

Customer Information

Additional technical information on the intended merger of Powernext into EEX AG

Paris, October 15th 2019

Dear trading participants,

European Energy Exchange AG (EEX AG) intends to merge Powernext into EEX AG on 1 January 2020, subject to the required approvals. As a result of the merger, EEX AG will offer trading in all former PEGAS and EEX products at one single market place. Members will be able to easily trade a larger EEX portfolio including gas, power and emission allowances while continuing to benefit from cross margining effects as ECC will remain the central counterparty for clearing of all transactions concluded at EEX and EEX OTF. Once the merger has been completed, all trading in former PEGAS natural gas products will take place on EEX and EEX OTF under the respective rules and regulations. The activities linked to the registry services will also be operated by EEX AG. Powernext will become a branch of EEX AG, maintaining its activity in Paris, including notably its center of expertise, stakeholder relations and know-how for gas markets and registry services.

For additional information we would like to refer to the PEGAS Customer information issued early September.

Within this Circular we provide you with additional technical and operational information related to the gas markets. We have optimised technical changes to the minimum required to ensure a smooth technical transition process for all members while meeting the intended merger date. We are planning to further harmonize certain technical elements during the upcoming year and will advise the community about such changes in subsequent PEGAS Customer information with sufficient lead time.

We will issue a further circular on 9 December 2019, describing the exact cut over steps (including exact dates and time of technical changes) around the merger date.

New Products offered for Trading at EEX Regulated Market and OTF

Subject to the approvals by EEX Exchange Council and the Exchange Supervisory Authority, the EEX trading offering will additionally include the same products as currently available for trading at Powernext. The contract specifications of the products will not change in substance, details can be found in the current version of Powernext market notices. EEX and ECC will update their Contract Specification, Clearing Specification and further relevant documents and publish the updated versions on EEX and ECC website, respectively. This update is envisaged for 9 December 2019.

Below you can find an overview of products which will be available for trading¹ at EEX and EEX OTF:

Products	Maturities available for trading										
	Spot Market			Regulated Market				Organized Trading Facility			
	WD	DA, WE, SAT, SUN, ID BH	HR	Mont h	Quart er	Seaso n	Cal	Mont h	Quart er	Seaso n	Cal
TTF	X	X	X	6	11	6	6	6	11	6	6
TTF Option				6	5*	4*	2*				
JKM LNG Futures				34	11*	6*	2*				
PEG	X	X		6	7	6	6	6	7	6	6
PEG 1 MWh/d	X	X									
GRTgaz Teréga PEG	X	X									
GRTgaz Teréga PEG Downstream	X										
ZTP	X	X		6	7	6	6	6	7	6	6
ZTP L	X	X									
ZEE	X	X		6	7	6	6	6	7	6	6
NCG	X	X	X	6	7	6	6	6	7	6	6
NCG-L	X	X	X								
NCG-H	X	X									
NCG H North	X	X									
NCG H South	X	X									

¹ Spot market definitions are: WD (Within Day) DA (Day-Ahead) WE (Week-End) SAT (Saturday) SUN (Sunday) BH (Bank Holiday) ID (Individual Day) HR (Hourly)

The number of tradable product maturities on futures at any given time is listed for each group; e.g. the next 6 months, the next 7 quarters, the next 6 seasons, and the next 6 calendar years. In addition to the above, Time Spreads are available on Regulated Market and OTF for outright futures except for JKM LNG.

*TTF Options are stripped in months, up to a total of next 34

*JKM LNG Futures are stripped in months

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	Spot Market			Regulated Market				Organized Trading Facility			
	WD	DA, WE, SAT, SUN, ID BH	HR	Mont h	Quart er	Seaso n	Cal	Mont h	Quart er	Seaso n	Cal
NCG H Mid	X	X									
NCG L Wes	X	X									
NCG L East	X	X									
NCG L Elten			X								
NCG L Vreden			X								
GPL	X	X	X	6	7	6	6	6	7	6	6
GPL-L	X	X	X								
GPL-H	X	X									
GPL Ontras HGas	X	X									
GPL GuD H-Gas	X	X									
GPL Gascade Hgas	X	X									
GPL GuD L-Gas	X	X									
GPL GTG Nord Lgas	X	X									
GPL Nowega L-Gas	X	X									
NBP	X	X		6	7	6	6	6	7	6	6
PVB	X	X		6	7	6	6	6	7	6	6
PSV				6	7	6	6	6	7	6	6
ETF	X	X		6	7	6	6	6	7	6	6
CEGH VTP	X	X	X	6	7	6	6	6	7	6	6
CZ VTP		X		6	7	6	6				
PEG / ZTP		X		6	7	6	6	6	7	6	6
PEG / NCG		X		6	7	6	6	6	7	6	6
PEG / TTF		X		6	7	6	6	6	7	6	6
GASPOOL / NCG	X	X		6	7	6	6	6	7	6	6
GASPOOL / TTF	X	X		6	7	6	6	6	7	6	6
NCG / TTF	X	X		6	7	6	6	6	7	6	6
NCG L / NCG H	X	X									
GASPOOL L / GASPOOL H	X	X									
NCG L / TTF	X	X									
GASPOOL L / TTF	X	X									
GASPOOL L / TTF	X	X									
ZTP / TTF	X	X		6	7	6	6	6	7	6	6
ZTP / NCG	X	X		6	7	6	6	6	7	6	6
ZTP / GASPOOL	X	X		6	7	6	6	6	7	6	6
ZEE / NBP	X	X		6	7	6	6	6	7	6	6
ETF/TTF	X	X		6	7	6	6	6	7	6	6
ETF/NCG	X	X		6	7	6	6	6	7	6	6
ETF/GASPOOL	X	X		6	7	6	6	6	7	6	6

Products	Maturities available for trading										
	Spot Market			Regulated Market				Organized Trading Facility			
	WD	DA, WE, SAT, SUN, ID BH	HR	Mont h	Quart er	Seaso n	Cal	Mont h	Quart er	Seaso n	Cal
CEGH VTP/TTF		X		6	7	6	6	6	7	6	6
CEGH VTP/NCG		X		6	7	6	6	6	7	6	6
CEGH VTP/GASPOOL		X		6	7	6	6	6	7	6	6
CZ VTP/TTF		X		6	7	6	6				
CZ VTP/NCG		X		6	7	6	6				
CZ VTP/GASPOOL		X		6	7	6	6				
CZ VTP/ CEGH VTP		X		6	7	6	6				
PVB / TTF		X		6	7	6	6				
PVB / PEG	X	X		6	7	6	6				
PSV / TTF				6	7	6	6				
PSV / CEGH				6	7	6	6	6	7	6	6

The BOM Cascading files of EEX and Powernext will be merged in 2020.

New Position Limits set by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and Hedge exemption

The German Federal Financial Supervisory Authority (BaFin) will become responsible for setting position limits that were previously set by the Autorité des Marchés Financiers (AMF). EEX AG is advising BaFin on these position limits. Be mindful that, according to BaFin requirements, current hedge exemptions against position limits granted by AMF will not be automatically applicable after the merger date. A new application towards BaFin will be necessary. This applies similarly to members who currently do not have a hedging exemption, but intend to apply for one in the future. If you have further questions, please contact your Key Account Manager.

Access to Trading Systems

There will be no change in technical access to the trading systems neither on spot nor on derivatives markets.

Physical and Financial Settlement

ECC will remain the central counter party to each transaction, therefore no changes will occur with regards to the established physical and financial settlement processes.

Reports available via SMSS and Eurex

Reports available via SMSS Member Area, as well as Eurex will not change. Please note, in the Trade and Payment Reports there will still be a reference to PEGAS or PWX. A further harmonization of the reports, in particular an update related to the Exchange Code available in those reports, is envisaged for the year 2020 and will be announced with sufficient lead time.

Change planned to Market Identifier Code (MIC)

Currently both exchanges, EEX and Powernext, hold own operating market identifier codes (MIC) and corresponding segment MICs for regulated market and OTF.

Pre-Merger Market Identifier Codes

	EEX	PWX
Operating MIC	XEEE	XPOW
Segment MIC Regulated Market	XEER	XPSF
Segment MIC OTF	XEEO	XPOT

Due to the merger, the operating MIC of Powernext will disappear and the segment MICs of Powernext will be transferred to EEX. The table below provides an overview of the planned reallocation of the market identifier codes.

Post-merger Market Identifier Codes

	EEX	PWX
Operating MIC	XEEE	XPOW
Segment MIC Regulated Market	XEER XPSF	XPSF
Segment MIC OTF	XEEO XPOT	XPOT

Regulatory Reporting

EEX as trading venue will fulfil all the requirements of regulatory reporting derived from MiFID II/MiFIR and continue to support trading participants in its reporting requirements under REMIT and EMIR. Currently, the impact of the merger is being discussed with the various regulatory authorities aiming at limiting any need for change. However, in order to support the seamless routing of MiFID II/MiFIR position and transaction reports to BaFin after the merger, EEX requires trading participants to send any amendment of the provided Draft Position Report in one file for all commodities including gas instead of two. The same rule also applies for amendments of the Draft Transaction Report. These changes are limited to trading participants registered for trading at EEX and Powernext before the merger.

Margining

No changes are planned for spot margining.

With regards to variation margin, the exchange complex “PWX-Powernext” will be withdrawn within the ECC SPAN file and all future and option products currently listed under Powernext will be migrated to the exchange complex “EEX-European Energy Exchange”. The changes will be applied in the ECC SPAN file provided as of 2 January, 2020. A test SPAN file can be obtained by the Clearing Team.

Limit Management

Limit definitions are not going to be amendment by the day of the merger, therefore, the currently available limits and stop definitions will be applied. A harmonization is envisaged for the year 2020 and will be announced with sufficient lead time.

Invoicing

Invoices of ECC AG and ECC Lux S.à.r.l. will not change, invoices currently issued by Powernext S.A. will be issued after the merger by EEX AG, Paris Branch.

Update of ECC and EEX Admission Forms

EEX and ECC will update its admission forms. A publication of renewed set of admission documents is planned for 3 November 2019.

Transfer of Admission from Powernext to EEX

At the end of September all current members of Powernext received customized transition forms. The pre-filled transition form and if applicable further documents should be signed and returned to us no later than 23 October 2019, to ensure an admission at EEX as of effective date of merger.

As part of the cut over activities, it is intended to issue at the latest between 20 and 31 December 2019 the admission letters and activate approved members and traders for trading. Changes (e.g. products, contacts, member status) arriving between those days will be processed after the merger.

Should you have any questions to your admission forms or to the merger in general, please do not hesitate to contact us via one@powernext.com, or contact your Key Account Manager, who will guide you through the admission process.

Changes to EEX Group DataSource Services

No major changes to the EEX Group DataSource Services is expected. Neither the provision of the natural gas market data nor your subscription will be affected by this integration. EEX Group DataSource already includes market data of all Powernext markets and will be provided to customers as usual.

However, there will be minor changes in the file names and files on the EEX Group DataSource SFTP (datasource.eex-group.com):

1. Within Day Reference Price File:

SFTP path: `/market_data/natgas/`

CSV Format: `YYYYMMDD_PowernextGasSpot_WDRP.csv`

→ To be renamed to `YYYYMMDD_EEXGasSpot_WDRP.csv`

2. Monthly Index File:

SFTP path: `/additional_data/MonthlyIndex/`

CSV Format: `GasFuturesMarketResults_MonthlyIndex_<Market Area>_YYYYMMDD.csv`

Change of first line of the file to:

```
# Prices/Volumes of EEX Regulated Market and OTF Futures <Market Area> Monthly Index
```

3. Gas Spot Market Results File:

SFTP path: /market_data/natgas/

CSV Format: GasSpotMarketResults_<Market Area>_YYYYMMDD.csv

Change of first line of the file to:

Prices/Volumes of EEX Spot Market <Market Area>

4. Gas Futures Market Results Files:

SFTP path: /market_data/natgas/

CSV Format: GasFutureMarketResults_<Market Area>_YYYYMMDD.csv

Change of first line of the file to:

Prices/Volumes of EEX Regulated Market and OTF Futures <Market Area> Gas Futures

XLS Format: GasFutureHistory_<Market Area>_YYYY.xlsx

Change "PEGAS" to "EEX" in respective sheet headers.

EEX Group DataSource Services CSV & XLSX File Interface specifications and example files (<https://www.eex.com/en/market-data/eex-group-datasource/sftp-server>) will be updated in due time to reflect these changes.

Yours sincerely,

EEX and Powernext

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