



# **ORGANIZED MARKET COMMITTEE REGULATION**

## **ANNEX VII**

**OF**

## **CEEGEX MARKET RULES**

**Version 1.0**

**Effective from 01/10/2020**

**Date of publication: 22/09/2020**



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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).

CEEGEX 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 CEEGEX and on persons bound by the CEEGEX Rules and Regulations.

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

### **1.3. DEFINITION**

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



## **2. ORGANIZED MARKET COMMITTEE**

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

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

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

The Organized Market Committee comprises at least 5 members.

CEEEX has the right to invite other participants, especially from Hungarian Energy Traders' Association (MEKSZ) and the Forum of Industrial Energy Consumers (IEF), Clearing House, TSO, Supervisory Authority and other relevant market participants and associations.

CEEEX or a quorum of three members of the Committee shall have the right to require an Organized Market Committee meeting. The content and outcome of the meetings and of the decision making process shall be recorded in writing and approved by the chairperson of the meeting.

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

The election rules, the rules relating to the composition and operation of the Organized Market Committee shall be determined by Organized Market Committee. The Organized Market Committee shall set the rules regarding voting, including quorum, majority, substitution of members. CEEEX may suggest election rules, the rules relating to the composition and operation of the Organized Market Committee.

The Election and Decision Making Procedure for the Organized Market Committee is an Appendix to this Annex VII, which can be modified by the Organized Market Committee. In case of modification of the Appendix by Organized Market Committee, CEEEX is responsible for the inclusion of the new election and decision rules to this Annex VII and publication on the CEEEX website. CEEEX notifies the CEEEX Members in a Market Notice about the modification.

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

CEEEX 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. CEEEX 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 CEEEX and may propose changes to the Rules and Regulations of CEEEX at any time.

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

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





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

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

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

### **2.3. CHAIRPERSON OF THE ORGANIZED MARKET COMMITTEE**

In its first meeting following an election, the Organized Market Committee shall elect a chairperson.

The chairperson shall preside over the proceedings of the Organized Market Committee. In case the chairperson is prevented from attending the proceedings, the member of the Organized Market Committee shall appoint the substitute.

### **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 CEEGEX or by the Organized Market Committee itself.





# **ELECTION AND DECISION MAKING PROCEDURE FOR THE ORGANIZED MARKET COMMITTEE**

## **APPENDIX TO ANNEX VII OF CEESEX MARKET RULES**



## **1. ELECTION AND DECISION MAKING PROCEDURE FOR THE ORGANIZED MARKET COMMITTEE**

### **1.1. INTRODUCTION OF THE ORGANIZED MARKET COMMITTEE**

The Organized Market Committee shall consist of (i) the representative of the Market Makers; (ii) the representative of the Hungarian Energy Traders' Association; (iii) the representative of the Forum of Industrial Energy Consumers (IEF); and (iv) three (3) OMC Members appointed by CEEGEX (The representative of the Market Makers, the representative of the Hungarian Energy Traders' Association, the IEF and other members appointed by CEEGEX hereinafter jointly referred to as the "OMC Members"). In case Market Makers, the Hungarian Energy Traders' Association or the IEF refuse to delegate representative then their seats shall be filled by representative of other CEEGEX Members.

In the decision making procedure of the Organized Market Committee the (i) Market Makers and the (ii) appointed OMC members by CEEGEX shall participate, and have the right to vote. The (iii) Hungarian Energy Traders' Association, the (iv) IEF, and (v) the Clearing House support the work of the Organized Market Committee as observers, without the right to vote.

These election and decision making rules (hereinafter the "Election Rules") set out the procedure for any election of the OMC Members if at least one (1) OMC Member position becomes vacant for whatever reasons at any time after the first Organized Market Committee has been established.

### **1.2. RETURNING OFFICER**

CEE GEX bestowed with the liability to ensure the proper functioning of CEE GEX Markets shall be the returning officer (i) for any election of the OMC Members; and (ii) for any procedure for amendments to these Election Rules.

### **1.3. NOMINATIONS AND APPOINTMENTS**

#### **1.3.1. NOMINATION**

If at least one (1) OMC Member position becomes vacant for whatever reasons at any time after the first Organized Market Committee has been established and the vacancy is not subject to appointment, CEE GEX shall request nominations (hereinafter the "Nominations") to fill such vacancy within thirty (30) business days upon the occurrence thereof.

The nomination requests shall be made by CEE GEX giving notice to all CEE GEX Members in accordance with Chapter 6 herein and shall include a nomination form (hereinafter the "Nomination Form") with the form and content attached hereto as ANNEX 1 to the OMC Election Procedure.

Each CEE GEX Member shall qualify as an eligible voter (hereinafter the "Eligible Voter") and is entitled to nominate a number of nominees corresponding to the number of the vacant OMC Member position(s). The Nominations shall be (i) made in writing; (ii) signed by the authorized representative of the nominee; (iii) signed by the authorized representative of the Eligible Voter making the nomination; and (iv) on a Nomination Form which includes details as to how the nominee fulfils the membership criteria specified in Chapter 4 herein. The Nomination Form shall be submitted to CEE GEX to the attention of the person and at the address specified in the Nomination Form until the return date (hereinafter the "Return Date").





### 1.3.2. APPOINTMENT

OMC Member positions reserved for Market Makers, the representative of the Hungarian Energy Traders' Association and the representative of Forum of Industrial Energy Consumers whose delegates are selected through appointment procedure (hereinafter the "Appointment"). Market Makers, Hungarian Energy Traders' Association and Forum of Industrial Energy Consumers are eligible appointers (hereinafter the "Eligible Appointers") who shall appoint an OMC Member whenever vacancy occurs in their own reserved places. In case new Market Maker appears on CEEGEX markets, the new Market Maker is entitled to appoint a new OMC Member. In such cases the number of OMC Members will be temporarily higher than nine (9). Should an OMC Member finish its OMC membership term or be resigned or removed by the Nominator or Appointer the OMC Member will only be replaced in case the nine OMC Member positions are not filled.

### 1.4. MEMBER QUALIFICATIONS

The Eligible Voters shall ensure that a nominee for the vacant OMC Member position can completely fulfil the role of an OMC Member and has:

- »» knowledge of and experience with the national gas market;
- »» experience with and skills in resolving issues, by making decisions, in a competent manner;
- »» knowledge and understanding of the Market Rules and the related legislative and regulatory framework;
- »» to be delegated by a CEEGEX Member.

During the qualification process CEEGEX ensures that the OMC as a whole has sufficient market specific knowledge of all CEEGEX Markets to be able to fulfil its consultative role. During the qualification process CEEGEX is responsible for ensuring the representation of the full diversity of CEEGEX Members in the OMC (e.g. by preventing excess representation of a company group, or by prioritizing a nominee from a special segment of CEEGEX Members in case this segment is not or not enough represented).

### 1.5. ELECTIONS

#### 1.5.1. APPOINTMENT IF THE NUMBER OF QUALIFIED NOMINEES IS EQUAL TO OR LESS THAN THE NUMBER OF VACANCIES

If the number of nominees fulfilling the qualifications for an OMC Member is less or equal to the number of vacancies, CEEGEX shall determine those nominees to have been successfully elected to be OMC Members. If the number of the nominees fulfilling the qualifications for an OMC Member is less than the number of the vacancies, CEEGEX shall inform the Eligible Voters and give them five (5) business days to provide additional Nominations in accordance with Chapter 3 herein. If no further Nominations are made, CEEGEX shall be deemed to have satisfied its obligation under the Market Rules to establish the Organized Market Committee and CEEGEX shall inform the Eligible Voters by way of a notice that the election has failed. Notwithstanding the election has failed, at least 75% of the Eligible Voters shall be entitled to ask CEEGEX to request further Nominations relating to the OMC Member position(s) that has not been filled in the course of the procedure set out previously in this section. This right can be exercised by such Eligible Voters within six (6) months after the date of the notification given on the failed election. CEEGEX shall comply with such request in accordance with Chapter 3 herein.







### **1.5.2. ELECTION OF OMC MEMBERS IF THE NUMBER OF NOMINATIONS IS MORE THAN THE NUMBER OF VACANCIES**

If the number of nominees fulfilling the qualifications for an OMC Member is more than the number of vacancies, CEEGEX shall prepare and distribute to the Eligible Voters:

- » a ballot paper, listing the nominees in alphabetical order; and
- » a biography for each nominee prepared by that nominee and addressing criteria detailed in Chapter 4 herein.

In order to be counted, the ballot paper shall be completed as per any instructions accompanying the ballot paper and served on CEEGEX:

- » by 5 pm on the Return Date;
- » to the person noted as the person to whom the ballot paper should be returned; and
- » at the address noted as the address for the return of the ballot paper

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

Voting by each Eligible Voter shall be by way of a mark in the box against the name of the nominees.

If a ballot paper contains more marks against the names of the nominees than the votes that can be cast or the intention of the Eligible Voter is otherwise unclear, such vote shall not be valid and shall not be included in any count.

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

CEEGEX shall determine those nominees which have been successfully elected to be 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 an OMC Member;
- » and so on until all vacancies are filled.

If there is an equal number of votes for two (2) or more nominees, if there are sufficient vacancies, each of those nominees shall be elected in priority to a nominee who has received fewer votes. If there are insufficient vacancies, CEEGEX 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 an OMC Member. Such procedure shall be repeated until all vacancies are filled.

CEEGEX shall within five (5) business days of the count in Chapter 5 Section 2 herein publish the results of the election.

## **1.6. NOTIFICATIONS**

### **1.6.1. CEEGEX**

Any Nomination Form or ballot paper issued by CEEGEX shall provide the details of the Return Date and the person to whom the Nomination 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 Form shall be a date which is not more than twenty (20) business days from the date of dispatch of a Nomination Form by CEEEX.

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 CEEEX.

### **1.6.2. REPRESENTATIVES OF ELIGIBLE VOTERS**

On the side of the Eligible Voters the person appointed to be membership contact by the CEEEX Member during the admission process (hereinafter the "Membership Contact") is entitled to act as the representative of the Eligible Voters in accordance with the OMC election procedure. CEEEX shall be deemed to have complied with its obligations set out in these Election Rules when it serves notices to the Membership Contact. If an Eligible Voter has not complied its obligation to keep its contact details up-to-date, CEEEX shall not be responsible for that Eligible Voter failing to be aware of a notice.

### **1.6.3. SERVICE OF NOTICES**

Any notice required by these Election Rules to be given by CEEEX to an Eligible Voter may be given by:

- »» serving it to the Membership contact personally;
- »» sending it by prepaid post addressed to the Membership Contact's notified address;
- »» sending it by electronic mail to the Membership Contact's notified electronic mail address.

Any notice served to the Membership Contact personally is deemed to have been served when delivered.

Any notice sent by post is deemed to have been served forty-eight (48) hours after the envelope containing the notice is posted; and in proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.

Any notice served to the Membership Contact by electronic mail is deemed to have been served when the electronic mail is sent, provided that the sender has not received electronic notification that the electronic mail was not deliverable or otherwise not successfully delivered to its intended recipient.

Any notice to be served to CEEEX other than a Nomination Form or a ballot paper shall be served on the Chief Executive Officer (however titled).

The above rules on serving notices apply to any notice to be given or served on CEEEX or a person nominated by CEEEX (with any necessary amendments being made)

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

The Market Makers shall be deemed to be OMC Members until their market maker status exist under the provisions of the Market Rules. If a Market Maker loses its market maker status under the provisions of the Market Rules, Chapter 3, 4 and 5 herein shall be applied accordingly, provided, that the OMC Member replacing the Market Maker losing its market maker status shall be elected for a period of two (2) years.

Members of the first OMC other than the Market Makers, the representative of the Hungarian Energy Traders' Association and the representative of Forum of Industrial Energy Consumers





have been appointed by CEEGEX until 30 June 2015. Thereafter, the OMC Members other than the Market Makers, the representative of the Hungarian Energy Traders' Association and the representative of Forum of Industrial Energy Consumers shall be elected for a period of two (2) years.

An OMC Member who no longer meets the criteria set out in Chapter 4 herein shall immediately resign as an OMC Member. CEEGEX will act on notification of resignation under this Clause served to it by the Organized Market Committee. An OMC Member nominated by an Eligible Voter may be removed as an OMC Member by that Eligible Voter if the Eligible Voter believes the OMC Member no longer meets the criteria set out in Clause 4 herein. CEEGEX will act on notification of removal under this Clause served to it by the Organized Market Committee.

CEEGEX Members that delegated an OMC Member shall be entitled to replace the OMC Member with another person on their own decision, which person shall also comply with the criteria after a formal approval of CEEGEX according to the qualification rules set out in Chapter 4.

Any vacancy on the Organized Market Committee arising under this Clause shall be filled using the Election Rules described in Chapters 3 and 4 herein.





## 2. NOMINATION FORM FOR OMC ELECTION RULES

### Nomination / Appointment Form

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

Please complete this form and return it to:

..... [name of contact person at CEEGEX 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 CEEGEX Member entity:

Signature Nominee / Appointed

Signature Nominator / Appointer

Date

