INSTRUCTION 01/2009

Settlement Prices

12.July.2022

Versions Index

2.Mar.2009

Initial Version.

1.Jul.2010

Change in the methodology for defining the Settlement Price, explaining the practices generally followed in the Instruction document.

20.May.2011

Inclusion of Day and Weekend Contracts.

27.May.2014

Inclusion of Option Contracts.

29.Sep.2015

Clarification of the wording in paragraphs 2 c) ii and 7.

13.May.2016

Addition of paragraph g) number 3 to contemplate the possibility of using external references for determining reference prices, namely Reference Prices published by other management entities of regulated markets.

24.Nov.2017

Amendments in numbers 2 (c) and 3 (d) due to the introduction of Natural Gas Derivatives Contracts.

25.Jun.2020

Inclusion of the trading model for bilateral operations for MIBEL SPEL physical base future contracts and for MIBEL PTEL physical base future contracts.

12.July.2022

Launch of PPA 5 Years and PPA 10 Years contracts.

This document is available in www.omip.eu

Pursuant to **Article 55 of the Trading Rulebook**, OMIP approves this Instruction on the determination of the Settlement Price.

Settlement Price of Futures Contracts

1. Unless specifically provided otherwise in the General Contractual Rules, the Settlement Price of Futures Contracts is calculated as indicated in this Instruction.
2. If the information available on the Market, for a given Contract, at the end of the Trading Phase allows for a representative Settlement Price to be reached, this price will correspond to:
   a) The price of the last Transaction carried out on the Market, where the price falls between the prices of the best bid Order and best ask Order in force at the end of the Trading Phase;
   b) The best bid Order or best ask Order closest to the last price traded if the Transaction price falls outside the said price range;
   c) If there has been no Transaction throughout the Trading Phase:
      i. The average of the best bid and ask in force at the end of the Trading Session; Applying the following restrictions in the Derivatives Contracts of Power: if the spread between the best bid and ask offers is equal to or less than 1.50 €/MWh for Day and Weekend Contracts, 1.00 €/MWh for Week Contracts, 0.50 €/MWh for Month Contracts and 0.30 €/MWh for Quarter; Year and PPA Contracts;
      ii. The result of applying a spread with a relevant Contract listed by OMIP, particularly with regard to the underlying asset, the Spot Reference Price and maturity, if there are no offers at the end of the Trading Phase;
3. OMIP may define a Settlement Price different to the one established in the preceding paragraph, based or not on Trading members' quotes, when it considers that, in accordance with the criteria shown in paragraph 2, the price obtained is not sufficiently representative of the market situation, and may decide, in particular:
   a) To apply the average of the best Bids and Asks if the last transaction in the Contract concerned does not take place within the last hour of the Trading Phase;
   b) To not consider the Asks introduced, or take into accounts the prices of ask Orders cancelled at the end of the Trading Phase, especially in the last five minutes;
   c) To not consider the values resulting from a high spread among the best Bids and Asks;
   d) To not consider:
      a. In Power Derivatives Contracts: Asks with a volume less than 10 MW in the Day, Weekend, Week and Month Contracts and 5 MW in Quarter, Year and PPA Contracts;
      b. In Natural Gas Derivatives Contracts: Offers with a volume of less than 240 MWh / day in the Day, Weekend and Month Contracts;
   e) To apply a weighted average to consecutive transactions executed at the end of the Trading Phase;
   f) For the Week Contracts, to apply the corresponding Month price or its proportion together with the Settlement Price of adjacent weeks.
   g) Consider other transactions prices or reference prices for similar contracts negotiated in other relevant organized markets, namely with those with whom there are in place cooperation agreements with OMIP.

   h) Consider the Dealing Reference Price of the previous Dealing Day

4. In the Year and PPA contracts, as there are no market references, such as deals and/or offers to buy and sell and/or other transaction or reference prices in similar contracts negotiated on other relevant platforms, the same inter spreads will remain from the previous session, which can be changed via a price and or spreads query with a frequency adjusted to market developments bit at least monthly.

5.All Settlement Prices will result in theoretically leveraged prices.

6.The leverage provided for in the preceding paragraph is based on the prices of Contracts that are more significant on the market, and the other prices will be calculated according to suitable formulas.

7.To obtain the Settlement Prices, OMIP may create a committee of Prices, and post a Notice setting its rules of operation.

Application extensive to other Contracts

8The Settlement Price for Forward and Swap Contracts listed by OMIP is identical to that of the Futures Contract with the same underlying asset, Spot Reference Price and maturity, or in the absence of such references, defined pursuant to the provisions in paragraphs 2 to 5 mutatis mutandis.9.In the case of Option Contracts, the principles defined for determining the Settlement Price of Futures Contracts may be applied in two ways:

a) Directly, for the price of Options;

b) Indirectly, for the value of the implicit volatility of Options, from which to determine the Settlement Prices of Contracts based on the Black76 model or on another model specified by OMIP.

Entry into Effect

10.This Instruction has been registered with CMVM on June, 01st 2022 and enters into effect on July, 12th 2022.

The Boards of Directors