

# **ORGANIZED MARKET COMMITTEE REGULATION**

## **ANNEX VII**

**OF**

## **HUPX MARKET RULES**

**Version 1.0**

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## **1. GENERAL RULES**

### **1.1. GOALS OF THE ORGANIZED MARKET COMMITTEE REGULATION**

The Organized Market Committee Regulation is set of rules applicable to the operation of Organized Market Committee (OMC).

HUPX shall publish the Organized Market Committee Regulation on its website.

### **1.2. PERSONS BOUND BY THE ORGANIZED MARKET COMMITTEE REGULATION AND EFFECTIVE DATE**

The present Organized Market Committee Regulation is binding on HUPX and on persons bound by the HUPX Rules and Regulations.

The present Organized Market Committee Regulation will become effective as defined in the Section 1.1.4.7 of HUPX Market Rules.

### **1.3. DEFINITION**

The definitions used in the Organized Market Committee Regulation shall have the meaning as defined in the HUPX Market Rules.

## **2. OPERATION OF THE ORGANIZED MARKET COMMITTEE**

### **2.1. OPERATION OF THE ORGANIZED MARKET COMMITTEE**

The Organized Market Committee is a body elected from the representatives of the HUPX Members. It has an advisory role in the process of amendment of the Rules and Regulations of HUPX.

The composition of the Organized Market Committee should strive to reflect the diversity of economic and corporate profiles that exist among HUPX Members.

The Organized Market Committee shall consist of:

- (i) Full OMC Members;
- (ii) OMC Observers.

hereinafter jointly referred to as the "OMC Members".

The Full OMC Members are five (5) to nine (9) representatives of different HUPX Members. Therefore the minimum number of Full OMC Members is five (5), the maximum number of Full OMC Members is nine (9).

The OMC Observers can consist of:

- (i) the representative(s) of Market Maker(s) or Liquidity Provider(s), if not nominated or elected as Full OMC Member(s);
- (ii) the representative of the Hungarian Energy Traders' Association;
- (iii) the representative of the Clearing House;
- (iv) the representative of the TSO, if not nominated or elected as Full OMC Member;
- (v) the representative of the Supervisory Authority;
- (vi) the representatives of other associations.

Positions of Full OMC Members are subject of nomination and election procedure, while positions of OMC Observers are optional and subject to appointment procedure according to Section 3 of this Annex. HUPX has the right to invite other participants as observers.

HUPX may publish the list of the OMC members on its website with the prior written consent of the OMC member in question.

### **2.2. DECISION MAKING OF THE ORGANIZED MARKET COMMITTEE**

In the decision making procedure of the Organized Market Committee the Full OMC Members shall participate, and have the right to vote.

The OMC Observers support the work of the Organized Market Committee as observers without voting right.

HUPX or a quorum of three (3) Full OMC members shall have the right to require an Organized Market Committee meeting.

Organized Market Committee meeting quorum shall be deemed reached if the meeting is attended by at least one half of the Full OMC members plus one OMC member. In case an

OMC member cannot attend the meeting, the OMC member may appoint its substitute for the meeting in question in written form.

The content and outcome of the meetings and of the decision making process shall be recorded in writing as Minutes of the OMC meeting and approved by OMC members. HUPX may publish Minutes of the OMC meeting and make it publicly available on HUPX website.

Votes can also be passed in writing via e-mail and meetings of the Organized Market Committee can be held via electronic means.

The Organized Market Committee shall set the rules regarding voting, including quorum, majority, substitution of members. HUPX may suggest election rules, the rules relating to the composition and operation of the Organized Market Committee. The Organized Market Committee can request the modification of this Annex. In case of modification of the Annex by Organized Market Committee, HUPX is responsible for the inclusion of this Annex VII and publication on the HUPX website. HUPX notifies the HUPX Members in a Market Notice about the modification.

### **2.3. ROLES AND RIGHTS OF THE ORGANIZED MARKET COMMITTEE**

HUPX shall consult the proposals for the changes to the Market Rules, which are subject to approval to the Supervisory Authority before the submission with the Organized Market Committee. HUPX may consult any other amendments of Rules and Regulation with the Organized Market Committee.

The Organized Market Committee may express its opinion and suggest modifications regarding such proposals within the deadline indicated by HUPX and may propose changes to the Rules and Regulations of HUPX at any time.

The Organized Market Committee may express opinions and recommendations to HUPX regarding introduction or modification of Products, Market Segments or market coupling.

The Organized Market Committee may ask HUPX to report on market environment and activity, projects, changes of markets and products and market surveillance activities (on an anonymous basis).

The Organized Market Committee can collect the opinions of HUPX Members and forward them to HUPX.

As it has an advisory role to HUPX, the recommendations, proposals and other advices of the Organized Market Committee are not binding to the decision making of HUPX.

HUPX shall strive to provide a written or oral explanation regarding the issues proposed by the Organized Market Committee.

### **2.4. CONFIDENTIALITY OBLIGATION OF THE ORGANIZED MARKET COMMITTEE MEMBERS**

The members of the Organized Market Committee must treat all information they get in the course of their duties as Organized Market Committee Members as marked confidential by HUPX or by the Organized Market Committee itself.

### **3. ELECTION AND APPOINTMENT PROCEDURE FOR THE ORGANIZED MARKET COMMITTEE**

#### **3.1. NOMINATION**

At least within thirty (30) days before the end of the term of the Full OMC Members, HUPX shall request nominations to fill such vacancy. If there are no Full OMC Members, HUPX may request nominations at any time, at least once per calendar year.

If at least one (1) Full OMC Member position becomes vacant and the number of Full OMC Members are less than the minimum number of the Full OMC Members, then HUPX shall request nominations to fill such vacancy thirty (30) days upon the occurrence thereof.

The nomination requests shall be made by HUPX giving notice to all HUPX Members in accordance with Section 4 of this Annex.

Each HUPX Member shall qualify as an eligible voter and is entitled to nominate a number of nominees corresponding to the number of the vacant Full OMC Member position(s). The exact procedure of the nomination can be found in the Nomination and Appointment Form according to Section 6 of this Annex.

#### **3.2. ELECTION IF THE NUMBER OF NOMINATIONS IS NOT MORE THAN THE NUMBER OF VACANCIES**

If the number of nominees is less or equal to the number of vacancies, but the number of the nominees and the number of elected Full OMC Members together are more or equal than the minimum number of Full OMC Members, HUPX shall determine those nominees to have been successfully elected as Full OMC Members.

If the number of the nominees and the number of elected Full OMC Members together are less than the minimum number of Full OMC Members, HUPX shall inform the HUPX Members and give them five (5) business days to provide additional nominations in accordance with the Nomination and Appointment Form. If no further nominations are made and the number of nominees and the number of elected Full OMC Members together are less than the minimum number of Full OMC Members, HUPX shall be deemed to have satisfied its obligation under the Market Rules to establish the Organized Market Committee and HUPX shall inform the HUPX Members by way of a notice that the election procedure has failed.

Notwithstanding the election has failed, any HUPX Member shall be entitled to ask HUPX to request further nominations. HUPX shall comply with such request.

#### **3.3. ELECTION IF THE NUMBER OF NOMINATIONS IS MORE THAN THE NUMBER OF VACANCIES**

If the number of nominees is more than the number of vacancies, HUPX shall prepare and distribute to the HUPX Members a ballot paper, with a return date and with a list of the nominees in alphabetical order and the information about professional experience for each nominee.

In order to be counted, the ballot paper shall be completed as per any instructions accompanying the ballot paper and returned to HUPX.

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

#### **3.4. DETERMINATION AND PUBLICATION OF RESULTS**

HUPX shall determine those nominees, which have been successfully elected to be Full OMC Members within ten (10) business days of the return date, as follows:

- the nominee who receives the highest number of votes shall be elected as a Full OMC Member;
- and so on until all vacancies are filled.

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

HUPX shall publish the results of the election within five (15) business days of the return date.

### **3.5. APPOINTMENTS**

OMC Observer positions whose delegates are selected through appointment procedure are reserved as eligible appointers who shall appoint an OMC Observer whenever vacancy occurs in their own reserved places.

If the representative of the TSO, Market Maker or Liquidity Provider is not nominated or elected as a Full OMC Member, the representative can still appoint an OMC Observer.

In case new Market Maker or Liquidity Provider appears on HUPX markets, the new Market Maker or Liquidity Provider is entitled to appoint a new OMC Observer.

### **3.6. TERM, REMOVAL, REPLACEMENT AND RESIGNATION**

The end of the term of the Full OMC Members is common for the Organized Market Committee. HUPX Members elect Full OMC Members for a period of two (2) years. In case of vacancy, any elected Full OMC Member is elected for the remaining part of the period of two (2) years.

The Market Makers and Liquidity Providers shall be deemed to be OMC Members until the effect of the Market Maker Agreement or the Liquidity Provider Agreement.

An OMC Member who no longer meets the criteria set out in Section 2.1 of this Annex shall immediately resign as an OMC Member. HUPX will act on notification of resignation under this clause served to it by the Organized Market Committee.

HUPX Members that delegated an OMC Member shall be entitled to replace the OMC Member with another person at their own discretion. Should an OMC Member resign or be removed by the nominator or appointer, the nominator or appointer is entitled to nominate the new OMC Member without the election procedure or appoint it, respectively.

Should an OMC Member finish the term of being an OMC Member or terminate its HUPX Membership, the OMC Member position will be subject of nomination and election procedure only in case the requirement of minimum number of Full OMC Members is not fulfilled.

## **4. NOTIFICATIONS**

### **4.1. HUPX**

Any Nomination and Appointment Form or ballot paper issued by HUPX shall provide the details of the return date and the person to whom the Nomination and Appointment Form or ballot paper should be returned, including their:

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

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

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

### **4.2. REPRESENTATIVES OF HUPX MEMBERS**

On the side of the HUPX Members the person appointed to be membership contact by the authorized representative of the HUPX Member (hereinafter the “Membership Contact”) is entitled to act as the representative of the HUPX Members in accordance with the OMC election procedure. HUPX shall be deemed to have complied with its obligations set out in these election rules, when it serves notices to the Membership Contact. If a HUPX Member has not complied its obligation to keep its contact details up-to-date, HUPX shall not be responsible for that HUPX Member failing to be aware of a notice.

### **4.3. SERVICE OF NOTICES**

Any notice required by these election rules to be given by HUPX to a HUPX Member may be given by sending it via electronic mail to the Membership Contact’s notified e-mail address.

Any notice served to the Membership Contact personally is deemed to have been served according to the Section 2.3.1.1 of the Market Rules.



## 5. NOMINATION FORM FOR OMC ELECTION RULES

### Nomination / Appointment Form

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

Please complete this form and return it to:

.....

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

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

#### 1. Nominee / Appointed person

(a) Name of nominee / appointed person: \_\_\_\_\_

(b) Contact details for nominee / appointed person: \_\_\_\_\_

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

#### 2. Nominator/Appointer

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

Place, Date: \_\_\_\_\_

Signature Nominee / Appointed

\_\_\_\_\_

Signature Nominator / Appointer

\_\_\_\_\_