

Quality Initiative

Successful energy exchanges are characterized by liquidity, equal treatment, transparency and fairness in pricing. This creates the confidence which the trading participants place in an energy exchange. Safeguarding this is the central task of Spot Trading SE and of its executive bodies. Close, trustful and dynamic cooperation with the market participants is the basis for an exchanges success.

EEX and Powernext are committed to those principles. In addition to the statutory requirements that they respectively are subject to they both have undertaken numerous additional voluntary steps to ensure the realization of those principles and the quality of services to their customers. The joint spot trading subsidiary that EEX and Powernext will set up shall carry forward this high standard of quality of service. It continues the best of these statutory and voluntary measures of its shareholders in the different jurisdictions and shall form this into a harmonious system. They recognize that the market participants, the TSOs and the regulators play an important role in facilitating competition and trade. Furthermore, Spot Trading SE will not only continue and uphold the highest standards of quality but will also actively participate in developing these standards further to establish the yardstick for a European quality standard.

1 Quality Guarantee

The Parties acknowledge that quality of services and transparency as well as good and efficient cooperation with trading participants is indispensable for the success of the operations of the Spot Exchanges.

The Parties will ensure by their harmonised rules that the Spot Exchanges will deliver their services to the quality standards of international best practice, however, at least fulfilling the quality standards that the two Parties have applied to their respective spot businesses until now.

The Parties commit to further developing the quality standards for their services in the future.

2 Security of Trading – Market Surveillance

The Parties shall ensure that the processes of trading and pricing at Spot Trading SE and D Spot Co are carried out fairly and free from manipulations. The Parties agree that for this purpose an independent market surveillance shall be established and maintained (the "**Market Surveillance**"). The Market Surveillance records all the data regarding exchange trading and the settlement of trades on a daily basis, evaluates these and carries out any investigation activities which might be required.

Details for establishment of the Market Surveillance Office shall be agreed by the Parties in a separate Agreement.

3 Transparency – Publication of information

Transparency is the indispensable precondition for gaining participants' trust in the market, and thus constitutes the basis of all trading on exchanges. Equal and overt conditions of trade constitute the basis for equality of opportunity of all participants. Therefore, the Spot Exchanges commit to the principle of transparency in the operation of their respective businesses.

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Annex 3.9 to the Cooperation Agreement

3.1 Exchange-owned information

The Parties aim at that D Spot Co and Spot Trading SE provide the market with certain parts of exchange-owned information, which could *inter alia* comprise

- aggregated supply and demand curves;
- market maker information; conditions for publications and current publication;
- information of fast market situations;
- number of trading participants for each day at the Spot and the Derivatives Market;
- share of the biggest participants in the Spot and the Derivatives Market; and
- market makers' share at the trading volumes.

3.2 Power Plant Data

The Parties agree that it is in the interest of increased transparency to provide the market with information on power plant operations to the extent that this information is made available to them by the power plant operators and is otherwise not available to the public.

To this end the available capacity and effective generation shall be published to the extent that this information is provided by the plant operators to the power exchanges. Also expected restrictions not caused by plant technology problems, such as restrictions on account of cooling water limitations, stretch-out operation or orders by authorities regarding generation shall be reported to the extent the information is available. The information shall be published anonymously.

The Parties intend, *inter alia*, to publish the following information:

- aggregated installed, available and effective generation per energy carrier;
- installed capacity per power plant; and
- standard messages.

4 Cooperation with Market Participants - Traders Advisory Board

The Parties agree that it is beneficial if the market participants are involved in the development of the Spot Exchanges. To this purpose EEX and D Spot Co currently have an exchange council which upon the completion of step three (merger of D Spot Co into Spot Trading SE according to Sec. 1.4 of the Agreement) will cease to be responsible for the German spot power market.

The Parties agree that the Spot Trading SE shall have a body to foster the relationship with the trading participants on the Spot Trading SE and to maintain the current high level of quality of trading and cooperation on market rules and market design (the "**Traders Advisory Board**").

Before the merger of D Spot Co into Spot Trading SE Powernext and EEX shall set up the Traders Advisory Board in consultation with the market participants. The rules governing the Traders Advisory Board shall include its composition as well as its role, tasks and responsibilities, in particular with respect to the adoption and change of market rules as well as the trading and settlement systems.