



**RULES OF OPERATION
OF THE ENERGY EFFICIENCY CERTIFICATES
(WHITE CERTIFICATES) MARKET (*)**

approved by "Autorità per l'energia elettrica, il gas ed il sistema idrico" (AEEGSI) with its Decision 53/2013/R/efr of 14 February 2013, under article 7, para. 4 of Legislative Decree no. 115 of 30 May 2008, as subsequently amended and supplemented

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(*) Please note that this translation is provided for convenience only. In case of discrepancies, the Italian text shall govern.

TITLE I	GENERAL PROVISIONS
ARTICLE 1	PURPOSE AND ANNEXES
ARTICLE 2	DEFINITIONS
ARTICLE 3	GENERAL PRINCIPLES AND AMENDMENTS TO THESE RULES
ARTICLE 4	TECHNICAL RULES
ARTICLE 5	UNITS OF MEASUREMENT AND ROUNDING OFF
ARTICLE 6	FEES FOR THE SERVICES PROVIDED BY GME
ARTICLE 7	MARKET INFORMATION
ARTICLE 8	COMMUNICATION AND PUBLICATION OF DATA AND INFORMATION
ARTICLE 9	MARKET INFORMATION SYSTEM
ARTICLE 10	SECURITY OF ACCESS
ARTICLE 11	EMERGENCY CONDITIONS
ARTICLE 12	SUSPENSION OF THE MARKET
ARTICLE 13	OPERATION OF THE MARKET INFORMATION SYSTEM
TITLE II	PARTICIPATION IN THE MARKET
ARTICLE 14	REQUIREMENTS FOR PARTICIPATION IN THE MARKET
ARTICLE 15	MARKET PARTICIPATION APPLICATION AND MARKET PARTICIPATION AGREEMENT
ARTICLE 16	DOCUMENTS TO BE ENCLOSED TO THE MARKET PARTICIPATION APPLICATION
ARTICLE 17	ADMISSION PROCEDURE
ARTICLE 18	LIST OF MARKET PARTICIPANTS
ARTICLE 19	DATA AND INFORMATION FOR PARTICIPATION IN THE MARKET
ARTICLE 20	VERIFICATIONS
ARTICLE 21	NOTIFICATION OBLIGATIONS
ARTICLE 22	ON-DEMAND EXCLUSION FROM THE MARKET
TITLE III	MARKET OPERATION
SECTION I	TRADING
ARTICLE 23	CERTIFICATES ADMITTED TO TRADING
ARTICLE 24	MODALITIES OF TRADING
ARTICLE 25	SUBMISSION OF TRADING ORDERS
ARTICLE 26	VALIDATION AND TECHNICAL ADEQUACY VERIFICATION OF ORDERS
ARTICLE 27	CONTINUOUS TRADING
ARTICLE 28	REGISTRATION OF EXECUTED TRANSACTIONS
ARTICLE 29	DEFINITIVITY OF TRANSACTIONS
ARTICLE 30	NOTIFICATION OF MARKET RESULTS
SECTION II	GUARANTEE SYSTEM
ARTICLE 31	GUARANTEES FOR BUY ORDERS
ARTICLE 32	AVAILABLE AMOUNT OF GUARANTEES FOR BUY ORDERS
ARTICLE 33	GUARANTEES FOR SELL ORDERS
SECTION III	INVOICING OF TRANSACTIONS AND SETTLEMENT OF PAYMENTS
SUBSECTION I	INVOICING OF THE MARKET TRANSACTIONS
ARTICLE 34	INVOICING PERIOD FOR THE MARKET TRANSACTIONS
ARTICLE 35	INVOICING THE MARKET TRANSACTIONS
SUBSECTION II	SETTLEMENT OF THE MARKET PAYMENTS
ARTICLE 36	PARTICIPANTS' PAYMENTS TO GME
ARTICLE 37	GME'S PAYMENTS TO THE PARTICIPANTS

SECTION III	INVOICING AND SETTLEMENT OF PAYMENTS FOR FEES
ARTICLE 38	INVOICING THE FEES FOR THE SERVICES PROVIDED BY GME
ARTICLE 39	PAYMENTS OF THE FEES FOR THE SERVICES PROVIDED BY GME
TITLE IV	DISCIPLINARY MEASURES, COMPLAINTS AND DISPUTES
SECTION I	BREACHES AND DISCIPLINARY MEASURES
ARTICLE 40	BREACHES OF THESE RULES AND OF THE TECHNICAL RULES
ARTICLE 41	DISCIPLINARY MEASURES
ARTICLE 42	GRADUATION OF DISCIPLINARY MEASURES
ARTICLE 43	SUSPENSION FOR NON-FULFILMENT OF NOTIFICATION OBLIGATIONS AND NON-PAYMENT OF FEES
ARTICLE 44	PUBLICATION OF DISCIPLINARY MEASURES
SECTION II	COMPLAINTS
ARTICLE 45	SUBMISSION FORMALITIES AND MINIMUM COMPLAINT CONTENTS
ARTICLE 46	COMPLAINTS ABOUT THE RESULTS OF THE VALIDATION AND TECHNICAL ADEQUACY VERIFICATION OF ORDERS
ARTICLE 47	COMPLAINTS ABOUT THE MARKET RESULTS
ARTICLE 48	DISPUTING THE INVOICING
ARTICLE 49	COMPLAINT RESOLUTION
SECTION III	DISPUTES
ARTICLE 50	SETTLEMENT OF DISPUTES
TITLE V	FINAL PROVISIONS
SECTION I	FINAL PROVISIONS
ARTICLE 51	AWARDEES OF CONTRACTS FOR THE PROVISION OF SERVICES FOR THE MARKET
ARTICLE 52	ENTRY INTO FORCE
<u>ANNEXES</u>	
Annex 1	“Modello di domanda di ammissione” (Market Participation Application)
Annex 2	“Modello di contratto di adesione al mercato” (Market Participation Agreement)

TITLE I GENERAL PROVISIONS

Article 1

Purpose and Annexes

- 1.1 These Rules of Operation of the Energy Efficiency Certificates Market (hereafter the “Rules”) and their Annexes, which are an integral and essential part hereof, govern the operation of the market of energy efficiency certificates (or white certificates) referred to in article 10, para. 3 of the Decrees issued by the Minister of Productive Activities in consultation with the Minister of Environment and Land Protection on 20 July 2004 (*new identification of quantitative targets for improving end-use energy efficiency under art. 9, para. 1 of Legislative Decree no. 79 of 16 March 1999 and new identification of national quantitative targets of energy savings and development of renewables as per art. 16, para. 4 of Legislative Decree no. 164 of 23 May 2000, as subsequently amended and supplemented*), approved by “Autorità per l’energia elettrica, il gas ed il sistema idrico” (electricity, gas and water system regulator, hereafter “AEEGSI”) under art. 7, para. 4 of Legislative Decree no.115 of 30 May 2008, *implementing Directive 2006/32/EC on energy end-use efficiency and energy services and repealing Directive 93/76/EEC.*

Article 2

Definitions

- 2.1 In these Rules, the following definitions shall apply:
- a) AEEGSI means “Autorità per l’energia elettrica, il gas ed il sistema idrico” (electricity, gas and water system regulator), established under Law no. 481 of 14 November 1995;
 - b) order book means the on-line listing of orders submitted by market participants into the market information system; the orders are ranked by price and by time of entry;
 - c) identification code of the market participant means the alphanumerical code that uniquely identifies a market participant in view of participation in the market;
 - d) identification code of the order or of the transaction means the alphanumerical code that uniquely identifies an order or a transaction submitted or made during a trading session;

- e) ownership account means the account of the Energy Efficiency Certificates Register (TEE Register), consisting of two sections, on which GME enters: i) in the first section, the number of certificates issued to the account holder, with the indication of the relevant type; ii) in the second section, the number of certificates owned by the holder, without any indication of the type, consisting of all certificates issued by GME in favour of the holder as well as those resulting from trading on the market or from bilateral trading, or those subject to blocking, withdrawal or cancellation operations;
- f) Decrees of 20 July 2004 means: the Decree of the Minister of Productive Activities issued in consultation with the Minister of Environment and Land Protection on 20 July 2004 on *New identification of quantitative targets for improving end-use energy efficiency under art. 9, para. 1 of Legislative Decree no. 79 of 16 March 1999*; and the Decree of the Minister of Productive Activities issued in consultation with the Minister of Environment and Land Protection on 20 July 2004 on *New identification of national quantitative targets of energy savings and development of renewables as per art. 16, para. 4 of Legislative Decree no. 164 of 23 May 2000*, as subsequently amended and supplemented (hereafter “Decrees of 20 July 2004”);
- g) Legislative Decree 115/08 means Legislative Decree no. 115 of 30 May 2008, *implementing Directive 2006/32/EC on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC*;
- h) Legislative Decree 28/11 means Legislative Decree no. 28 of 3 March 2011, *implementing Directive 2009/28/EC on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC*;
- i) Ministerial Decree of 4 August 2011 means the Decree of the Minister of Economic Development concerning *additions to Legislative Decree no. 20 of 8 February 2007, implementing Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand and amending Directive 92/42/EEC*;
- j) Ministerial Decree of 28 December 2012 means the Decree of the Minister of Economic Development of 28 December 2012 concerning the *determination of national quantitative energy-saving targets to be pursued by electricity and gas distributors for the years from 2013 to 2016 and for the strengthening of the white certificates scheme*;
- k) Interministerial Decree of January 11 2017 means Decree issued by the Minister of Economic Development of January 11 2017, *determining the national energy*

savings targets to be fulfilled by electricity and gas companies for the years 2017 to 2020 and for the approval of the new guidelines for the preparation, implementation and evaluation of energy efficiency projects;

- l) exclusion from the market means the loss of the status of market participant;
- m) working day means a day from Monday to Friday, with the exception of public holidays recognised by the State for all civil purposes, as well as the days, if any, indicated in the Technical Rules.
- n) GME means “Gestore dei Mercati Energetici”, i.e. the company (“società per azioni”) responsible for the economic management of the electricity market under article 5 of Legislative Decree no. 79 of 16 March 1999 (*implementing Directive 96/92/EC concerning common rules for the internal market in electricity*), published in the “Gazzetta Ufficiale” no. 75 of 31 March 1999;
- o) GSE means “Gestore dei Servizi Energetici - GSE S.p.A.”, i.e. the company (“società per azioni”) established under article 3, para. 4 of Legislative Decree 79/99 and article 1, paras. 1 a), b) and c) and 3 of the Decree of the President of the Council of Ministers of 11 May 2004, published in the “Gazzetta Ufficiale, Serie Generale” no. 115 of 18 May 2004;
- p) guidelines mean the guidelines on preparation, implementation and evaluation of energy efficiency projects and on the definition of criteria and procedures for issuing energy efficiency certificates pursuant to art. 6, para. 2 of the Ministerial Decree of 28 December 2012 and as subsequently amended as pursuant to art. 7, para. 5 of Lae Decree no. 102 of July 4, 2014;
- q) market means the venue for the unified trading of Energy Efficiency Certificates organised by GME, as pursuant to art. 16, para. 3 of Interministerial Decree of January 11, 2017, referred to in subpara. bb) below;
- r) continuous trading means a mechanism of trading that is based on automatic matching of trading orders and continuous entry of new orders during the trading sessions;
- s) market participant means the natural person (individual) or legal person (organisation) that is admitted on the market;
- t) reference price means the average price, referred to one toe and weighted for the related volumes, of all transactions carried out during a market session;
- u) trading order means the purchase or sell order that market participants enter into the order book; the trading order specifies the data required for posting and execution;
- v) Energy Efficiency Certificates Register (hereafter “TEE Register”) means the

electronic database of energy efficiency certificates that is organised and managed by GME in accordance with the Rules for Registering Bilateral Transactions of Energy Efficiency Certificates; the Register consists of the set of ownership accounts, where GME deposits the certificates issued to the holder of the account and records the movements of certificates deposited as a result of trades on the market or bilateral (or OTC) transactions, as well as of blocking, withdrawal or cancellation;

- w) Rules for Registering Bilateral Transactions on Energy Efficiency Certificates means the rules prepared by GME under article 4 of AEEGSI's Decision 345/07 of 28 December 2007 and approved by AEEGSI with its Decision EEN 5/08 of 16 April 2008, as subsequently amended and supplemented;
- x) trading session means the period of time within which trading orders are to be entered;
- y) suspension from the market means the temporary suspension of a market participant from entering orders into the market;
- z) Electricity Market Rules means the Integrated Text of the Electricity Market Rules, approved by the Decree of the Minister of Productive Activities of 19 December 2003, published in the "Gazzetta Ufficiale, Supplemento ordinario, Serie Generale" no. 301 of 30 December 2003, as subsequently amended and supplemented;
- aa) type means the classification of energy efficiency certificates made by GSE with respect to the energy efficiency certificates issued and only reported in the first session of the ownership account;
- bb) certificates means the energy efficiency certificates (TEE or white certificates) referred to in the Ministerial Decrees of 20 July 2004, as subsequently amended and supplemented;
- cc) valid certificates means the certificates that GME has issued, entered into the ownership accounts of participants and not blocked, withdrawn or cancelled.

Article 3

General principles and amendments to these Rules

- 3.1 GME shall fulfil its tasks under transparent and non-discriminatory criteria with a view to safeguarding the proper operation of the market.
- 3.2 GME shall organise the market in accordance with the criteria specified in the Electricity Market Rules.
- 3.3 With exception to the confidentiality obligations covered hereby or by the Market Participation Agreement referred to in Article 15, para. 15.1 b) below, GME shall at any time report behaviours that may directly or indirectly affect the proper operation of the market to the relevant authorities and to GSE.
- 3.4 GME shall put in place an organisational structure suitable for preventing the occurrence of conflicts of interest, even potential, as well as procedures for monitoring and enforcing compliance with these Rules and the Technical Rules.
- 3.5 Market participants shall conduct their activities on the market in accordance with ordinary principles of correctness and good faith.
- 3.6 GME shall submit proposals for amendments to these Rules to AEEGSI for approval. Amendments to the Rules shall be posted on GME's website after their approval by AEEGSI.
- 3.7 In the cases shown in the previous Paragraph 3.6, subject to AEEGSI's consent, GME may propose amendments to these Rules and make them known to interested parties by publishing them on its website or with other appropriate means, setting a time limit for submission of comments, if any.
- 3.8 The procedure referred to in Paragraph 3.6 does not apply in the case of urgent amendments to the Rules, aimed at safeguarding the proper functioning of the market, or in the case of adjustment of the Rules to the applicable regulatory requirements. In this case, the amendment proposed by GME shall have effect

with the publication on the GME's website and shall be promptly submitted to the Authority for approval. If the Authority does not approve the amendment, it shall cease to have effect from the date of communication of the Authority's decision to GME. GME shall timely notify the *operators about the outcomes of the approval procedure by publication on its website.*

Article 4

Technical Rules

- 4.1 The implementing and procedural provisions of these Rules shall be set out in the Technical Rules. GME shall formulate the Technical Rules under criteria of neutrality, transparency, objectivity and competition between or among market participants.
- 4.2 The Technical Rules shall be timely notified to AEEGSI, published on GME's website and become effective upon the date of their publication.
- 4.3 GME may also draw up preliminary versions of the Technical Rules and make them known to interested parties by publishing them on its website or with other appropriate means, setting a time limit for submission of comments, if any.

Article 5

Units of measurement and rounding off

- 5.1 For the purposes of the market:
 - a) the unit of measurement of energy savings shall be the toe;
 - b) the monetary unit of measurement shall be the euro, specified with two decimals;
 - c) the unit of measurement of the prices of energy efficiency certificates shall be the euro/toe, specified with two decimals.
- 5.2 For the purposes of the market, all figures shall be rounded off under the mathematical criterion. In particular, figures shall be rounded up or down to the nearest last decimal allowed and, if the result is halfway, they shall be rounded up.

Article 6

Fees for the services provided by GME

- 6.1 For the services provided by GME, market participants shall pay GME a fee for each certificate traded on the market.
- 6.2 The amount of the fee referred to in para. 6.1 above – yearly determined by GME - shall be approved by AEEGSI. It shall be published on GME's website and take effect on 1st January of the following year.

Article 7

Market information

- 7.1 The aggregated market data and results shall be of public domain and posted on GME's website. Each market participant shall have access to the market data and results that concern him/her/it directly.
- 7.2 Except in circumstances where disclosure is mandated by laws, regulations or other decisions by authorities, GME shall maintain the information pertaining to trading orders and/or transactions confidential for a minimum period of twelve months.
- 7.3 GME shall provide AEEGSI and GSE with all the data that they require for performing the activities falling under their responsibility.

Article 8

Communication and publication of data and information

- 8.1 Unless otherwise required, the data and information covered hereby shall be communicated and published in electronic form. In particular:
- a) communications to a market participant shall be made by posting data and information in the section of the market information system whose access is restricted to the same market participant;
 - b) publication shall be made by posting data and information in the section of the market information system whose access is non-restricted.

- 8.2 The trading orders entered by market participants shall be deemed to have been received upon the date and at the time recorded by the market information system. Any other communication shall be deemed to have been received on the day and at the time of receipt. For determining the time of receipt of a communication, the time shall be obtained from GME's records. In case of electronic communications, the time shall be obtained from the market information system.

Article 9

Market information system

- 9.1 Access to the market information system may take place:
- a) through the Internet;
 - b) through additional procedures, if any, to be defined in the Technical Rules.
- 9.2 The modalities of access to the market information system and of entry of trading orders, as set forth in Article 25 below, shall be defined in the Technical Rules.

Article 10

Security of access

- 10.1 Market participants shall have access to the market via special procedures, defined in the Technical Rules. Said procedures shall authenticate market participants and guarantee the confidentiality of their transactions.
- 10.2 Market participants shall treat the access codes and any other data or device required to access the market information system as confidential.

Article 11

Emergency conditions

- 11.1 The following shall be deemed to be emergency conditions:
- a) GME is unable to receive the trading orders entered by market participants according to the modalities referred to in Article 25 below, owing to malfunctions in its telecommunication systems;

- b) GME is unable to match the orders that it has received in a given trading session for various reasons, including malfunctions of the market information system;
 - c) GME is unable to determine the results of a session of the market for various reasons, including malfunctions of its market information system;
 - d) GME is unable to notify market participants of the transactions concluded during a trading session for various reasons, including malfunctions of its market information system or telecommunications systems.
- 11.2 In the case covered by para. 11.1 a) above, GME shall notify market participants (forwarding a copy of the notification to AEEGSI and GSE) of the occurrence of the emergency condition and of the new time of closing of the trading session, in accordance with the modalities specified in the Technical Rules.
- 11.3 In the case covered by para. 11.1 b) above, GME shall suspend the market session and notify market participants (and forward a copy of the notification to AEEGSI and GSE) of the expected duration of the suspension, according to the modalities specified in the Technical Rules.
- 11.4 Where the case referred to in para. 11.1 c) above arises, GME shall notify market participants (and forward a copy of the notification to AEEGSI and GSE) of the occurrence of the emergency condition and apply the provisions specified in the Technical Rules.
- 11.4 The notification modalities to be adopted by GME in the cases referred to in para. 11.1 d) above shall be defined in the Technical Rules.

Article 12

Suspension of the market

- 12.1 Where GME identifies abnormal trends of transactions on the market or identifies or suspects irregular or unlawful behaviours by one or more market participants, it shall take any action deemed appropriate, including the suspension of transactions on the market, and timely and concurrently notify AEEGSI thereof.

- 12.2 GME shall notify market participants of the suspension decision referred to in para. 12.1 above by posting an appropriate notice on its website.
- 12.3 GME shall notify market participants of the reinstatement of trading on the market, suspended as per para. 12.1 above, by posting an appropriate notice on its website.

Article 13

Operation of the market information system

- 13.1 In case of technical malfunctions of the market information system, GME may suspend or postpone a trading session or close it in advance.
- 13.2 With a view to ensuring the proper technical operation and the efficient use of the market information system and, generally, the regular functioning of the market, GME may impose limits to the entry, cancellation and change of trading orders and limit the number of log-ons of each market participant, or of specific categories of market participants, to the market information system.

TITLE II PARTICIPATION IN THE MARKET

Article 14

Requirements for participation in the market

- 14.1 Participation in the market is open to parties that have adequate professional qualifications and are proficient in the use of Information Technology (IT) or Information Communication Technology (ICT) systems and related security systems or that have employees or assistants meeting the above professional and proficiency requirements.
- 14.2 The following applicants shall not be admitted to the market:
- a) applicants that have been convicted with a final judgement (except in cases of rehabilitation/reinstatement) or with a judgment inflicting the penalty at the request of the parties (except in cases of extinction of the crime) to imprisonment for the crime referred to in article 501 of the Italian criminal code, or for one of the violations of the privacy of IT or ICT communications specified in articles 617 *quater*, *quinquies* and *sexies* of the criminal code, or for the crime of computer fraud referred to in article 640 *ter* of the criminal code, or for the crime of fraud to the damage of the State or other public body as provided for in article 640, para. 2, no. 1 of the criminal code, as well as for the income tax and value added tax crimes referred to in Legislative Decree no. 74 of 10 March 2000;
 - b) applicants that have been excluded from the market, during the sixty months preceding the submission of the new application for participation, without prejudice to subpara. c) below and except in the cases of exclusion mentioned in Article 22 below;
 - c) applicants that have been excluded from the market and towards whom/which, upon the date of submission of the new application for participation, GME still has an overdue credit on the market.
- 14.3 If the applicant is a legal person (organisation), the requirements covered in para. 14.2 a) above shall refer to its owner or legal representative or other duly authorised person.

- 14.4 If the applicants are totally or partially subject to foreign legal systems, GME shall check whether they meet the requirements referred to in paras. 14.2 and 14.3 above on the basis of a substantial equivalence evaluation.

Article 15

Market Participation Application and Market Participation Agreement

- 15.1 A party wishing to participate in the market shall submit to GME the following documents under the procedures and within the time limits established in the Technical Rules:
- a) a Market Participation Application having the format of Annex 1 hereto and accompanied by the documents mentioned in Article 16 below;
 - b) a signed copy of the Market Participation Agreement having the format of Annex 2 hereto.

Article 16

Documents to be enclosed to the Market Participation Application

- 16.1 The following documents shall be enclosed to the Market Participation Application, duly signed by the applicant:
- a) a declaration made in compliance with Decree of the President of the Republic no. 445 of 28 December 2000; such declaration shall state that, in Italy, the applicant (or, if the applicant is a legal person - organisation -, the person referred to in Article 14, para. 14.3 above) has never been subject to measures involving the loss of the qualifications referred to in Article 14, para. 14.2 a) above and that, abroad, the applicant has never been subject to measures which would involve the loss of the same qualifications under the Italian legal system, or other equivalent documents based on which GME shall carry out a substantial equivalence evaluation;
 - b) if the Market Participation Application is signed by the legal representative or other duly authorised person, a declaration made in accordance with Decree of the President of the Republic no. 445 of 28 December 2000 (such declaration shall certify that the applicant is authorised to represent the legal person), or other equivalent documents based on which GME shall carry out a substantial equivalence evaluation;

16.2 If GME already holds the documents mentioned in para. 16.1 a) and b) above, the applicant shall be exempted from resubmitting them, but he/she/it shall submit a statement specifying such fact and the date of the previous submission and confirming that the previously submitted documents are still current.

Article 17

Admission procedure

17.1 Within fifteen calendar days of the date of receipt of the application, after checking whether the applicant meets the requirements covered by Article 14 above, as well as the validity of the submitted documents, GME shall notify the applicant of the acceptance or rejection of his/her/its application and the reasons for the rejection. The notification shall be given under the procedures and within the time limits defined in the Technical Rules.

17.2 With a view to checking whether the applicant meets the requirements covered by Article 14, para. 14.1 above, GME may ask the applicant to provide appropriate documents.

17.3 Upon admission, the applicant shall acquire the status of market participant.

17.4 If the submitted documents are irregular or incomplete, GME shall - under the procedures and within the time limits defined in the Technical Rules - notify the applicant of the requirements for submitting regular documents or for completing the already submitted ones, as well as of the time limit within which the applicant shall do so. The notification shall suspend the time period referred to in para. 17.1 above, which shall run again from the date of receipt of the regular or complete documents by GME.

Article 18

List of market participants

- 18.1 Market participants pursuant to Article 17 above shall be entered into a “List of Market Participants”, to be created and administered by GME in compliance with EU Regulation 679/2016, as subsequently amended and supplemented.
- 18.2 For each market participant, the List of Market Participants shall include:
- a) market participant’s identification code;
 - b) full name, or registered name, place of residence and place of domicile (if different from the place of residence), or registered office, taxpayer’s code, telephone number, fax number, e-mail address, contact person/s for communications, if any, and related contact details;
 - c) market participant’s status: admitted, active, inactive, suspended, exclusion application pending, excluded;
 - d) market participant’s bank details;
 - e) ownership account code;
 - f) market participant’s tax scheme;
 - g) VAT registration number.
- 18.3 GME shall publish the following data and information about market participants on its website: full name or registered name, place of residence or registered office.
- 18.4 Each market participant may have access to his/her/its own data and information contained in the List of Market Participants.

Article 19

Data and information for participation in the market

- 19.1 They can submit offers on the market pursuant to the Article 25 below the participants holding an ownership account in the TEE Register and owning a VAT number. After these parties have registered with the TEE Register, GME shall enter the code of their ownership account, as per Article 18, para. 18.2 e) above, into the List of Market Participants.

- 19.2 Without prejudice to para. 19.1 above, for the purposes of entering orders into the market as per Article 25 below, each market participant shall ask GME to enter the data and information mentioned in Article 18, para. 18.2 d), f) and g) above into the List of Market Participants.
- 19.3 The request for entry of the data and information mentioned in Article 18, para. 18.2 d) above shall be accompanied by a statement made by the market participant about his/her/its bank details. The above statement must be submitted only if the participant has not already indicated its bank details in the documentation submitted pursuant to Article 15
- 19.4 After receiving the requests referred to in Art. 18, para. 18.2, letter f) above, the participant shall submit a statement about his/her/its VAT taxation scheme as indicated in the Technical Rules.
- 19.5 After receiving the requests referred to in Art. 18, para. 18.2, letter g) above, participant shall enclose a statement containing its VAT number, or other equivalent documentation on the basis of which GME shall carry out an assessment of substantial equivalence. The above statement must be submitted only if participant has not already indicated its VAT number in the documentation submitted pursuant to Article 15 above.
- 19.6 After receiving the requests referred to in para. 19.2 above, GME shall update the List of Market Participants. The change shall have effect by the end of the second working day following receipt of the request by GME.

Article 20

Verifications

- 20.1 GME shall monitor compliance with these Rules and the Technical Rules in order to ensure the proper functioning of the market under criteria of neutrality, transparency, objectivity and competition between or among market participants. To this end, GME may require market participants to submit any data or

document giving evidence of the transactions that they have made on the market and also convene them for a hearing.

- 20.2 GME shall have the right to check whether market participants still qualify under the market participation requirements. To this end, GME may require market participants to submit additional documents or update the already submitted ones.

Article 21

Notification obligations

- 21.1 Market participants shall notify GME promptly and, in any case, within three working days of its occurrence, of any change in circumstances which may involve the loss or change of any of their qualifications for participation in the market or which may alter the data and information covered by Article 18, para. 18.2 above that they have declared and that have been entered into the List of Market Participants.
- 21.2 After receiving each of the notifications referred to in paras. 21.1 above, GME shall update the List of Market Participants.

Article 22

On-demand exclusion from the market

- 22.1 For the purposes of exclusion from the market, market participants shall - under the procedures and within the time limits defined in the Technical Rules - file an appropriate written application with GME; the application shall indicate the date from which exclusion is requested.
- 22.2 On-demand exclusion from the market shall take effect from the later of the following dates:
- a) the second working day following the date of receipt of the application referred to in para. 22.1 above by GME;
 - b) the date indicated in the application referred to in para. 22.1 above.

22.3 On-demand exclusion from the market shall not relieve the market participant of obligations arising from commitments made on the market.

22.4 During the period of suspension from the market, the market participant may not request exclusion therefrom under this Article.

**TITLE III MARKET
OPERATION**

**SECTION I
TRADING**

Article 23

Certificates admitted to trading

- 23.1 Certificates admitted to trading on the market, in compliance with the applicable legislation, shall be the certificates without any indication of the type that are still valid for complying with the obligations set forth in article 13 of the Decree of 28 December 2012 and in article 14 of Decree January 11, 2017.
- 23.2 The value of the certificates admitted to trading shall be equal to one toe (*tonne of oil equivalent*).

Article 24

Modalities of trading

- 24.1 With reference to the agreements for purchase and sale of securities concluded on the market, GME is the counterparty of the participants.
- 24.2 Transactions on the market shall take place under the continuous-trading mechanism.
- 24.3 The trading sessions shall take place at least once a month, beginning on the date published on GME's website.
- 24.4 The days and hours of the market trading sessions shall be posted on GME's website.

Article 25

Entry of trading orders

- 25.1 GME shall organise a single order book for the certificates referred to in Article 23, para. 23.1 above.

- 25.2 Market participants shall enter their trading orders under the procedures and within the time limits defined in the Technical Rules, specifying at least the following data:
- a) type of order (buy/sell);
 - b) volume of certificates covered by the order;
 - c) unit price referred to one toe.
- 25.3 The trading orders entered by market participants in compliance with para. 25.2 above shall be posted on the order book in anonymous form.
- 25.4 Market participants may enter orders without price limit.
- 25.5 The volumes specified in buy and sell orders shall only have positive integer values.
- 25.6 The minimum tradable volume shall be equal to one certificate.
- 25.7 In the order book, the trading orders that have been verified to be valid and technically adequate under Article 26 below shall be divided into buy and sell orders, giving rise to lists where they shall be ranked by price priority and, in case of identical price, by time of entry. Buy orders shall be ranked in decreasing price order, whereas sell orders shall be ranked in increasing price order. The order book shall display the best buy and sell orders.
- 25.8 Orders with zero price limit or negative price limit shall be rejected.
- 25.9 Buy or sell orders without price limit shall be entered into the order book only if sell or buy orders with price limit are already present in the same order book, respectively.
- 25.10 Market participants may withdraw their orders by cancelling them directly from the order book, if such orders have not been automatically matched in

accordance with Article 27 below, or for their unexecuted part, if they been partially matched.

25.11 Market participants may change the orders that they have entered into the market, if such orders have not been automatically matched in their entirety, in accordance with Article 27 below. If the orders have been partially matched, the change shall only apply to the unexecuted part. Changed orders shall lose the time priority that they have acquired.

Article 26

Validation and technical adequacy verification of orders

26.1 After the entry of trading orders, GME shall check their validity and technical adequacy ensuring that:

- a) the market participant is not suspended from the market;
- b) the market participant's ownership account in the TEE register is active;
- c) the order has been entered under the modalities referred to in Article 25, para. 25.2 above;
- d) the order specifies all the data referred to in Article 25, para. 25.2 above;
- e) the buy order is guaranteed under Articles 31 and 32 below;
- f) the sell order is guaranteed under Article 33 below.

26.2 GME's information system shall return the outcome of the validation and technical adequacy verification of the trading orders referred to in para. 26.1 and:

- a) if the outcome is negative, it shall reject the entry of orders into the order book and specify the reasons for the rejection;
- b) if the outcome is positive, the orders shall be entered into the order book.

Article 27

Continuous trading

27.1 During each trading session, GME shall provide market participants with the following data and information:

- a) price and volume of orders entered into the market and not yet matched;
- b) price of the latest three transactions executed in the session;
- c) minimum and maximum price of the session;

- d) reference price of the session preceding the current one;
- e) volume traded in the session.

27.2 During trading, transactions shall be executed through automatic matching of orders under the following criteria:

- a) in the event of buy order with price limit: it shall be matched (until it is exhausted) with sell orders at a price lower than or equal to the limit specified in the buy order and according to the priority order referred to in Article 25, para. 25.7 above;
- b) in the event of sell order with price limit: it shall be matched (until it is exhausted) with buy orders at prices equal to or higher than the limit specified in the sell order and according to the priority order referred to in Article 25, para. 25.7 above;
- c) in the event of buy order without price limit: it shall be matched (until it is exhausted) with one or more sell orders, having a price equal to the best selling price available at the time of entry of the buy order, according to the priority order mentioned in Article 25, para. 25.7 above;
- d) in the event of sell order without price limit: it shall be matched (until it is exhausted) with one or more buy orders, having a price equal to the best buying price available at the time of entry of the sell order, according to the priority order mentioned in Article 25, para. 25.7 above.

27.3 For each transaction executed through automatic matching, the price shall be equal to the price of the order with the highest time priority.

27.4 A buy or sell order entered by a market participant shall be rejected, if it matches with a sell or buy order already included in the order book, respectively, and entered by the same market participant.

27.5 If an order with price limit is partially executed, the unexecuted part shall be resubmitted automatically with the same price and time priority as the original order. If an order without price limit is partially executed, then the unexecuted part shall be automatically resubmitted with the same time priority as the original order and a price equal to the latest price of execution of the executed part.

27.6 Orders that have not yet been matched under this Article at the closing of the trading session shall be automatically cancelled from the order book.

Article 28

Registration of executed transactions

28.1 GME shall register the data concerning the transactions executed on the market, namely:

- a) transaction identification code;
- b) price;
- c) volume;
- d) day and time of execution;
- e) identity of purchasing and selling market participants.

28.2 Within the time limit specified in the Technical Rules, GME shall transfer the certificates traded from the sellers' to the buyers' ownership accounts.

Article 29

Definitivity of transactions

29.1 The trades of certificates concluded on the market shall be definitive and binding - also for the purposes of the guarantee, of the offsetting, of the billing and of the settlement of payables and receivable arising on the market, as well as of the related obligations - as of the time at which buy orders and sell orders are verified to be valid and technically adequate and matched in the bidding system under Article 27 above.

Article 30

Notification of market results

30.1 Within the time limit specified in the Technical Rules and based on the modes shown in the Technical Rules, GME shall publish the results of the market session, specifying at least the following data and information:

- a) minimum and maximum price of the session;
- b) volume traded in the session;

c) reference price of the session.

30.2 Within the time limit specified in the Technical Rules, GME shall notify each market participant of the executed transactions, specifying at least the following data:

- a) purchased and sold volume;
- b) price;
- c) day and time;
- d) value of the transaction.

SECTION II
GUARANTEE SYSTEM

Article 31

Guarantees for buy orders

- 31.1 For entering buy orders into the market, each market participant shall, by 12:00 of the working day preceding the opening of the trading session, make an initial non-interest-bearing deposit into GME's designated bank account, with value date on the same day, and notify GME of the related amount according to the modalities laid down in the Technical Rules.
- 31.2 During the market session, each market participant may increase the initial deposit referred to in para. 31.1 above, by making a non-interest-bearing deposit into GME's designated account, with value date on the same day, and notifying GME of the related amount under the procedures and within the time limits specified in the Technical Rules. The payment shall be valid and effective within one hour of the time at which it has been credited to GME's account. The credit shall be deemed to have been received upon the date and at the time recorded by the information system of the bank in charge of GME's treasury services. GME shall update the initial deposit by an amount equal to the additional deposit made.

Article 32

Available amount of guarantees for buy orders

- 32.1 A buy order with price limit shall be guaranteed under Article 26, para. 26.1 e) above, if its value - equal to the product between the volume specified in the order and the price specified in the same order, increased by VAT (where chargeable) - is lower than or equal to the available deposit referred to in Article 31 above.
- 32.2 A buy order without price limit shall be guaranteed under Article 26, para. 26.1 e) above, if its value - equal to the product between the volume specified in the order and the price of the best sell order included in the order book, increased by

VAT (where chargeable) - is lower than or equal to the available deposit referred to in Article 31 above.

- 32.3 For the purposes of the adequacy verifications referred to in paras. 32.1 and 32.2 above, the initial deposit mentioned in Article 31, para. 31.1 above, possibly increased under Article 31, para. 31.2 above, shall be updated upon entry of a buy order:
- a) down-adjusted by an amount equal to the product between the price specified in the order and the related volume, increased by VAT (where chargeable), in case of orders with price limit, or
 - b) down-adjusted by an amount equal to the product between the price of the best sell order included in the order book, increased by VAT (where chargeable) and the volume specified in the buy order, in case of orders without price limit.
- 32.4 In case of matching of a buy order with price limit, if the price at which the contract has been concluded is lower than the declared price limit, GME shall up-adjust the amount of the available deposit committed under para. 32.3 a) by an amount equal to the product between the matched volume and the difference between the declared price limit and the matching price of the order, increased by VAT (where chargeable).
- 32.5 Upon the matching of a sell order, the market participant's available deposit shall be up-adjusted by an amount equal to the product between the matching price of the order and the matched volume, increased by VAT (where chargeable).
- 32.6 In the case referred to in para. 32.3 a), if a buy order not yet matched is cancelled, the market participant's available deposit shall be up-adjusted by an amount equal to the product between the price and the volume specified in the cancelled order, increased by VAT (where chargeable).

32.7 Without prejudice to Article 36 below, GME shall refund the amount of the available deposit in accordance with the modalities and within the time limits defined in the Technical Rules.

Article 33

Guarantees for sell orders

33.1 A sell order shall be guaranteed under Article 26, para. 26.1 e), if the number of certificates indicated in the sell order is lower than or equal to the maximum number of saleable certificates under para. 33.2 below.

33.2 The maximum number of saleable certificates shall be equal to the number of certificates present in the market participant's ownership account within the TEE Register held by GME, decreased by the number of certificates already sold by the market participant in the same session, or for which the market participant has already entered sell orders not yet matched, and increased by any certificates already bought in the same trading session in compliance, in the last case, with the provisions shown in the Technical Rules.

SECTION III

INVOICING OF TRANSACTIONS AND SETTLEMENT OF PAYMENTS

SUBSECTION I

INVOICING OF THE MARKET TRANSACTIONS

Article 34

Invoicing period for the market transactions

34.1 The invoicing period related to the transactions concluded on the market is defined in the Technical Rules.

Article 35

Invoicing the market transactions

35.1 For each invoicing period, in the manner and within the time limits defined in the Technical Rules, GME:

- a) shall invoice to each debtor participant, the amounts of those purchase transactions concluded by the participant;
- b) shall notify each creditor participant, the amounts relating to the sale transactions made by the participant.

35.2 Following the notifications referred to in paragraph 35.1, subpara. b), participants shall issue invoices for the amounts shown, to GME.

35.3 The terms and procedures for issuing invoices to GME, as referred to in paragraph 35.2, are defined in the Technical Rules.

35.4 The invoices and notifications referred to in paragraphs 35.1 and 35.2 are made available to the participants in the manner and within the time limits defined in the Technical Rules.

35.5 The invoices and notifications referred to in paragraphs 35.1 and 35.2 show at least the following, where applicable:

- a) the amount of the securities traded;
- b) the price at which the amount referred to in subparagraph a) above has been traded;
- c) the taxes;
- d) the total amount.

SUBSECTION II
SETTLEMENT OF THE MARKET PAYMENTS

Article 36

Invoicing of the participants to GME

36.1 GME meets the claims against its debtor participants in the manner and within the terms defined in the Technical Rules, using all the deposit capacity available and paid by them pursuant to Article 31 above.

Article 37

Payment of GME to the participants

37.1 GME shall transfer its creditor participants an amount equal to the countervalue of the transactions according to the modes and within the time limits defined in the Technical Rules.

SECTION III

Article 38

Invoicing the fees for the services provided by GME

38.1 GME invoices to each participant the amount of the fees referred to in Article 6, in the manner and within the limits defined in the Technical Rules.

Article 39

Payments of the fees for the services provided by GME

39.1 Participants shall pay the amount as set forth in Article 6 above to GME, in the manner and within the limits defined in the Technical Rules.

TITLE IV
DISCIPLINARY MEASURES, COMPLAINTS AND DISPUTES

SECTION I
BREACHES AND DISCIPLINARY MEASURES

Article 40

Breaches of these Rules and of the Technical Rules

- 40.1 The following behaviours shall constitute breaches of these Rules and of the Technical Rules:
- a) negligence, carelessness and unskilfulness in the use of systems of communication and of entry of orders;
 - b) pretextual use of the complaint procedure covered by Section II below of this Title;
 - c) disclosure to third parties of confidential information related to third market participants or to the market participant himself/herself/itself, in particular as regards the codes of access to the market information system, any other data required for access to the market information system and the content of the orders submitted by third market participants to GME, unless such disclosure is mandated by laws, regulations or decisions by the relevant authorities;
 - d) any unauthorised attempt to access restricted sections of the market information system;
 - e) any use for fraudulent purposes of the systems of communication and of entry of trading orders;
 - f) any other conduct contrary to the ordinary principles of correctness and good faith referred to in Article 3, para. 3.5 above, including the entry of orders into the market or the dissemination of information which might alter the trends on and the proper operation of the market and/or cause a distortion of the prices as well as of the results of the same market.

Article 41

Disciplinary measures

- 41.1 If GME verifies that the breaches referred to in Article 37 have occurred, it shall - in accordance with the principle of equality of treatment and taking into account the seriousness of the breach and any recurrence thereof - apply the following disciplinary measures to market participants, according to the graduation referred to in Article 39 below:
- a) a private written notice of the breach;
 - b) the suspension of the market participant from the market;
 - c) the exclusion of the market participant from the market.
- 41.2 Where the disciplinary measures of suspension or exclusion from the market are applied, the market participant may be permitted, under the supervision of GME, to close any transactions still in progress, as well as any other transactions inevitably connected to the same.
- 41.3 If GME suspects a breach, it shall serve a notice to the market participant involved. Such notice shall include:
- a) a description of the alleged breach;
 - b) a deadline of at least ten days for the market participant to submit pleadings and documents and any request for a hearing.
- 41.4 If the market participant requests a hearing, or if GME deems such hearing necessary, GME shall set the date and timely inform the market participant thereof. If the market participant does not appear at the hearing and the hearing is not postponed to another date for justified reasons, then GME shall make a decision on the basis of the acquired evidence. If the hearing is postponed, it shall anyway take place no later than the tenth day following its originally set date.
- 41.5 Based on the acquired evidence, GME shall apply the possible disciplinary measure or dismiss the case within thirty days of the hearing or, if the latter has not been requested or GME has deemed it unnecessary, within thirty days of the sending of the notice specified in para. 38.3 above.

- 41.6 Where the alleged breaches are such as to create an impending danger to the proper operation of the market, GME may, on a precautionary basis, suspend the market participant from the market during the disciplinary proceeding.
- 41.7 The disciplinary measure and the grounds for it or the decision to dismiss the case shall be notified to the market participant involved. The possible disciplinary measure that has been adopted shall be notified to AEEGSI and GSE.

Article 42

Graduation of disciplinary measures

- 42.1 Where the breaches are due to the fault of the market participant, GME may apply the following disciplinary measures:
- a) a private written notice of the breach;
 - b) suspension from the market for a number of trading sessions of a minimum of one and of a maximum of four. In the case of recurrence of the breach, the market participant shall be suspended from the market for four sessions.
- 42.2 If the breaches mentioned in para. 39.1 above have caused disturbances to the proper functioning of the market, GME may suspend the market participant from the market for a period of time not shorter than one month and not longer than one year. In the case of recurrence of the breach, the market participant shall be suspended from the market for one year.
- 42.3 If the breaches are due to the intentional wrongdoing of the market participant, GME may apply the following disciplinary measures:
- a) suspension from the market for a minimum period of six months and a maximum period of eighteen months. In the case of recurrence of the breach, the market participant shall be suspended from the market for eighteen months;
 - b) exclusion from the market.

42.4 If the breaches mentioned in para. 39.3 above have caused disturbances to the proper functioning of the market, GME may apply the following disciplinary measures:

- a) suspension from the market for a minimum period of eighteen months and a maximum period of three years. In the case of recurrence of the breach, the market participant shall be suspended from the market for three years;
- b) exclusion from the market.

Article 43

Suspension for non-fulfilment of notification obligations and non-payment of fees

43.1 In addition to the cases provided for in Article 39 above, GME shall suspend the market participant from the market in the following cases:

- a) where the market participant does not fulfil the notification obligation referred to in Article 21, para. 21.1 above or if the data notified under Article 21, para. 21.1 above do not enable GME to reach the same market participant, or the market participant fails to provide the data or the documents requested under Article 20, para. 20.2 above. The suspension shall last until the date on which GME receives the notification referred in Article 21, para. 21.1 above, or until the date on which the market participant becomes reachable again based on the data notified under Article 21, para. 21.1 above, or until the date on which GME receives the data or documents referred to in Article 20, para. 20.2 above;
- b) where the market participant fails to pay the fees specified in Article 6, para. 6.1 above, pursuant to the provisions of Article 36 above. The suspension shall last until the date on which the market participant fulfils such obligation and anyway for a period not longer than six months; if, after the expiration of such period, the market participant has not fulfilled his/her/its obligation, he/she/it shall be excluded from the market.

43.2 In addition to the cases covered by para. 40.1 above, GME may suspend the market participant from the market, if he/she/it fails to fulfil the notification obligation under Article 21, para. 21.2 above or if what has been notified under

the aforesaid article proves not to be current. The suspension shall last until the date of fulfilment of the obligation by the market participant.

Article 44

Publication of disciplinary measures

- 41.1 GME shall disclose the adoption of the disciplinary measures referred to in Article 41, para. 41.1 b) and c) above in anonymous form, by posting them (except for their confidential parts) on its website, at least thirty days after serving the notice of the disciplinary measure to the market participant concerned, unless the case has been referred to the Court of Arbitration. In the latter case, GME shall publish the disciplinary measure only if it has been confirmed by the Court of Arbitration.

SECTION II COMPLAINTS

Article 45

Submission formalities and minimum complaint contents

- 45.1 To be admissible, complaints relating to the market shall be filed electronically within the time limits indicated in this Section, by using the appropriate feature available in the market information system.
- 45.2 To be admissible, each complaint shall include the following elements:
- a) identification code of the disputed order and/or transaction, as assigned by the market information system, or any other reference uniquely identifying it;
 - b) GME's decision being disputed;
 - c) concise description of the grounds for the complaint.

Article 46

Complaints about the results of the validation and technical adequacy verification of orders

- 46.1 The market participant may file a complaint about the results of the validations and verifications referred to in Article 26 above, by sending a notification to GME by 16:00 of the second working day following the one on which such results are notified to the market participant.

Article 47

Complaints about the market results

47.1 The market participant may file a complaint about the market results, namely the results of the process of acceptance of orders and determination of the prices at which they have been valued, by sending a notification to GME by 16:00 of the second working day following the one on which such results are notified to the market participant.

Article 48

Disputing the invoicing

48.1 The participant may dispute the results of the invoicing procedures referred to in Section III, Subsection III, Chapter I, by sending a notification to GME within 4 pm of the second business day following that of the invoice or submission of the reports referred to in Article 35, paragraph 35.1.

48.2 In the case referred to in paragraph 48.1, GME shall suspend the payments relating to the transactions in dispute. On the sums due as a result of the disputes arising are recognized interest on arrears equal to the statutory interest rate.

Article 49

Complaint resolution

49.1 By 16:00 of the second working day following the end of the time limit for filing complaints, GME shall notify the market participant concerned of the result of its verification of the complaints referred to in Articles 46, 47 and 48 above.

49.2 If a complaint filed under Articles 46 and 47 above - about an order deemed to be invalid or technically inadequate, or an order rejected or unaccepted on the market - is accepted, since GME's decision being disputed was affected by errors or omissions and if the order would have been accepted without GME's decision being disputed, GME shall pay to the market participant concerned a compensation not higher than ten thousand/00 euro.

- 49.3 The acceptance of the amount of the compensation referred to in para. 49.2 above shall imply the market participant's waiver of the dispute settlement remedies covered by Section III below of this Title.
- 49.4 The limit specified in para. 49.2 above shall apply, with regard to the complaints indicated therein and to the possible disputes arising therefrom, also to the awards made as a result of the arbitration proceedings referred to in Article 50 below.
- 49.4bis In the event that a dispute referred to in Article 48 is accepted, GME shall make the related adjustments.
- 49.5 The acceptance of a complaint shall not imply the change of the result of the market session to which it refers.

SECTION III DISPUTES

Article 50

Settlement of disputes

- 50.1 Without prejudice to Article 50.2 below, a request for arbitration may be filed with the Court of Arbitration
- a) against denial of admission to the market;
 - b) against the disciplinary measures referred to in Article 41, para. 41.1 above;
 - c) if the market participant does not accept the result of the complaint resolution referred to in Article 49 above.
- 50.2 Disputes concerning failure to pay all or part of the fees referred to in Article 6 above shall be subject to the exclusive jurisdiction of Italian courts.
- 50.3 Without prejudice to article 50.2 above, the Court of Arbitration shall have jurisdiction not only over the cases covered by para. 50.1 above, but also over any other dispute arising between GME and market participants in connection with the interpretation and application of these Rules and of the Technical Rules.
- 50.4 To be admissible, the arbitration proceedings shall be initiated within thirty days of the notification referred to in para. 50.1 a) above of the disciplinary measure referred to in para. 50.1 b) above or of the result of the complaint referred to in para. 50.1 c) above.
- 50.5 The Court of Arbitration shall be composed of three members: one appointed by GME, one appointed by the market participant and a third member, acting as President, jointly appointed by the arbitrators appointed by the parties or, in case of disagreement, by the President of the Court of Rome, under Article 810 of the Italian Civil Procedure Code.

- 50.6 The Court of Arbitration shall render its decisions in accordance with the applicable laws and the arbitration proceeding shall be carried out in compliance with Article 806 and subsequent articles of the Civil Procedure Code.
- 50.7 The Court of Arbitration shall be based in Rome at the registered office of GME.
- 50.8 Without prejudice to para. 50.2 above and as an alternative to the provisions of paras. 50.1 and 50.3 above, at the request of one of the parties concerned, disputes between GME and market participants and between or among market participants shall be settled by resorting to arbitration proceedings as directed by AEEGSI in compliance with article 2, para. 24 b) of Law no. 481 of 14 November 1995.

TITLE V
FINAL PROVISIONS

SECTION I

FINAL PROVISIONS

Article 51

Awardees of contracts for the provision of services for the market

- 51.1 Awardees of contracts for services and/or supplies for the implementation of the market information system shall not be admitted to the market for a period of three years beginning on the date of its take-off.

Article 52

Entry into force

- 52.1 These Rules shall be published on GME's website and enter into force on the date of their publication.



Annex 1
Market Participation Application

Market Participation Application
under article 15, para. 15.1 a), of the Rules of Operation
of the Energy Efficiency Certificates Market

I, the undersigned.....

(name and surname)

born in.....on.....

residing in.....

taxpayer's code....., VAT number.....

telephone number....., fax number.....

e-mail address.....

or

the company/*other*.....

(company name or registered name)

having its registered office in

(address)

taxpayer's code.....,VAT number.....

telephone number....., fax number.....

e-mail address.....

represented by.....in his/her capacity of

(legal representative or duly authorised person)

WHEREAS

- the organisation of and procedures for the management of the Energy Efficiency Certificates Market are defined in the Rules of Operation of the Energy Efficiency Certificates Market, referred to in article 10, para. 3 of the Decrees issued by the Minister of Productive Activities in consultation with the Minister of Environment and Land Protection on 20 July 2004 (*new identification of quantitative targets for improving end-use energy efficiency under article 9, para. 1, of Legislative Decree no. 79 of 16 March 1999 and new identification of national quantitative targets of energy savings and development of renewable sources as per article 16, para. 4 of Legislative Decree no. 164 of 23 May 2000, as subsequently amended and supplemented*), approved by "Autorità per l'energia elettrica, il gas ed il sistema idrico" (AEEGSI) with its Decision 53/2013/R/efr of 14 February 2013 under article 7, para. 4 of Legislative Decree no. 115 of 30 May 2008, as subsequently amended and supplemented (hereinafter referred to as the "Rules");
- the Technical Rules, referred to in article 4 of the Rules, shall be posted on GME's website and enter into force upon the date of their publication;

NOW, THEREFORE,

I, the undersigned,

or

the company/*other*

represented by.....in his/her capacity of.....

(legal representative or duly authorised person)

APPLY/APPLIES

for admission to the Energy Efficiency Certificates Market under article 15 of the Rules and under the procedure referred to in article 17 thereof.

For this purpose, I, the undersigned...../the company/*other*..... enclose/encloses the documents mentioned in article 16 of the Rules, which are an integral part hereof, as well as a signed copy of the Market Participation Agreement, referred to in article 15, para. 15.1 b) of the Rules and whose forms are annexed thereto.

I, the undersigned,

or

the company/*other*

represented by.....in his/her capacity of.....

(legal representative or duly authorised person)

1. declare/s that I/it have/has read and understood the Rules and the Technical Rules and unconditionally accept/s to be bound thereby;
2. declare/s that I/it have/has adequate professional qualifications and that I/it am/is proficient in the use of Information Technology (IT) or Information Communication Technology systems and related security systems or that I/it rely/relies on IT- or ICT-employees or assistants with such professional qualifications and proficiency;
3. declare/s that the contact person/s for notifications, if any, is/are:

.....

(name and surname) (telephone number) (e-mail address)

4. declare/s that the person/s authorised to access the information system of the Energy Efficiency Certificates Market on my/its behalf is/are:

.....

(name and surname) (date and place of birth) (taxpayer's code)

.....

(residence address) (telephone number) (e-mail address)

(to be repeated for each person)

5. (where applicable) declare/s that the ownership account code assigned by GME is as follows:.....

6. declare/s that my/its bank details are as follows:.....

IBAN:

BIC/SWIFT

- pursuant to EU Regulation 679/2016, no. 196, and subsequent amendments and additions, the personal data shown in this application form will be processed electronically while fulfilling the obligations deriving from it and the obligations under the Rules, so as to ensure the confidentiality and the safety of the data, according to the privacy policy issued under Articles 13 and 14 of the aforementioned EU Regulation 679/2016 and posted on the GME's website (<https://www.mercatoelettrico.org/en/GME/Info/Privacy.aspx>). The Applicant notes the above and gives his/her/its consent to the processing and communication to third parties of personal data in the manner and for the purposes shown in the policy in accordance with local regulations.

Place and date

.....

Signature

.....



Annex 2

Market Participation Agreement

Market Participation Agreement
under article 15, para. 15.1 b), of the Rules of Operation
of the Energy Efficiency Certificates Market

BETWEEN

GME, Gestore dei Mercati Energetici S.p.A., having its registered office in Viale Maresciallo Pilsudski 122-124, 00197 Rome, Italy, taxpayer's and VAT number 06208031002, represented by, in his/her capacity of(hereinafter referred to as GME),

AND

...../the company/other.....

(name and surname) (company name or registered name)

residing in...../having its registered office in.....

(address)

taxpayer's code....., VAT number....., represented by.....

in his/her capacity of.....(hereinafter referred to as "the Contracting Party"),

GME and the Contracting Party, hereinafter referred to as the "Party" individually and the "Parties" jointly,

WHEREAS

- A. GME is the company that was set up in compliance with article 5, para. 1 of Legislative Decree no. 79 of 16 March 1999 (hereinafter referred to as Legislative Decree 79/99), and vested with the economic management of the Electricity Market; under article 6 of the Decree of the Minister of Industry, Trade and Handicraft of 11 November 1999, published in the "Gazzetta Ufficiale, Serie Generale", no. 292 of 14 December 1999 (hereinafter referred to as Ministerial Decree of 11 November 1999), GME is also vested with the organisation of a venue for the trading of Green Certificates as part of the management of the Electricity Market;
- B. under article 10, para. 3 of the Decrees issued by the Minister of Productive Activities in consultation with the Minister of Environment and Land Protection on 20 July 2004 (*new identification of quantitative targets for improving end-use energy efficiency under article 9, para. 1 of Legislative Decree no. 79 of 16 March 1999 and new identification of national quantitative targets of energy savings and development of renewable sources as per article 16, para. 4 of Legislative Decree no. 164 of 23 May 2000*, as subsequently amended and supplemented, hereinafter referred to as "Decrees of the Minister of Productive Activities of 20 July 2004"), GME is vested with the organisation of a venue for the trading of Energy Efficiency Certificates, whose rules (Rules of Operation of the Energy Efficiency Certificates Market, hereinafter referred to as the "Rules") are approved by "Autorità per l'energia elettrica, il gas ed il sistema idrico" (AEEGSI) pursuant to article 7, para. 4 of Legislative Decree no. 115 of 30 May 2008;

- C. under article 15, para. 15.1 b) of the Rules, parties wishing to participate in the Energy Efficiency Certificates Market (hereinafter referred to as “the Market”) shall submit a signed copy of the Market Participation Agreement (hereinafter referred to as “the Agreement”) to GME;
- D. the Technical Rules referred to in article 4 of the Rules shall be posted on GME’s website and enter into force upon the date of their publication;
- E. within the meaning and for the purposes of the Rules, GME is the counterparty of Participants in the market.

NOW, THEREFORE,

the Parties agree as follows:

Article 1

Scope of the Agreement and Validity of the Whereas

1.1 This Agreement defines:

- a) the rights and obligations of the Contracting Party towards GME;
- b) the terms and conditions on which GME undertakes to provide services related to transactions on the market (hereinafter referred to as “the Services”).

1.2 The Preamble shall be an integral part hereof.

Article 2

Contracting Party’s obligations

2.1 The Contracting Party hereby declares that he/she/it has read, understood and unconditionally accepts to comply with the Rules, as they arise from the applicable legislation. The Contracting Party also declares that he/she/it is familiar with GME’s Information System (hereinafter referred to as “the System”) in its current configuration or that he/she/it undertakes to familiarise therewith.

2.2. The Contracting Party agrees:

- a) to comply with the Rules, the Technical Rules and the applicable laws and regulations and to keep informed about any amendments thereto. Where the Contracting Party does not intend to accept any amendments to the Rules and to the Technical Rules, the Contracting Party may withdraw herefrom by giving notice thereof according to the modalities and to the address mentioned in article 9, para. 9.6 below. If, fifteen days after the legal publication of such amendments, the Contracting Party has not given notice of his/her/its intent to withdraw herefrom, such amendments shall be deemed to have been tacitly accepted. Any transaction that the Contracting Party may make on the market pending the expiration of the above time limit shall be construed as implicit acceptance of the new terms and conditions. However, such

amendments shall not be a valid reason for the Contracting Party's non-fulfilment of the obligations undertaken on the market;

- b) to acquire technological systems suitable for the performance of the trading activities and compatible with the System, and to update/upgrade them as a result of any changes that GME may make to the System;
- b bis) to acquire technological systems suitable for the performance of activities relating to the billing of the economic elements of the market, compatible with the System and suitable to ensure a proper, timely and secure exchange of data and information transmitted electronically, in the manner and within the terms provided for by the Rules and the Technical Rules;
- c) to employ personnel with adequate professional qualifications and proficiency in the use of the technological systems covered by para. 2.2 b) and b bis) above;
- d) to join the guarantee system referred to in Title III, Section II of the Rules and the system of invoicing and settlement of payments for transactions and the fees referred to in Title III, Section III of the Rules;
- e) to timely report to GME any malfunction or abnormal operating condition due to technical problems, or any other event causing GME's failure to provide the Services or incorrect provision of the Services. The Contracting Party shall, to the extent possible, report such malfunction, abnormal operating condition or event within such time as to enable GME to take prompt corrective action with a view to ensuring the proper operation of the Market. In particular, the Contracting Party undertakes to notify GME, with the maximum speed and according to the procedures mentioned in article 9, para. 9.6 below, of the occurrence of events that may jeopardise the integrity and security of the System (including but not limited to thefts of confidential documents regarding access to the System, or unauthorised access to the Contracting Party's premises where such documents are kept);
- f) to co-operate with GME or with GME-designated third parties and allow their employees or assistants to access the premises of the Contracting Party for carrying out any jobs on the Contracting Party's hardware and software as may be required to ensure the proper operation of the Market. Under article 2049 of the Italian Civil Code, GME shall be liable for damages which may be caused during such jobs;
- g) to respect the rights of ownership of GME on the data transmitted through the System and on trademarks or names registered or used by GME, as well the rights of ownership of GME or third-party suppliers on the software programmes used for the provision of the Services;

- h) to maintain confidentiality on the devices mentioned in article 4, para. 4.1 below, and use them - or allow their use by duly authorised persons - only for access to and trading on the market. Therefore, the Contracting Party shall be liable for any unauthorised access to the Market by third parties and hold GME harmless from any damage or threat to the integrity or security of the System arising from negligence of the Contracting Party or of its personnel in the safekeeping of such devices;
- i) to timely ask GME to disable the devices referred to in para. 2.2 h) above and to assign new or different devices, whenever he/she/it deems that unauthorised persons may make an improper use thereof;
- j) to hold GME harmless from any damage, cost or third-party claim arising from any action or conduct of the Contracting Party and of its employees, assistants and consultants which may infringe this Agreement, the Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument issued by GME or by appropriate authorities.

Article 3

Services provided by GME

3.1 GME shall provide the Services to the Contracting Party in compliance with this Agreement, the Rules and the Technical Rules. GME's obligations in the provision of the Services shall constitute obligations of means.

3.2 GME shall provide the required co-operation so that the Contracting Party may access the System in accordance with the Technical Rules. It is hereby understood that the performance of the activities and the provision of the means of access to the System shall be the exclusive responsibility of the Contracting Party and performed and provided at his/her/its own expense.

3.3 GME reserves the right to change the technical, functional, administrative and operational procedures for the provision of the Services, as a result of amendments to the Rules or Technical Rules.

3.4 Without prejudice to the Rules and Technical Rules, if the provision of the Services is interrupted, suspended, delayed or abnormal due to technical problems with the System, GME shall take the necessary measures to overcome such inconveniences. It is hereby understood that, if such events are due to technical problems with the hardware or software used by the Contracting Party for accessing the System, the Contracting Party shall remove the related causes with the maximum speed. GME and the Contracting Party, each within the scope of his/her/its responsibilities, agree to co-operate in order to identify the causes of such interruptions, suspensions, delays or malfunctions and to restore the operation of the System as soon as possible.

3.5 GME shall be responsible for the correct processing, reporting and transmission of any data which third parties may enter into the System or which may result from the Market. GME and the Contracting Party acknowledge that GME's obligations exclude the checking of the truthfulness, accuracy and completeness of any data provided by third parties and made available to the Contracting Party within the scope of the provision of the Services.

3.6 GME and the Contracting Party acknowledge that GME shall not be liable for faults or malfunctions of telecommunication lines (e.g. telephone lines) and of access to the Internet.

3.7 The Contracting Party acknowledges that, for the provision of the Services, GME may resort to designated third parties. Nevertheless, the contractual relationship shall be established solely between the Contracting Party and GME.

3.8 GME shall respect the Contracting Party's ownership rights on the data transmitted through the System and on trademarks or names used by the Contracting Party and of which GME has become aware.

3.9 GME shall hold the Contracting Party harmless from any damage, cost or third-party claim arising from any action or conduct of GME or of its employees, assistants or consultants for the operation and provision of the Services which may infringe this Agreement, the Rules, the Technical Rules, as well as any other legislative or regulatory provision or instrument applicable hereto.

Article 4

Access to the System

4.1 For access to the System, the Contracting Party shall use the technical security devices indicated by GME, including but not limited to: user code with password, smart card or other strong authentication tools.

4.2 In particular, access to the System shall take place as set forth in the Technical Rules.

Article 5

Consideration

For the Services provided in compliance herewith, the Contracting Party shall pay the fee established under article 6 of the Rules, according to the procedures defined in article 36 thereof.

Any interruption or suspension of the provision of the Services shall not be a valid reason for non-payment or delayed payment of the fee referred to in para. 5.1 above.

Article 6

Limitation of liability, force majeure and fortuitous events

6.1 Unless otherwise specified in the Rules, GME shall, in the provision of the Services, be liable for contractual and non-contractual damages, to the extent that such damages are an immediate and direct consequence of its wilful misconduct or gross negligence and, in the latter case, are foreseeable upon the signature hereof. The Parties acknowledge that GME shall not be liable for damages which are an indirect or unforeseeable consequence of GME's conduct, including but not limited to damages arising from the loss of business opportunities, customers or profits.

6.2 The Contracting Party shall - under penalty of debarment - notify GME of any claim concerning the provision of the Services within fifteen working days, at the latest, from the date when the Contracting Party has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event, providing a detailed account of the circumstances of the event and of the resulting damages. The related supporting documentation shall be notified to GME within twenty working days, at the latest, from the date when the Contracting Party has learned - or should have learned by using ordinary diligence - of the occurrence of the damaging event.

6.3 GME and the Contracting Party shall not be liable for defaults due to force majeure, fortuitous events or events beyond their control, including but not limited to wars, riots, earthquakes, floods, fires, strikes, interruptions of electricity supply or of the provision of the dedicated data transmission lines making part of the System, if such interruptions are ascribable solely to third parties.

6.4 In cases of force majeure and fortuitous events and generally in all cases where the activity of the Contracting Party may jeopardise the integrity or security of the System, GME may suspend the access to the System without giving prior notice of the circumstances giving rise to the suspension.

Article 7

Duration

7.1 This Agreement shall be executed by the signature of the Contracting Party and the receipt of its original by GME. Its duration shall be unlimited. The effectiveness of the agreement shall be subject to the successful outcome of GME's verification of the completeness and regularity of the documents submitted by the Contracting Party and of the Contracting Party's fulfilment of the requirements for admission to the market. GME shall notify the Contracting Party of the outcome of said verifications under Article 17 of the Rules.

7.2 This Agreement shall cease to have effect upon the occurrence of one of the following events:
exclusion of the Contracting Party from the Market;
total disabling of the System as a result of amendments to the applicable rules;
withdrawal of the Contracting Party herefrom.

7.3 The dissolution of the Agreement under this Article shall not impair any other right, which either Party may have hereunder or in compliance with applicable laws, or any right or obligation of either Party arising prior to the date of dissolution.

Article 8
Termination

8.1 Any loss for whatever reason of the status of Market participant, acquired according to the provisions of article 17 of the Rules, shall represent one of the grounds for *de jure* termination of this Agreement under article 1456 of the Italian Civil Code, without prejudice to GME's right to withhold the fee specified in article 6 of the Rules by way of indemnity and any right to claim for additional damages, if any.

Article 9
General clauses

9.1 The invalidity of one or more of the clauses hereof shall not prejudice the remaining clauses hereof, which shall continue in full force and effect.

9.2 This Agreement and the rights and obligations of the Parties arising herefrom shall not be assigned to third parties, except as specifically provided herein.

9.3 Without prejudice to the provisions of article 6, para. 6.2 above, the failure or delay of either Party to exercise one of the rights arising herefrom shall not be construed as a waiver thereof.

9.4 Any amendment to this Agreement shall be made in writing.

9.5 For the purposes hereof, the Parties elect domicile at the following addresses:

Gestore dei Mercati Energetici S.p.A., Viale Maresciallo Pilsudski 122-124 – 00197, Rome, Italy;

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(address)

9.6 Any notice to be given hereunder shall be made in writing and delivered by hand, courier service, or transmitted by registered letter with return receipt, or via fax or e-mail message with return receipt to the following addresses:

Gestore dei Mercati Energetici S.p.A., Viale Maresciallo Pilsudski 122-124 – 00197, Rome, Italy, fax number +39-06-8012 4102; e-mail address certificatibianchi@mercatoelettrico.org;

.....

(address)

fax number....., e-mail address.....

9.7 The notices shall be deemed to have been received upon the date of signature of the delivery receipt, if delivered by hand, or when they reach the address of the recipient, if they are sent by registered letter with return receipt, or upon the date appearing in the transmission receipt of the fax machine, if they are sent by fax, or upon the date of receipt of the return receipt of the e-mail message, if they are sent by e-mail.

Article 10
Governing law

10.1 This Agreement shall be governed by the Italian law.

Article 11
Disputes

11.1 Any dispute between GME and the Contracting Party arising under, out of or in connection with this Agreement shall be settled in accordance with Title IV of the Rules, which shall be deemed to be an integral part hereof and fully transcribed herein.

The Contracting Party
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For the purposes and effects of articles 1341 and 1342 of the Italian Civil Code, the following contractual clauses are specifically approved: Article 2.2 a) (Rules and Technical Rules and amendments thereto); Article 2.2 j) (Release of liability); Articles 3.5 and 3.6 (Limitation of liability); Article 6 (Limitation of liability, debarment, suspension of the service); Article 7 (Cessation of effect of the Agreement); Article 8 (Termination); Article 9.2 (No assignment); Article 10 (Governing law); Article 11 (Disputes).

The Contracting Party
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Rome, (date)