



Notice 03/2006

Price Committee

1.September.2015

Versions Index

30.June.2006

Initial Version

18.November.2008

Registered with the Portuguese Securities Market Commission (CMVM) on 30 October 2008 as a MIBEL Regulated Derivatives Market Rule, pursuant to Directive 2004/39/CE of the European Parliament and of the Council of 21 April 2004 (MiFID)

2.March.2009

Amendment of paragraph 3, following the introduction of Forward and Swap Contracts.

1.July.2010

Change in how the Price Committee works, with several amendments to the text of the Notice.

27.May.2014

Amendments following the introduction of Option Contracts. Suspension times shortened.

1.September.2015

Change to paragraph 12 for the extension of the continuous trading session.

DISCLAIMER

The English language text below is not an official translation and is provided for information purposes only. The original text of this document is in the Portuguese language (available in www.omip.eu) and it was registered by the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários). In the event of any discrepancies between the English translation and the Portuguese original, the Portuguese original shall prevail. Whilst every effort has been made to provide an accurate translation we are not liable for the proper and complete translation of the Portuguese original and we do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

This document is available in www.omip.eu

Pursuant to paragraph **6 of the OMIP Instruction 01/2009 – Settlement Price**, OMIP approves this Notice, which sets the rules for the organization and operation of the Price Committee.

General Provisions

1. By setting up the Price Committee, the purpose of OMIP is to ensure the production of information that may bring efficiency gains to Market operation, in particular in the definition of Settlement Prices (SP) for the Contracts listed in OMIP.
2. For Option Contracts, where Settlement Prices are mentioned, it can also refer to implicit volatilities of Contracts that determine the Settlement Price through an evaluation model.
3. For Options Contracts, OMIP may request two types of information to establish the Settlement Prices:
 - a) Direct information relating to the price of Options;
 - b) Indirect information relating to the value of the implicit volatility of Options, from which to determine their Settlement Prices through an evaluation model.
4. The Price Committee is formed by representatives of OMIP's Trading Members who have joined it on a voluntary basis.
5. A Trading Member can register more than one representative.
6. To join the Price Committee, the Member must indicate at least one representative and its alternate representative, as per Model T08 available on the website.

Operation

7. As a general rule, all operators registered by Trading Members may be called upon to provide quotes for the Contracts indicated by OMIP.
8. The request for information to members of the Price Committee:
 - a) Is a OMIP initiative;
 - b) Can be done daily;
 - c) Can be carried out via chat, on the Trading Platform, telephone, e-mail or fax.
 - d) Can include one or various quotes, which may relate to:
 - (i) Price of transactions;
 - (ii) Best bid and ask prices;
 - (iii) Market fair value;
 - (iv) Values of implicit volatility, in the case of Options;
 - (v) Equal or similar products;
 - (vi) Spreads with relevant products.
9. When mobilizing the Price Committee, OMIP requests a quote from at least 3 of its members, mentioning the Contracts for which the information is required.
10. The process of selecting which member of the Price Committee to contact is based on a random method, with a probability proportional to the continuous trading volume of the 3 previous calendar months.
11. When requested, the price information provided by the Committee members must as a general rule be reported to OMIP no later than 15 minutes after the request, after which it may be ignored.
12. Any member may send price information of their own accord, even if not explicitly requested by OMIP, within no more than 15 minutes after the closing of the Continuous Trading Phase, after which it may be ignored. These values will be included in the calculation of the average referred to in the subsequent paragraph, if a consultation takes place, or may be used to validate the SP if OMIP does not use the Committee.

13. OMIP calculates the average of the values received to obtain a single SP for each Contract of the consultation, and may ignore outliers if they are considered not representative.
14. OMIP keeps a record of requests submitted to the Price Committee, including members and participants involved and quotes provided.

Suspensions

15. Participants may request the suspension of their commitment to the Committee, with a notice period of 2 (two) Trading Days.
16. The request to reactivate the suspension must be submitted at least 2 (two) days prior to the activation.
17. The members whose representatives fail to respond in full to 2 (two) request for quotes made in two consecutive OMIP sessions or to 3 (three) non-consecutive sessions in a total of 10 may be suspended by the Committee for a period of 20 (twenty) Trading Days.

Communications and Dissemination

18. To suspend or cancel its intervention in the Price Committee, the member must inform OMIP in writing.
19. OMIP discloses the list of Trading Members participating in the Price Committee.

Entry into Effect

20. This Notice has been registered with CMVM on 24 July 2015 and enters into effect on September 1st, 2015.

The Board of Directors