

TEMPORARY INTRADAY VOLATILITY MANAGEMENT MECHANISM FOR ENERGY-RELATED COMMODITIES DERIVATIVES

Each trading venue (regulated market, multilateral trading facility or organised trading facility) on which energy-related commodity derivatives are traded is required by Council Regulation (EU) 2022/2576 of 19 December 2022 to establish, for each such financial instrument traded on it, an intraday volatility management mechanism based on upper and lower price limits ('price limits') defining the prices above and below which orders cannot be executed ('intraday volatility management mechanism'). In turn, the trading venue shall ensure that the application of such measures does not prevent the formation of reliable end-of-day prices.

CIME's function is to allow the interests of its Participants to interact in an orderly manner. It is a neutral mechanism that does not itself determine the prices of transactions but allows its Participants to do so subject to rules.

To this end, CIMD, SV, SA as manager of CIMD OTF, has established the following temporary intraday volatility management mechanism applicable to the financial instruments traded in the CIME segment, the main operating features of which are described below.

Operating rules

The trading session of the CIME segment of the CIMD OTF, which normally runs from 08:00 to 18:30, shall be divided into three periods of three hours and thirty minutes each, with the first period running from 08:00 to 11:30, the second period from 11:30 to 15:00 and the third period from 15:00 to 18:30.

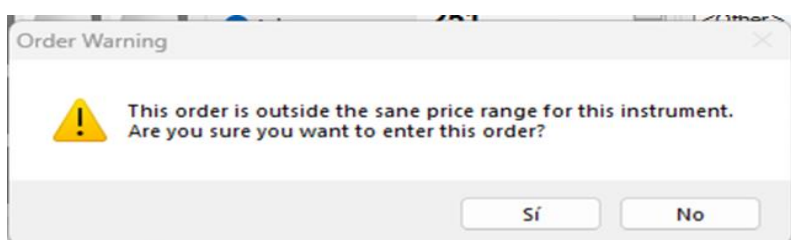
A reference price shall be set at the beginning of each period for each financial instrument traded in this segment as follows:

- First period: the reference price shall be the previous day's closing price for the relevant financial instrument.
- Second and third periods: the reference price shall be the market price observed as close as possible to the end of the previous period.

The mechanism has two price ranges: the "reasonable range" and the "trading range". The values of the ranges shall be determined by the application of the [margins](#) set on the reference price for each product.

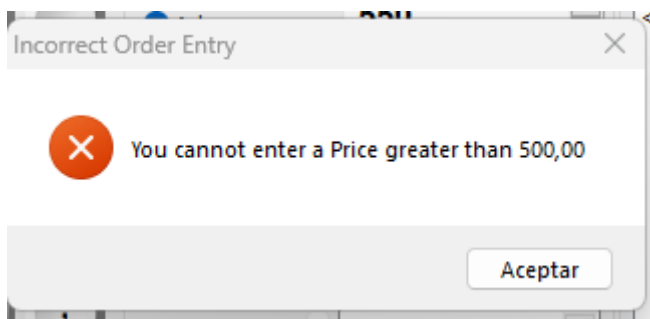
Segment Participants may enter buy or sell orders subject to the following rules:

If a Participant attempts to submit an order with a buy price below the lower limit of the "reasonable range" but above the lower limit of the "trading range", or attempts to submit an order with a sell price above the upper limit of the "reasonable range" but below the upper limit of the "trading range", it shall see a warning message of the following type:



If after receiving the warning the Participant confirms the terms, the order shall be accepted by the system.

On the other hand, it shall not be possible to submit an order at a price below the lower limit of the "trading range" or a sell order at a price above the upper limit of the "trading range"; if a Participant enters an order with these characteristics he shall see a warning message of the following type:



Circuit Breakers

In the occurrence of phenomena or events outside the system itself leading to excessive price volatility such that the ranges established for the corresponding period do not reflect market reality, a circuit breaker shall be applied to establish new ranges, cancelling the orders that are live at the time the circuit breaker is applied. The system shall notify the Participants of the application of the circuit breaker immediately and for the duration of the circuit breaker (maximum 5 minutes) no orders may be entered and no trades may be executed.

NOTE: Trading is currently available in the products Baseload Spanish, Baseload Italian & Peak Italian. Trading is temporarily blocked for all other financial instruments in the CIME segment. We expect it to be partially and fully resumed by the end of the week of 20-24 February. We will promptly report on the activation of trading as soon as possible.