

Members are forbidden to engage or attempt to engage in market manipulation involving Contracts.

This prohibition includes, without limitation:

- any kind of deceitful or misleading behaviour;

- any kind of collusion between Members or with third parties;
- any kind of positioning in terms of prices aimed at implementing a technique of market manipulation.

Orders that Members enter in the Order Book shall have no purpose other than execution. In particular, Orders shall not be intended to influence prices or the behaviour of other Members.

Orders shall be placed solely in the interest of the Member that entered them. Members shall not act in the interest of other Members or in concert.

Members undertake to behave impartially and equitably in respect of Powernext and other Members. They shall not enter into Transactions on Powernext Auctions unless they are observing customary trading practices and principles of market professionals.

**Article 1.2.2.3. Prohibition against deceitful or misleading behaviour**

Members are forbidden to engage in deceitful or misleading behaviour.

Members shall refrain from disseminating, directly or indirectly, false information that would cause prices to move.

Members shall refrain from using current market techniques or procedures to carry out transactions on Powernext Auctions with a view to misleading other Members.

In particular, Members are strictly forbidden from:

- entering Orders with no economic justification;
- placing Orders without intending to execute them;
- providing false or misleading information on the supply, demand or prices of the Products;
- using fictitious means or any other form of deception that gives or could give false or misleading indications of supply, demand or prices of the Products.

**Article 1.2.2.4. Deceitful acts intended to reduce market liquidity**

Members are forbidden to engage or attempt to engage in deceitful acts intended to reduce market liquidity.

**Article 1.2.2.5. Prohibition of insider dealing**

Members and their operators who hold inside information relating to a Product are forbidden from:

- using that information by acquiring or disposing of, or attempting to acquire or dispose of, for their own account or for a third party, the Products traded on Powernext Auctions to which that information relates;
- communicating that information to another person, except in so far as such communication is part of the normal course of their work, their profession or their duties;

- 
- recommending, on the basis of that inside information, that another person acquire or dispose of the Products traded on Powernext Auctions to which that information relates.



## Section 3. Standing obligations of Members

### Article 1.2.3.1. Principle

The access requirements set and verified by Powernext for the authorisation of Members must be met at all times throughout the term of the Trading Agreement.

### Article 1.2.3.2. Changes in the information provided for admission or commencement of operations

Members shall notify Powernext immediately of the following changes, if they are material to their access to Powernext Auctions:

1. Changes in their legal situation, such as:
  - changes in one of the requirements for becoming a Member;
  - changes in any of the information or documents provided in the admission application;
  - changes in one or more of the specific access requirements for Powernext Auctions Market Segments;
2. Changes in their technical situation or organisation that are material to their access to Powernext Auctions;
3. Changes in laws, regulations or case law that are material to their compliance with the admission requirements and with these Market Rules.

As part of its market surveillance activity and to comply with its regulatory obligations, Powernext may ask for updates of the forms, documents and other information listed in the Market Notice mentioned in Article 1.2.1.1.5.

Powernext may also ask for the list of the Member's counterparties or Clients in a given product as well as any further information necessary to the proper performance of its market surveillance duties.

Where Powernext is unable to obtain this information from the Member, it reserves the right to suspend or terminate the Trading Agreement with the Member on Powernext Auctions.

### Article 1.2.3.3. Fees and other expenses

The Member shall be liable for payment to Powernext of fixed and variable fees and expenses. The methods for calculating and collecting said fees and expenses are set out in a Market Notice.

Prices are expressed in euros. They may be revised by Powernext, which shall notify the Member of the new schedule of charges by updating the Market Notice. Such notification shall be made within the time period for the entry into force of amendments to the Market Rules. If the Member rejects the new prices, the Trading Agreement may be rescinded.

### Article 1.2.3.4. Compliance audits

Powernext, or a person appointed by it, may perform on-site audits of Members' compliance with the Powernext Auctions Market Rules and the Trading Agreement on Powernext Auctions.

Such audits may be performed at the premises where the Member is doing business on Powernext.

The Member shall grant Powernext (or the person appointed by it) access to premises, information and personnel that the auditors deem necessary for verifying compliance with the Market Rules and the Trading Agreement on Powernext Auctions. The Member agrees to provide Powernext with all necessary information. When an audit is to be performed on the Member's premises, Powernext undertakes to give the Member ten (10) days prior notice.

Following an audit, Powernext may forward recommendations to the Member, which agrees to examine them.

Powernext shall bear the expense of these compliance audits, with the exception of cases which reveal a breach by the Member of the Market Rules or Market Notices.

### Article 1.2.3.5. Sanctions

When Powernext considers that the situation or actions of a Member are no longer consistent with its undertakings or are detrimental to the orderly operation of Powernext Auctions, it shall instruct the Member to remedy the situation immediately.

If the Member fails to remedy the situation or to desist from the challenged actions within the allotted time period, then Powernext may issue a formal warning to the Member, order the suspension of its operations or revoke its membership.

In case of emergency, Powernext may:

- suspend a Member with immediate effect;
- suspend one or more Trading Accounts of a Member

The suspension may apply to one Market Segment or several, depending on the circumstances.

Suspension or cancellation of membership on a Market Segment shall automatically result in cancellation of all the Member's Orders in the Order Book of this Market Segment. Depending on the gravity of the challenged actions, this suspension may also entail cancellation of the Member's Orders in the Order Book(s) of the other Market Segment(s) it has chosen to join.

In any event, termination of the Trading Agreement, which triggers the loss of Membership, shall not prevent Powernext from seeking compensation for any and all direct or consequential losses caused by the Member's

behaviour, especially in the event that Powernext's image has been harmed by damage to the integrity or security of Powernext Auctions.

Powernext shall issue a Market Notice to the other Members informing them of the suspension or termination of a Member.

#### Article 1.2.3.6. Exchange of information

In order to ensure the integrity and orderly operation of its markets, Powernext may have occasion to disclose confidential information relating to a Member and the Member's activity, without asking for the Member's prior written agreement, to the following organisational bodies:

- Financial institutions based in the European Union;
- Clearing House or Delivery Organisation;
- Professionals subject to a confidentiality obligation, involved in performing the service offered by Powernext on Powernext Auctions;
- any French or foreign administrative or regulatory body with the legal authority to request information
- EEX group companies.

#### Article 1.2.3.7. Disclosures to authorities

Powernext may communicate information concerning Members, Orders and Transactions to the competent authorities concerned and particularly the French Energy Regulatory Commission (*Commission de Régulation de l'Energie*) or the General Energy and Climate Directorate (*Direction Générale de l'Energie et du Climat*), on a need-to-know basis.

## Chapter 3 Market Segments and eligible Products

### Section 1. Market Segments

#### Article 1.3.1.1. Powernext Auctions Market Segments

Powernext Auctions is made up of the following Market Segments:

- Powernext Guarantees of Origin in France

Powernext decides which Market Segments are to be created on Powernext Auctions and stipulates the specific trading procedures for these Segments in the special requirements of the Powernext Auctions Market Rules.

#### Article 1.3.1.2. Membership of Powernext Auctions Market Segments

Members shall choose the Powernext Auctions Market Segment(s) in which they wish to operate when they sign their Trading Agreement.

Members may join other Powernext Auctions Market Segments at any time after signing their Trading Agreement. Joining is subject to the conditions specified in the Special Requirements of the Market Segment.

### Section 2. Tradable Products

#### Article 1.3.2.1. Types of Products

The Products admitted to trading on Powernext Auctions correspond to commodities for delivery during the periods and according to the procedures defined in the special requirements for the relevant Powernext Auctions Market Segment and presented in the Appendix to these Market Rules.

#### Article 1.3.2.2. Characteristics of Eligible Products

Powernext shall decide which Products are eligible for trading on Powernext Auctions and specifies the characteristics of tradable Products in stipulating Market Notice, in particular:

- the characteristics of the Product,
- the Product trading procedures,
- the Product trading hours,
- the Trading period,
- the characteristics of the Underlying commodity, where applicable
- the Date or Delivery Period,
- the Quantity Tick and Price Tick,
- Delivery procedures.

## Chapter 4 Auctions

### Section 1. Orders

#### Article 1.4.1.1. Definition of Orders

Orders are messages whereby Members submit information necessary to make a transaction in a Product.

An Order is an offer to enter into a contract, the terms and validity of which are set out in these Market Rules.

Orders transmitted to Powernext shall include:

- the username of the Member originating the Order;
- the Trading Account in which the Order is recorded;
- the Product the Order refers to;
- the Quantity;
- the Price;
- the side (buy, sell), type, validity and terms of execution of the Order.

#### Article 1.4.1.2. Orders types

Orders types are defined in the special requirements for the relevant Segment.

#### Article 1.4.1.3. Order origin

An Order is deemed irrefutably to originate from a Member when the Member's technical username is present in the message containing the Order. Technical acceptance of instructions issued by a Member shall be evidenced by entry or denial of entry in the Order Book or by a Transaction. An instruction issued in an Order by a Member may be revoked only under the circumstances defined in the Market Rules.

#### Article 1.4.1.4. Effect of Orders

The execution of an Order on a Powernext Auctions Market Segment shall result in the conclusion of a contract between the Members. The effects of such Contracts shall be specified in the special requirements for the relevant Powernext Auctions Market Segment, in the chapter on eligible Instruments.

#### Article 1.4.1.5. Trading limits

Trading limits may be implemented on a given Market Segment. The Specific Requirements of each Market Segment shall specify whether trade limits are implemented on this Market Segment and describe the trading limit system implemented on it.

### Section 2. Order processing during Auction Sessions

#### Article 1.4.2.1. General principles

Unless otherwise stipulated in the special requirements of the relevant Market Segment, the processing and matching of Orders shall be carried out in accordance with the rules described below.

#### Article 1.4.2.2. Trading sessions

The Trading Session is the time period during which the Auction process takes place. The Auction Session includes the opening and closing of the Order Book and ends with execution of the Orders.

Trading is organised into periodic sessions. Trading sessions on each Powernext Auctions Market Segment shall open and close at the times defined by Powernext in a Market Notice.

In the event of a threat to the integrity, security or functioning of Powernext Auctions, Powernext may suspend a trading session, postpone the start or delay the close of trading, or cancel the session altogether.

Powernext shall inform Members by email as soon as possible of a suspension of trading and the time when trading shall resume.

#### Article 1.4.2.3. Calendar

The calendar for Auction Sessions (opening of the Order Book and matching of Orders) in each Market Segment are specified in Powernext Auctions Market Notices published by Powernext.

#### Article 1.4.2.4. Publication of the Order Book

Unless otherwise specified in the special requirements of the relevant Powernext Auctions Market Segment, the Order Book is not public.

The Products auctioned are made public ahead of the Auction Session.

#### Article 1.4.2.5. Order routing

Orders shall be sent via an internet-based electronic interface to the Trading System for matching and execution.

In the event of unavailability of the systems required for the transmission of Orders, Members may transmit their Orders to Powernext via email or telephone.

#### Article 1.4.2.6. Validity of Orders

Orders sent by Members remain in the Order Book until:

- The Order is cancelled or amended by the Member that submitted it while the Order Book was open; or

- The Member's trade limit has changed and the Orders submitted no longer respect that limit; or
- The Order has been executed (or it has not been and the Contract expires).

#### Article 1.4.2.7. Order matching

Order Matching rules ensure that Orders are executed at the best price available in the Trading System according to the priority rules defined in the Powernext Auctions Market Notices published by Powernext.

The Matching of an Order implies that the buyer and the seller agree to be bound by the terms of the Transaction in the traded Product.

#### Article 1.4.2.8. Auction price determination

The Auction price determination rules used for the matching of the Orders are defined in the Powernext Auctions Market Notices published by Powernext.

#### Article 1.4.2.9. Cancellation of Transactions or Orders

##### 1. Cancellation at Member Request

While the Order Book is open, Members may amend or cancel their Orders without charge.

Once the Order Book is closed, submitted Orders become binding and irrevocable and may no longer be amended or cancelled by Members.

##### 2. Automatic cancellation

Powernext may automatically cancel an Order or a Transaction under the following circumstances:

- The Transaction results from a manifest error and neither party can be contacted,
- The Order has been inserted or the Transaction carried out in breach of Market Rules,
- The Order or the Transaction does not respect the trading limit of the relevant Member(s),
- Exceptional circumstances so warrant.

## Chapter 5 Post-Trade processing

#### Article 1.5.1. Transmission of trade confirmations

Once their Orders have been Matched on Powernext Auctions, Members receive an electronic trade confirmation containing the details of the Transaction: the price and total quantity determined by the Auction algorithm for each Contract.

Once the result has been transmitted, Members agree to be bound by the terms of the Transactions they have accepted in the Contracts.

#### Article 1.5.2. Transmission of Transactions to the Clearing House

Where a Clearing House operates on the Market Segment under consideration, Powernext shall transmit the details about the Transactions for each Member and for each Product, as Orders are matched, to be recorded by the Clearing House for the Market Segment under consideration. The information transmitted for each Transaction shall include the Price, Quantity, Product, side, counterparties, Delivery Period, date and time.

#### Article 1.5.3. Notification of the Payment and/or Delivery Organisation

Depending on the Market Segment concerned, information about Transactions giving rise to Payment and/or Delivery shall be transmitted to the Payment and/or Delivery Organisation either by Powernext directly or alternatively or additionally by the Clearing House.

#### Article 1.5.4. Payment/Delivery procedure

The Payment/Delivery procedure shall be described in the special requirements of the Market Rules applying to the relevant Market Segment or, where appropriate, in the Clearing House's rules.

#### Article 1.5.5. Establishment of Reference Prices

The Reference Prices of the various Products are determined on the basis of Transactions resulting from the Order Book executed during a period defined in the Market Notices and the evolution of the Order Book during this Period.

The method for calculating the Reference Price is published for each Notice.

## Chapter 6 Conditions of Service

### Section 1. Market Activity

#### Article 1.6.1.1. Technical facilities for accessing services

Powernext undertakes to use 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 Market Rules and the Trading Agreement.

In the event of a malfunction in the Trading System that could impact on the Member, Powernext shall inform said Member of the nature and likely duration of such malfunction. The alternative equipment and resources to be used by the Member in the event of a prolonged service interruption are described in a Market Notice.

Members agree to comply with the procedures for accessing Powernext 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 1.6.1.2. Technical documentation

Powernext shall supply the Member with the technical and operational documents needed to operate the technical facilities for accessing its services.

#### Article 1.6.1.3. Equipment

Members agree 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 here above.

Accordingly, Members shall ensure that the characteristics of its hardware and software environment shall not disrupt or interfere with Powernext's systems.

In the event that the Member's use of services disrupts the operation of the Powernext Trading System, Powernext shall contact the Member in order to terminate such disruptions. If these disruptions cannot be terminated within a reasonable time period, or if they endanger the Powernext Trading System, then Powernext reserves the right to suspend the 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 Member agrees to take all necessary steps to comply with the technical specifications, as defined in the materials referred to in Article 1.6.1.1.

#### Article 1.6.1.4. Use of the systems

The Member agrees to use the services offered by Powernext, 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 Powernext in the documents referred to in the "Technical documentation" clause here above;
- in compliance with the Market Rules;
- solely in connection with the services offered by Powernext; all other use, connection to other networks, and sharing of files or data with other networks or applications is explicitly subject to prior authorisation in writing from Powernext;
- without making them available to third parties not authorised under the Market Rules; in this respect the Member shall not assign, sublease, modify, pledge, transfer or, in general, make them available to third parties in any form whatsoever.

The Member agrees to seek and abide by the legal, regulatory, administrative and contractual authorisations arising from the applicable domestic and/or foreign laws and/or international law pertaining to the use of the services offered by Powernext, in particular to comply with the requirements of Act 78-17 of 6 January 1978 (Data Protection Act), and the EU General Protection Regulation no. 2016/679 (GDPR) or any other applicable provision.

#### Article 1.6.1.5. Functional assistance

Powernext agrees to provide Members with functional assistance, as defined in the relevant Market Notice.

#### Article 1.6.1.6. Security measures

Each Party agrees 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 authorisations 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 shall take personal responsibility for organising any internal logical and physical security measures, including restriction of access to the site in which its equipment is located, in order, in particular, to protect its access codes from unauthorised third parties.

Before sending any information over the transmission systems put in place to access Powernext, 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 unauthorised third party, it shall alert the other Party in an effort to seek the cause of such penetration and to take appropriate solutions.

The Member authorises Powernext to tape telephone conversations and accept that such recordings may constitute admissible evidence.

**Article 1.6.1.7. Other provisions concerning internet use**

Powernext and the Member each have a system for which they are responsible. However, as all the information transmitted between those two systems is carried over the internet, each Party is responsible for its access to and its use of that network.

The Member shall be responsible for connecting to the Trading System. Accordingly, the Member must obtain the administrative authorisations, take out the necessary subscriptions, and make the necessary connections or have them made.

**Article 1.6.1.8. Service 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 Trading Agreement. 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 provisions of the Trading Agreement and for compliance with the Market Rules.

In consequence whereof, each Party authorises the other to divulge to its service providers or subcontractors, where strictly necessary, the information that such providers or subcontractors need to fulfil their obligations. However, the Parties must ensure that their contractual relations with service providers or subcontractors are compatible with the Trading Agreement, the Market Rules and all provisions applicable on Powernext, in particular the clauses governing confidentiality and trade secrets.

A 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 Powernext is authorised to audit 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 Member further to audit-related recommendations from Powernext.

## Section 2. Intellectual Property

**Article 1.6.2.1. Intellectual property and licence**

Powernext warrants that it has obtained all the licences necessary for using the trading and Order transmission system.

Powernext guarantees and holds the Member harmless from any claims from a third party relating to an infringement of third-party ownership rights, intellectual property rights or other property rights, under the conditions and within the limits defined in Article 1.6.2.1. of the Market Rules.

Each Party shall retain ownership of the documents, data and information of any sort that is transmitted to the other Party under the Trading Agreement and to which either Party may have access, as well as all associated intellectual property rights.

The Member guarantees Powernext that it holds the authorisations, property rights and licence contracts for all the configurations, firmware and software needed to perform the services relating to the Market Rules.

For cases where a software application used by the Member to access Powernext requires a licence or an equivalent right, the provisions pertaining to such licence or right are mentioned in an appendix to the Market Rules or are provided by Powernext to the Member and must be adhered to by the Member.

The Member undertakes to respect the intellectual property rights of Powernext and of all third parties providing a system or software application needed to access Powernext. To this end, the 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 Powernext. The Member may neither remove nor modify references to copyright, trademarks, trade names or any other sign of intellectual property.

## Section 3. Use of Market Data

**Article 1.6.3.1. Market Data**

Powernext is the owner of the Market Data resulting from transactions on Powernext.

Market Data comprises

- Data controlled by the Member:
  - Data concerning Members' status: data communicated for the admission of Applicants, the username of the Member originating the Order, the Trading Account in which the Order is recorded;
  - Orders
  - Individualised transaction volumes
- Data controlled by Powernext:
  - Market Data: Order Books, Quantity, Price, side, type, validity and terms of execution of the Order, trading and clearing invoicing data
  - The Indices calculated by Powernext and the Closing Prices.

Market Data excludes all personal data within the meaning of personal data legislation (and particularly Act 78-17 of 6 January 1978 (Data Protection Act), and the EU General Protection Regulation no. 2016/679 (GDPR) or any other applicable provision).

The Member grants Powernext a usage right over the Data controlled by the Member, who shall be authorised to use said data for internal purposes, statistics, reporting or any other activity linked to performance of the Trading Agreement.

More specifically, the Member authorises Powernext to use the trading volumes generated by the Member for statistical or other purposes. Such statistics may be made public. In that case, Powernext agrees to ensure that Members remain anonymous.

Powernext grants the Member a usage right over the Data controlled by Powernext, for internal purposes or for any activity exclusively linked to performance of the Trading Agreement. If a subcontractor is used, the Member undertakes to explicitly mention the restrictions set out in this section. Any other use or distribution requires the prior agreement of Powernext or the conclusion of a specific contract.

## Section 4. Confidentiality policy

### Article 1.6.4.1. Confidentiality principle

In order to perform the Trading Agreement, each Party may communicate to the other Party proprietary confidential information (Confidential Information).

The term "Confidential Information" shall include all business, technical, covered or not by any trade secret regulation, and other information, written or oral, or in any other form, tangible or intangible, including, but not limited to, information which relates to business plans, customers, marketing, sales, financial information and business strategies, data, knowledge, know-how, patents, product plans, product developments, markets, software (including source and object code) or individual activity on the market.

Confidential Information shall not include information which is public knowledge at the time of its disclosure, or which has been obtained through third-party sources or which becomes public knowledge subsequent to such disclosure, other than by breach of any obligation of confidentiality of one of the Parties.

Besides, due to its status of market undertaking operating a regulated market, Powernext, its employees, officers, subcontractors and partners are submitted to a professional secrecy duty in relation with Confidential Information pertaining to Powernext. Any breach of professional secrecy is submitted to French criminal law.

Each Party undertakes and agrees that it, including its employees, officers shall hold all Confidential Information in confidence against any third party and shall not disclose, copy or reproduce in whole or in part, whether in written, oral, electronic or any other form, Confidential Information to a third party without the prior written consent of the other Party.

Each Party undertakes and 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 the Trading Agreement concerning but not limited to the Party's business, commercial policy, industrial strategy, management or organisational 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 authorisation of the other Party, designating the beneficiary(ies) 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 the Trading Agreement.

### Article 1.6.4.2. Communication rights

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 performance of the Trading Agreement, subject to the provisions of the "Service providers and subcontractors" article,
- to the competent authorities: the information that such authorities may request under applicable laws or regulations.

The Member authorises Powernext to disclose all or part of the collected Confidential Information to other Deutsche

Börse Group entities, mainly for statistical purposes, for the performance of the Trading Agreement and for coordination of services provision within Deutsche Börse Group. In such case, Powernext remains responsible for ensuring the confidentiality of the information shared with the Member.

The provisions of this article shall remain in force, including after termination of the Trading Agreement, for a period of three (3) years.

#### Article 1.6.4.3. Commercial references

Each Party authorises the other to quote its corporate name or trading name as a commercial reference.

## Section 5. Data Privacy Policy

#### Article 1.6.5.1. Definitions

- “*Personal Data*” and “*Data Subject*” shall have the same meaning as in the EU General Data Protection Regulation no. 2016-679 (GDPR)
- “*Data Privacy Regulation*” refers to GDPR, as well as all other applicable data protection laws and regulations (and especially the French Data Protection Act n°78-17 of 6 January 1978) and any equivalent regulation

#### Article 1.6.5.2. Data Privacy Policy

In order to perform the Trading Agreement, Powernext collects Personal Data from/of traders, employees or any other representative of the Member.

The specific conditions of each service specify the conditions for the collection and processing of Personal Data.

Powernext undertakes to process all collected Personal Data pursuant to the applicable data privacy regulations.

#### Article 1.6.5.3. Right of disclosure

The Member authorises Powernext to share all or part of the Personal Data collected as part of the execution of the Trading Agreement to other EEX Group entities, on a need-to-know basis, for the purpose of executing the Trading Agreement and coordinating the service provision among EEX Group entities.

Due to the corporate structure of Powernext, the Member also authorises Powernext to share all or part of the Personal Data collected as part of the execution of the Trading Agreement to other Deutsche Börse Group entities, under more restrictive circumstances for the purpose of executing the Trading Agreement and coordinating the service provision among Deutsche Börse Group entities.

#### Article 1.6.5.4. Telephone recordings

The Member is also informed that some phone conversations may be recorded. These recordings answer legal requirements applicable to Powernext as a regulated market and especially the obligation and commitment of Powernext to prevent any market abuse.

These records are kept for five (5) years and concern a limited number of telephone lines, identified on the Powernext website. Requests for any further information may be sent to [compliance@powernext.com](mailto:compliance@powernext.com).

#### Article 1.6.5.5. Liability

Notwithstanding Section 6 – Liability – of the Market Rules, the Member agrees that if Powernext is held liable for any breach of Data Privacy Regulation due to the processing of Personal Data by a Member, the latter shall hold Powernext harmless for any cost, charge, damages, expenses or loss it has incurred.

## Section 6. Liability

#### Article 1.6.6.1. Best-efforts obligation

The Parties are subject to a best-efforts obligation in their execution of the Trading Agreement.

#### Article 1.6.6.2. Principles and limitations of liability

Each Party is liable for direct damages incurred by the other Party where the damages originate from the non-performance of an obligation incumbent on the party under the Trading Agreement to the exclusion of indirect damage, such as commercial damage, loss of business, commercial disruption of any kind or loss of earnings particularly resulting from the absence of communication or processing of an Order, it being understood that any legal proceedings taken against the Member by a third party constitute indirect damage, which does not therefore confer a right to compensation. In this respect, the Parties explicitly agree that the Member guarantees Powernext against any action or complaint as a result of the Trading Agreement and shall hold it harmless for any judgement against it, regardless of the basis and nature of such action or complaint of such third party.

Neither Party shall seek to render the other liable for compensation for the harmful consequences of:

- force majeure;
- 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;
- impossibility or difficulty for the Member to access Powernext’s Trading Systems owing to access hardware or equipment for which the Member or a third party is responsible.



Whatever the circumstances, should Powernext incur liability, the Parties explicitly agree that the total compensation shall not exceed the sums paid by the Member to Powernext during the previous twelve (12) months.

## Section 7. Disputes

### Article 1.6.7.1. Conciliation

Disputes between Powernext and one or more Members regarding the implementation of the Market Rules or the Trading Agreement shall be dealt with through conciliation before being referred to the courts or to arbitration.

As soon as one Party notifies the other of its intention to refer the dispute to conciliation, the other Party shall have a non-renewable period of fifteen (15) days to announce whether or not it wishes to take part in conciliation. If the other Party does not agree to conciliation, the Parties shall be deemed to have rejected conciliation.

If the other Party agrees to conciliation, the Parties shall then have a non-renewable period of one (1) month to appoint a conciliator. If a conciliator is not appointed within this time, the Parties shall be deemed to have rejected conciliation.

The Parties shall choose the conciliator by mutual consent on the basis of the conciliator's familiarity with energy markets.

The conciliator shall try to help the Parties resolve their dispute and may propose a solution.

The conciliator shall decide how both Parties shall present their case (in writing or orally).

The conciliation procedure is limited to one (1) month and may be extended for one (1) further month.

In performing its task, the conciliators may:

- hear the Parties,
- ask for documents,
- hear experts and call on experts for assistance.

Conciliation procedures shall be strictly confidential. However, conciliators shall notify Powernext of the opening of a conciliation procedure and the outcome, unless Powernext is a party to the dispute.

The conciliator shall be paid a flat fee to be split evenly between the Parties.

### Article 1.6.7.2. Arbitration

If both Parties agree, disputes that are not settled through conciliation shall be referred to a standing or special arbitration body. Failing this, disputes shall be referred to the Paris Appeal Court.

## TITLE 2

# SPECIAL REQUIREMENTS FOR POWERNEXT GUARANTEES OF ORIGIN IN FRANCE

## Chapter 1 Introduction

### Article 2.1.1. General presentation

Powernext is appointed by decree of the minister responsible of energy to manage the National Register of Guarantees of Origin of Electricity in France, as well as the Auction of Guarantees of Origin in France. If these conditions change and Powernext is no longer an Auction manager, the **Powernext Guarantees of Origin** Market Segment in France would be automatically suspended and the Auction Members would lose their status as a Member of the Powernext Guarantees of Origin Segment in France.

In its capacity as manager of the Powernext Guarantees of Origin Segment, Powernext is required to comply with the provisions

- of the decree of 24 August 2018 designating the body responsible for the national register of guarantees of origin of electricity produced from renewable energy sources or cogeneration and the auctioning of guarantees of origin of electricity produced from renewable sources (**the Designation Decree**)
- of the Concession Agreement for the management of the national register of guarantees of origin of electricity produced from renewable energy sources or cogeneration and the auctioning of guarantees of origin (**the Concession Agreement**)
- any legal or regulatory provisions applicable to the Guarantees of Origin

### Article 2.1.2. General organisation

Powernext Guarantees of Origin in France is a Powernext Auctions Market Segment on which Products for delivery of Guarantees of Origin are traded. The specifications and characteristics of these contracts are set out in a Market Notice published by Powernext.

### Article 2.1.3. Clearing House

ECC ("European Commodity Clearing AG") shall be the Clearing House for Powernext Guarantees of Origin in France. ECC, based in Leipzig, is specialised in the clearing of energy commodities.

### Article 2.1.4. Delivery Organisation

The Delivery Organisation on Powernext Guarantees of Origin by the French State is Powernext, manager of the National Register of Guarantees of Origin.

### Article 2.1.5. Personal Data Policy

- **Identity of the Data controller:** Powernext, a French simplified joint-stock company (*société par actions simplifiée*) under French law, having its registered office at 5 boulevard Montmartre, 75002 Paris, France, registered on the Trade and Companies Register (RCS) of Paris under number 438 750 440 (hereinafter "**Powernext**").
- **Collection of Personal Data:** through the functionality offered by the Register of Guarantees of Origin, Powernext shall receive and/or collect Personal Data from account holders, employees or representatives of companies ("Data Subjects"). This includes any type of Personal Data within the meaning of the European General Data Protection Regulation no. 2016/679 ("**GDPR**"), such as contact details (last name, first name, company, job title, email, postal address and telephone number) or login details, such as connected users, connection time, connected IP addresses, number of login attempts (successful or failed) and total number of connections ("**Personal Data**").
- **Purpose of the collection of Personal Data:** the Personal Data collected shall be used to enable Powernext to fulfil its mission of auctioning Guarantees of Origin, in accordance with its official designation by the Designation Decree. The legal basis of this processing results from the performance of the Trading Agreement for the Powernext Guarantees of Origin Segment.

- **Personal Data Recipients:** the Personal Data collected is intended for the organisation of auctions of Guarantees of Origin. Powernext, as auction organiser, shall be considered as the primary recipient of the Personal Data collected. However, due to its role as designation authority, the General Energy and Climate Directorate shall also be considered as a recipient of the Personal Data collected, since some information may be transmitted to the General Energy and Climate Directorate at its request.
- **Transfer of Personal Data to Third Parties:** Personal Data collected as part of the auctioning of Guarantees of Origin may be transferred to any authorised Third Party pursuant to these Market Rules. The Personal Data collected may also be transferred to the public authorities (regulatory authorities or judicial authorities) when required by applicable law.
- **Retention period:** in accordance with the technical specifications of the designation, the Personal Data collected shall be retained for five (5) years after the end of Powernext's assignment as keeper of the Register of Guarantees of Origin.
- **Your rights:** every individual has the right to obtain transparent information, oppose, have access to and rectify any data concerning them. These rights may be exercised by sending a recorded-delivery letter to:

[compliance@powernext.com](mailto:compliance@powernext.com)

OR

POWERNEXT

Compliance Department

5 boulevard Montmartre – 75002 Paris

Any complaint may be addressed to the French Data protection authority (CNIL – Commission Nationale de l'Informatique et des Libertés). In the event of contradiction between the various available versions of this Data Protection Policy for the Register of Guarantees of Origin, the French version shall prevail.

## Chapter 2 Members

### Article 2.2.1. Definition of Members

On the Powernext Guarantees of Origin Segment in France, the only selling Member is the french State, represented by the General Energy and Climate Directorate, and all other Members are exclusively buyers.

## Section 1. Special requirements for access to Powernext Guarantees of Origin in France

### Article 2.2.1.1. Membership of the National Register of Guarantees of Origin

In order to access the Powernext Guarantees of Origin in France Segment, Members must first be Account Holders of the National Register of Guarantees of Origin of Electricity in France.

However, Membership of Powernext Guarantees of Origin in France is independent of admission to the Register. Powernext may not conclude a Trading Agreement with an Applicant to Powernext Guarantees of Origin in France even if it is an Account Holder on the Register.

### Article 2.2.1.2. Compliance with access requirements

This section sets forth the special requirements that Members shall meet to have access to trading on the Powernext Guarantees of Origin in France Segment. Powernext shall assess the compliance of each individual member. These requirements apply in addition to, and not in the place of, the general requirements set out in Title 1 of these Market Rules.

Compliance with the requirements set out below does not mean that Powernext has an obligation to admit the Member.

### Article 2.2.1.3. Access to trading on Powernext Guarantees of Origin in France

Access to trading on Powernext Guarantees of Origin in France shall be exclusively restricted to Members that have signed the Trading Agreement.

### Article 2.2.1.4. Special requirements to fulfil for Powernext Guarantees of Origin in France

#### a) Clearing Licence and "Non Clearing Member / Clearing Member Agreement"

Members must sign one of the following agreements:

- a "Clearing Licence" signed directly with ECC if they are Clearing Members,

- or a "NonClearing Member/Clearing Member Agreement" if they are not Clearing Members and use the services of an ECC Clearing Member
- Or an agreement with ECC if they have subscribed to the DCP (Direct Clearing Participant) model.

#### b) Trading limits

Trading limits are implemented on Powernext Guarantees of Origin in France.

Information on trading limits for each concerned Member is provided to Powernext by ECC. A trading limit may be communicated to ECC:

- by the Clearing Member; in such a case, the Non Clearing Member and Clearing Member must have agreed on this limit before informing ECC;
- by ECC; in the event that the Member is a DCP Member
- by any other entity referred to in the ECC Clearing Rules.

### Article 2.2.1.5. Termination of Membership

Pursuant to Article 2.1.1., in the event of a change of the Guarantees of Origin Auction manager, Members shall lose their Membership of the Powernext Guarantees of Origin in France Segment.

Loss of the status of Account Holder on the National Register of Guarantees of Origin of Electricity in France shall result in the loss of Membership of the Powernext Guarantees of Origin in France Segment.

Powernext shall suspend a Member at the request of any french or regulatory body with the legal authority.

## Section 2. Permanent obligations of Members of Powernext Guarantees of Origin in France

### Article 2.2.2.1. Changes in the information provided for admission or commencement of operations

Members shall inform Powernext as soon as they are aware of any changes that are material to their access to Powernext Guarantees of Origin in France, notably suspension or termination, to:

- their "Clearing Licence", if they are Clearing Members, or
- their "Non Clearing, Member/Clearing, Member Agreement", if they are not Clearing Members and use the services of an ECC Clearing Member.
- Their agreement with ECC if they have subscribed to the DCP

If either of these agreements are suspended or terminated, Powernext may suspend or cancel, entirely or

partially on the requested Market Segments and Products, as the case may be, the Trading Agreement, without prejudice to Transactions intended to reduce that Member's Open Position.

Members shall be liable for the consequences of not providing Powernext with this information, in particular the financial consequences of any Transactions carried out without a clearing agreement or a service agreement with an ECC Clearing Member.

**Article 2.2.2.2. Disclosures to authorities**

Powernext shall provide information about Transactions on Powernext Guarantees of Origin in France to the General Energy and Climate Directorate.

**Section 3. Default of a Member on Powernext Guarantees of Origin in France**

**Article 2.2.3.1. Default and suspension**

In case a Member defaults or does not fulfil its obligations towards ECC or its Clearing Member, Powernext shall suspend the Member from trading upon the request of ECC or the Clearing Member. In such a case only, ECC is also entitled to apply for a request to close the member's open positions according to Article 2.2.3.2 of these Market Rules and to ECC's clearing rules.

**Article 2.2.3.2. Closing of positions**

Upon request of ECC, and in application of ECC clearing rules, Powernext may, as the case may be:

- check that the Member, in accordance with its obligations to ECC, closes its positions within the time limit it has been given to do so;
- suspend the Member and close its positions, following ECC's instructions.

In all cases, Powernext shall not be held responsible to Members for any consequences resulting from closing of the positions it has effected on ECC's instructions.

**Chapter 3 Eligible Products**

**Article 2.3.1. Product description**

The following are eligible for trading on the Powernext Guarantees of Origin in France Segment:

- **Products**; they correspond to Guarantees of Origin, the characteristics of which are set out in a Market Notice published by Powernext.

**Article 2.3.2. Characteristics of Eligible Products**

The Guarantees of Origin are aggregated at regional level and by type of technology. The Auctioned Product which Members bid on is a combination of region and technology.

Members are also invited to state a delivery preference for a specific Production Device.

The specific characteristics of the Eligible Products for Powernext Guarantees of Origin in France are explained in detail in the Appendix.

## Chapter 4 Auctions

### Article 2.4.1. General principles

The general principles concerning Auctions described in Chapter 4 of the Powernext Auctions Market Rules shall apply to the Powernext Guarantees of Origin in France Market Segment. This chapter describes the special requirements applicable to Powernext Guarantees of Origin in France.

## Section 1. Orders

### Article 2.4.1.1. Order types

On the Powernext Guarantees of Origin in France Market Segment, sell Orders may only come from the State. Sell Orders from the State are limit orders. Limit Orders specify a quantity and a limit price. The limit price is the minimum price below which an ask limit Order cannot be executed.

For Auctions, the limit price is the reserve price, determined by the State before the start of each Auction. The State reserves the right to not communicate the reserve price.

The other Members may submit buy Orders.

### I – Simple ORDERS

#### 1 Simple defined orders

Simple defined Orders have a quantity and a fixed price relating to a region/technology combination. The characteristics of the region/technology combinations are described in the Market Notice published by Powernext.

#### 2 Simple generic orders

Simple generic Orders have a quantity and price relating to an entire technology, an entire region or all of the Guarantees of Origin (regardless of region or technology). The different technologies and available regions are set out in the Market Notice published by Powernext.

### II – COMBINATIONS OF SIMPLE ORDERS

#### Multiple Orders

Multiple Orders comprise a combination of simple defined Orders or simple generic Orders at different prices for a given quantity to be met.

In this case, the Member indicates that it wishes to purchase a certain quantity of Guarantees of Origin and that these come from at least one of the region/technology combinations, one of the technologies or one of the regions indicated, at the price proposed in each case.

### Article 2.4.1.2. Delivery preference

For all types of Order specifying a region/technology combination, the Member may indicate a particular Production Device or a list of Production Devices belonging to that combination for which it has a preference. If that preference cannot be met, the Member shall receive the Guarantees of Origin from another Production Device belonging to the region/technology combination for which it has submitted its Order(s).

### Article 2.4.1.3. Trading limits

#### Volume limits

Members may submit Orders for a given region/technology combination only if the quantity of Guarantees of Origin requested is less than the Auctioned quantity for that combination. The volume limit per product is common to all buyer Members. It does not apply to Members' preferences for certain Production Devices.

#### Order limits

The number of purchase Orders as well as the number of delivery preferences that a Member may submit during the auction, is limited. The limits are established and specified in the Market Notice.

#### Financial limits

A system of financial trading limits is in place on Powernext Guarantees of Origin in France. This system is described in detail in the Market Notice "Trading limits on Powernext Guarantees of Origin in France".

In the event a technical problem prevents Powernext from checking the compliance of Orders with the trading limits:

- Powernext shall notify Members as soon as possible of the technical problem in question;
- Members shall still be required to comply with their financial trading limit.

Compliance with financial limits shall in all cases be checked before any delivery of the Guarantees of Origin.

## Section 2. Order processing during Auction sessions

### Article 2.4.2.1. Opening and closing of the Order Book

The Order Book of Powernext Guarantees of Origin in France shall open and close on the dates communicated by Powernext in a Market Notice.

### Article 2.4.2.2. Trading sessions

Auction Trading sessions take place on days specified in a Market Notice issued by Powernext each year, and on the last Trading day of the current year at the latest.

Powernext may modify its trading calendar during the year. In that case Powernext shall inform Members in a Market Notice at least two (2) calendar days before the modified days.

Powernext shall also inform Members of the times of Auction sessions in a Market Notice.

#### Article 2.4.2.3. Order matching

The characteristics of Order matching shall be set out in a Market Notice.

#### Article 2.4.2.4. Auction price determination

The price paid by each Member for a region/technology combination is the price offered by the Member when submitting its Orders ("pay-as-bid").

If a Member is competing with other players for a region/technology combination at the same price, Order matching shall occur on a pro rata basis according to the volume initially requested by each member.

#### Article 2.4.2.5. Preference management

Processing of Production Device preferences occurs once the price and quantity of Guarantees of Origin are defined for each region/technology combination. Matching is carried out in descending order of price. If two Members offer the same price for the same Production Device, matching is carried out pro rata. If the Guarantees of Origin of a Production Device for which the Member has stated a preference have already been fully awarded, it is possible for a Member to obtain the Guarantees of Origin from another Production Device belonging to the same region/technology combination.

#### Article 2.4.2.6. Effect of Orders

Execution of an Order on the Market shall entail the irrevocable commitment, at a given date:

- for the buyer to take Delivery of the quantity of Guarantees of Origin and to pay the agreed Price in accordance with the applicable Delivery and Payment procedures,
- for the seller to deliver the quantity of Guarantees of Origin and receive payment of the agreed Price in accordance with the applicable Delivery and Payment procedures.

#### Article 2.4.2.7. Rules applicable to Transactions after Matching

As soon as a Transaction is concluded between a sell-side Member and a buy-side Member, ECC or, as the case may be, the concerned ECC Clearing Member, stand between the counterparties to the Transaction and their contractual relationships are then governed by the ECC's clearing rules.

## Chapter 5 Post-Trade processing

### Article 2.5.1. Establishing Price References

Powernext may decide to calculate and publish a price reference by region/technology combination and by production month. The method for calculating the price reference is described in the "Methodology for establishing price references" which is published as a Market Notice.

### Article 2.5.2. Transmission of Transactions to ECC

As Orders are matched, Powernext shall transmit the details about the Transactions for each Member on a per Product level to ECC.

### Article 2.5.3. Notification of the Delivery Organisation

ECC shall transmit the information about Transactions directly to the Delivery Organisation, Powernext.

### Article 2.5.4. Payment and Delivery procedure

#### Payment

Transfers are made the day after the Auction from buyer Members to the ECC account and from the ECC account to the account of the seller Member, the State.

#### Physical delivery

After confirmation of payments by ECC, the Delivery Organisation delivers the Guarantees of Origin to the accounts of the buyer Members via a transfer on the National Register of Guarantees of Origin, the day after the Auction.

Members are not authorised to reject the transfer of Guarantees of Origin to their account if such transfer results from the execution of an Order.

## Chapter 6 Invoicing

### Article 2.6.1. Annual fees

#### 1- Annual admission fee

The annual admission fees for Guarantees of Origin in France are defined and described in Market Notice "Fees, Charges, Invoices, VAT". Said fees include access to the Register and Auctions, as well as the admission fees for the ECC clearing house.

#### 2- Invoicing

Annual admission fees are paid by Members every 31 January and at the start of admission.

Powernext shall send Members electronic invoices.

Upon explicit written request to Powernext, Members may receive hard copies of the invoices issued to Powernext.

### Article 2.6.2. Amount of Transaction fees

#### 1- Transaction fees

Transaction fees are defined and described in Market Notice "Fees, Charges, Invoices, VAT".

#### 2- Invoicing

The fees referred to in this article shall be invoiced to Members monthly.

Powernext shall send Members electronic invoices.

Upon explicit written request to Powernext, Members may receive hard copies of the invoices issued to Powernext.

### Article 2.6.3. Amount of fees for transfer on the Register

Fees for transfers on the Register shall be invoiced in the same way as other fees relating to the use of the Register.

### Article 2.6.4. Value Added Tax on fees

The fees referred to in Articles 2.6.1 to 2.6.3 shall be associated with a provision of services (Article 256 IV of the French Tax Code). The place of supply of such services is where the buyer is established for VAT purposes, according to Article 259-1 of the French Tax Code and Article 44 of Directive 2006/112/EC. They are subject to French Value Added Tax at the rate in force if the buyer is a French resident or a French establishment of a foreign business. They are not subject to French Value-Added-Tax if the buyer is liable to pay Value-Added Tax in another European Union Member State (in such case Value- Added Tax is due by the buyer in the member state in which the tax is due pursuant to article 196 of the directive 2006/112/EC) or is established outside the European Union. Moreover the buyer acknowledges that VAT should be self-assessed by the buyer pursuant to the tax law applicable in the State where the buyer has its residence. The buyer shall fully hold Powernext harmless in the event it fails to comply with its tax obligations towards a State.



**Article 2.6.5. Payment**

The fees mentioned in articles 2.6.1 to 2.6.3 are due on the date specified in the electronic copy of the invoice.

If the amounts invoiced are not paid in full within the specified deadline, the sums owed are increased, by right,

and without the need for a formal notice to pay, of a fixed rate for recovery fees of forty euros (€40) (art. L 441-6 of the French Commercial Code) in addition to interest for late payments at a rate equal to three times the legally chargeable interest rate. These penalties are due on the day following the due date mentioned on the invoice.

**POWERNEXT AUCTIONS MARKET RULES  
APPENDIX**

## Definitions

### 1. Common definitions

<b>Admission</b>	Date from which a Member is authorised to trade
<b>Appendix</b>	Document that clarifies the provisions of the Market Rules and is an integral part thereof
<b>Matching</b>	Combination of two compatible Orders on opposite sides leading to a Transaction
<b>Market Notice/Notice</b>	Document issued by Powernext to communicate with Members and clarify technical provisions of the Market Rules
<b>Order Book</b>	Centralisation by the Trading System of buy and sell Orders for the Products traded
<b>Clearing House</b>	Investment services provider that performs the clearing and settlement of payment obligations resulting from Members' Transactions on Powernext Auctions
<b>Client</b>	Person who uses the services of a Powernext Auctions authorised Member to provide a third-party trading service in order to execute buy and sell orders on contracts listed on Powernext Auctions
<b>Trading Account</b>	Account in which the Members' Transactions on Powernext Auctions are recorded
<b>Trading Agreement</b>	Contract between a Member and Powernext governing access to Powernext
<b>Market Data</b>	Data relating to Quantities and Prices and all equivalent data.
<b>Production Device</b>	Production Device registered in the Registry and benefiting from public support mechanism
<b>Delivery</b>	Delivery of a product in execution of a Transaction on Powernext Auctions
<b>Member</b>	Legal entity that has signed a Trading Agreement with Powernext
<b>ECC Clearing Member</b>	Participant of ECC which has signed a "Clearing Licence" with ECC
<b>Trading Order</b>	Submitting Orders for Matching Message sent by a Member as defined in Article 1.4.1.1 of these Market Rules

<b>Delivery Organisation</b>	Provider handling, as the case may be, the actual Delivery of the Products traded on Powernext Auctions, in accordance with the specific procedures of the concerned Market Segment
<b>Payment Organisation</b>	Provider handling, as the case may be, the actual Payment of the Products traded on Powernext Auctions, in accordance with the specific procedures of the concerned Market Segment
<b>Party(ies)</b>	Signatory(ies) of the Trading Agreement on Powernext Auctions
<b>Price Tick</b>	Smallest amount by which the Price of a Product may vary
<b>Quantity Tick</b>	Smallest amount by which the Quantity of a Product may vary
<b>Delivery Period</b>	Set of dates at which the Underlying Product of Contracts traded on Powernext Auctions
<b>Applicant</b>	Legal entity which has applied to Powernext in order to become a Member
<b>Powernext Auctions</b>	Market covered by these Market Rules
<b>Price</b>	Amount in the Product price unit at which each Transaction is concluded
<b>Reference Price</b>	Price mentioned in Article 1.5.5 of the Market Rules and established by Powernext and in a parameters setting Notice
<b>Product</b>	Product traded on Powernext Auctions under the standard terms defined in the Market Rules and the characteristics of which are defined in a Market Notice
<b>Quantity</b>	Quantity, in the volume unit of the considered Product, covered by each Transaction
<b>National Register of Guarantees of Origin</b>	National Register of Guarantees of Origin, accessible to the public and designed to keep accounts of Guarantees of Origin obtained, acquired, sold or used
<b>Market Rules</b>	Up-to-date version of this document including its Appendices
<b>Market Segment (or Segment)</b>	Eligible Products grouped together by the following common characteristics: <ul style="list-style-type: none"> <li>• Trading procedure</li> <li>• Clearing procedures</li> <li>• Payment procedures</li> <li>• Delivery procedures per requirements of the underlying Delivery Zone</li> <li>• Trading calendar</li> </ul>

<b>Trading System</b>	Electronic system operated by Powernext that allows Powernext Members to trade Products on the Powernext Auctions
<b>Transaction</b>	Contract entered into on the Powernext Auctions Market Segments between a buyer and a seller that undertake to fulfil their obligations under the Market Rules applicable to Powernext Auctions
<b>Delivery Zone</b>	Geographic delivery zone for the underlying Product of a Product that can be traded on Powernext Auctions

## 2. Special definitions for Powernext Guarantees of Origin in France

<b>DCP</b>	Direct Clearing Participant
<b>DGEC</b>	General Energy and Climate Directorate (Direction Générale de l'Energie et du Climat)
<b>ECC</b>	Clearing House on the Powernext Guarantees of Origin in France Segment
<b>Guarantee of Origin</b>	Guarantees of Origin are negotiable movable property, whose unit of account is the MWh of net energy injected into the electricity distribution network or the electricity transmission network, and produced by a production Device operating at from a renewable source
<b>ECC Clearing Member</b>	Participant of ECC which has signed a "Clearing Licence" with ECC
<b>Powernext Guarantees of Origin in France</b>	Segment of Powernext Auctions on which Powernext Guarantees of Origin in France products are traded and the characteristics of which are described in the special requirements of the Market Rules dedicated to it