

IMPLEMENTING REGULATION TO THE EXCHANGE RULES

SETTING TRADING PARAMETERS FOR MARKET MAKERS

Article 1

Number of Market Makers (hereinafter “MM”), Criteria and Categories

(Exchange Rules – Trading Rules, Article 19, paragraph 8)

The Exchange Chamber establishes the following in Table 1 below:

*the minimum and maximum admissible number of market makers per one Product,
assessment criteria for market maker activities,
market maker categories*

Table 1

Minimum number of MM per Product	not established
Maximum number of MM per Product	not established
Assessment criteria for MM activities	fulfilment of obligations under Article 2 herein
MM categories	a) general MM b) other MM c) Specialist d) Hours Auction MM

Article 2

Obligations of All MM

(Exchange Rules – Trading Rules, Article 20, paragraph 3)

The MM shall be obliged to maintain quotation for products in relation to which it performs market making activities in accordance with a concluded agreement (“allocated contracts”) through a minimum number of contracts and in compliance with the maximum price spread set by the Exchange Chamber in Table 2 below. Any breach thereof shall be deemed a violation of the MM’s obligations.

The MM undertakes for the period of trading as set down by the Exchange Chamber in Table 2 below and on all Exchange Days according to the approved Exchange Day time schedule to continually quote its allocated contracts in such a way as to ensure the liquidity of the market.

Table 2

<p>Minimum number of contracts</p>	<p>Futures products:</p> <ul style="list-style-type: none"> a) 10 MW for monthly products b) 5 MW for quarterly products c) 5 MW for yearly products <p>Hours auction:</p> <ul style="list-style-type: none"> a) 50 MW for hour contracts except for those cases under b) below b) 25 MW for preset blocks of hour contracts
<p>Maximum price spread</p>	<p>Futures products:</p> <ul style="list-style-type: none"> a) 1 EUR for base load products b) 3 EUR for peak load products <p>Hours auction:</p> <ul style="list-style-type: none"> a) 2 EUR for hourly products except for those cases under b) below b) 1 EUR for preset blocks of hour contracts
<p>Compulsory quoting period for MM</p>	<p>Futures products:</p> <p>At least 90% of the trading period within the continuous regime with the possibility of a midday recess in the interval 12:15–13:15 (maximal length of 60 minutes)</p> <p>Hours auction:</p> <p>Obligation to enter (an) order(s) to buy or sell in the Hours Auction in at least 90% of the days of the calendar month</p>

Article 3

Obligatory Products For Market Makers

(Exchange Rules – Trading Rules, Article 20, paragraph 2)

The Exchange Chamber establishes the products that are subject to the obligation to quote for individual market maker categories as follows.

Table 3

<p>Products with obligation to quote for general MM</p>	<ul style="list-style-type: none"> a) base load two following calendar months b) peak load two following calendar months c) base load two following calendar quarters d) peak load two next calendar quarters e) base load following calendar year
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	f) peak load following calendar year
Products with obligation to quote for other MM	a) base load following calendar month b) base load following calendar quarter c) base load following calendar year
Products with obligation to quote for the Specialist	Products chosen by the Specialist will be stated in the Contract between Individual Market Maker (Specialist) and Power Exchange Central Europe, a.s.
Products with obligation for the MM to quote for Hours Auction	All hourly products with next day delivery registered in Hungary. In addition to or instead of these products, the MM may undertake in the agreement on the performance of market maker activities to quote preset summaries of hourly contracts that comprise the Blocks under Article 6 of the Standardisation of Commodity Contracts ("preset blocks of hour contracts").

Article 4

Extraordinary Situations

1. In case of an extreme situation on the market substantiated by a request from a MM, an Exchange Agent may temporarily increase spreads following agreement with the Exchange's General Secretary. The Exchange may initiate a spread increase even without a request from a MM.
2. In case of organisational or technical problems on the part of a MM, national holidays in the participant's native country, or the like, the Exchange will permit non-fulfilment of the obligation to quote within the compulsory quoting period for a MM in the maximum amount of 40 hours per year; this does not apply to the MM for Hours Auction. This allowance does not apply to participants who provide market liquidity support on the Power Exchange Central Europe without a concluding an agreement on the performance of market maker activities. The MM is obliged to notify the Exchange of the occurrence of such problems without delay.

Article 5

Force Majeure

The Exchange will tolerate a suspension of the Market Maker's activities caused by a circumstance excluding such liability pursuant to the Commercial Code (Force Majeure). The MM is obliged to notify the Exchange of the occurrence of such circumstances without delay. The Exchange will monitor each case and demand a detailed explanation. The Exchange may inform other Trading Participants of the situation.

Article 6

Effectiveness of the Trading Rules

This Implementing Regulation was approved by the Exchange Chamber on 3rd May, 2010 and takes effect on 17th May, 2010.