

RULES FOR THE INTERNAL OPERATIONS OF THE MARKET AGENTS COMMITTEE

CHAPTER I. DENOMINATION AND OBJECT

Article 1. Denomination and legal status.

The Market Agents Committee is created as a private body without legal status and shall be governed by the present Internal Regulations, Act 54/1997, of November 27, on the Electrical Sector, Royal Decree 2019/1997, of December 26, organising and regulating the electrical energy production market, and all other applicable implementing rules.

Article 2. Object and functions.

Pursuant to the provisions of articles 32 and 33 of the Electrical Sector Act, to ensure the proper functioning of the electrical system within the framework of the abovementioned Act, the market operator is responsible for undertaking the functions necessary for the economic management of the effective development of the electricity production market. The operator, in this capacity, undertakes the management of the system of purchase and sale offers for electrical energy in the terms established by law. The said functions shall be exercised respecting the principles of transparency, objectivity and independence, under the supervision and control of the market agents committee, without prejudice to the authority of the Public Administration and the National Energy Commission (CNE) with respect to the market operator and that of the market operator with respect to the regime regulating agents and their participation in the market.

1. The Market Agents Committee's functions are:
 - a) The supervision of the economic management of the system in the terms established by the regulations in effect.
 - b) The proposal of measures that may improve the operation of the electrical energy production market.

Both objectives are encompassed within the framework of article 33 of the Electrical Sector Act and articles 28 and 29 of Royal Decree 2019/1997, of December 26, organising and regulating the electrical energy production market, as well as all other rules of implementation and, in particular, the Electricity Market Activities and the Standard-form Agreement.

2. The specific functions of the Market Agents Committee shall be those provided for in rule 23 of the Market Operating Rules approved by a Resolution of 23 July 2012, of the Secretary of State for Energy, or as stipulated in those regulations that might replace said Rule.

CHAPTER II. MEMBERS OF THE MARKET AGENTS COMMITTEE

Article 3. Composition of the Market Agents Committee

1. The Market Agents Committee shall be composed pursuant to the provisions of rule 24 of the Market Operating Rules approved by a Resolution of 23 July 2012, of the Secretary of State for Energy, or as stipulated in those regulations that might replace said Rule.
2. Exceptionally, and with prior agreement of the Agents Committee Plenary Session, meetings may be attended by any person whose knowledge and experience may be of use in the Committee's deliberations. Such persons may participate in the sessions but shall not be entitled to vote. Matters referring to specific agents or transactions shall not be debated in the presence of such persons, except when the attendee is subject to an obligation to treat such matters in

confidence or has subscribed to the Market Operator's Code of Conduct or similar, provided the unanimous approval of all the Committee members.

Article 4. Appointment of members.

1. Members shall be appointed pursuant to the provisions of rule 25 of the Market Operating Rules approved by a Resolution of 23 July 2012, of the Secretary of State for Energy, or as stipulated in those regulations that might replace said Rule.

The entities and associations mentioned in article 3.1 above may appoint an alternate for each member. In the absence of the member, the alternate member shall act in his/her stead, as a full member of the Committee.

2. The position of Member of the Market Agents Committee shall not be remunerated.
3. The members appointed by the Associations shall cease to hold their positions after the two-year period for which they were appointed has elapsed, or for any other grounds for disqualification from the exercise of their position. Members may be re-elected for one or more two-year periods. The end of term of the alternate member shall coincide with that of the Committee member.
4. The Market Operator and the System Operators, Spanish and Portuguese, shall be represented by the person or persons statutorily authorised to this effect. Likewise, the market and system operators, Spanish and Portuguese, may appoint their representatives and alternates by written document expressing the names of the representative and alternate and the term for which such representation is granted.

Article 5. Members' Rights and Obligations

The members of the Market Agents Committee shall have the following rights:

1. To attend the Plenary sessions of the Committee, with both voice and vote.
2. To participate, if the case may be, in the working committees that may be created pursuant to the present Operations Regulations.
3. To receive timely information with respect to the evolution of the electrical market and the actions of the Market Agents Committee.

The members of the Market Agents Committee shall have the following obligations:

1. To monitor the proper operation of the Market Agents Committee, proposing measures that may prove to be appropriate to this effect.
2. To maintain the confidentiality of the Committee deliberations and of those resolutions deemed to be of a confidential nature by the same or by the legal regulations in effect.

CHAPTER III. GOVERNING BODIES

Article 6. Governing Bodies of the Market Agents Committee

The governing bodies of the Market Agents Committee shall be: the Plenary session, the Chairman, the Vice Chairman and the Secretary.

Under no circumstances may any of the aforementioned individual offices be held simultaneously by the same Committee member, nor by representatives of the same group established in article 3.1 above.

The offices of Chairman, Vice Chairman and Secretary shall be voluntary.

Article 7. The Plenary Session

1. The Plenary Session shall be comprised of all of the members of the Market Agents Committee. This is the sovereign governing body of the Committee, invested with all of the powers indicated below. The Plenary Session may appoint working committees for the study of particular matters to be decided upon by the Plenary Session.
2. The Plenary Session shall have the following competencies:
 - a) To approve the operational regulations of the Market Agents Committee and to propose amendments to the same.
 - b) To elect the Chairman, Vice Chairman and the Secretary.
 - c) To appoint the members of the working committees that may be created.
 - d) To deliberate and adopt resolutions relative to the matters listed in article 2 above of the present Regulations.
 - e) To invite to the Plenary sessions those persons whose knowledge or experience may prove useful for the deliberations of the same.
 - f) To approve and amend its internal operational regulations.

Article 8. Call and Agenda

1. The Plenary Session shall be held in ordinary meeting once each two months and in extraordinary session when the Chairman, Market or any of System Operators, Spanish and Portuguese, within the scope of their competencies, or a minimum of three Committee members so request. Such request shall express the matters to be deliberated at the session and the reasons why that request it.
2. The call will be made by email and sent to all the Committee members with a minimum of 72 hours prior notice, except in the case of a duly justifiable emergency. The call shall include the Agenda for the session, clearly stating the matters to be deliberated at the relevant session.
3. All matters put forward by any Committee member with 48 hours prior notice shall be included on the Agenda.

The Market Operator shall be entitled to oppose the inclusion on the Agenda of any matter which it deems to exceed the limits of the legal or reglamentary authority of the Committee. The Chairman shall indicate such circumstance on the Agenda and the same shall be included in the Minutes of the session.

4. Resolutions may not be adopted with respect to any matter not on the Agenda, except in the event that all the Committee members are present and the matter is unanimously declared to be of an urgent nature.

Article 9. Constitution of the Plenary Session and Course of the Session

1. The sessions shall be held at the premises of the Market Operator.
2. The sessions shall be validly constituted when one half plus one of the Committee members are present or represented.
3. Deliberations shall be directed by the Chairman or the alternate for the same. When dealing with the exercise of specific functions attributed to the Committee pursuant to article 28 of Royal Decree 2019/1997, of December 26 and article 2, section 2 of the present regulations or supervision of the economic management of the system, the Market Operator shall be entitled to take the floor to reply to each intervention.
4. The Market Operator and the System Operators, Spanish and Portuguese, within the scope of their corresponding competencies, shall provide the Committee with the information deemed urgent regarding any matter related to the functions attributed to the Committee in

article 2, section 2 herein. Such information need not appear expressly on the Agenda for the session. To this effect, experts responsible may be summoned to the session.

Article 10. Resolutions of the Plenary Session and Minutes

1. Resolutions shall be validly adopted with the favourable vote of one half plus one of the members present or represented entitled to vote.
2. To the effects of constitution and adoption of resolutions, each Committee member or, if the case may be, alternate member may expressly delegate his/her vote expressly in writing to another Committee member. Such delegation may also be conferred during the course of the session, should any member be forced to leave during the same, always expressly and in writing.

Delegation shall be effected for each session by the Committee member or, if the case may be, by the alternate member, and shall not be effective should either attend the session.

3. In the event of a pressing need brought to the attention of the Chairman, agreements may be adopted without the need to convene a face-to-face meeting; in other words, it may be held by post, e-mail, fax or whatsoever other means that provides a record of the agreements reached. In this case, votes shall be cast by the Committee members or alternate members with prior authorisation of the former. The Chairman shall inform the Plenary Session of the resolutions adopted through this procedure at the following meeting.
4. The resolutions adopted at the meetings shall be recorded in the minutes drafted by the Secretary, with the approval of the Chairman. Any other member who wishes to record a particular position may do so by formally informing the Secretary in writing within the three days following the session in question.
5. Any resolutions of the Committee that request action by the Market Operator or System Operators, Spanish and Portuguese, shall be communicated to the same formally in writing. Such communication shall not be understood to have been effected solely by the remission to the above parties of the minutes of the relevant session.
6. When urgency so requires, that portion of the minutes encompassing the said resolutions of the Committee shall be submitted for the approval of the Plenary Session through the procedure established in section 3 of article 10 herein.

Article 11. The Chairman and the Vice Chairman.

1. The Chairman of the Market Agents Committee shall be the highest representative of the Committee and shall have the following attributions:

- a) To preside over the Plenary Session.
- b) To direct the deliberations.
- c) To approve the call for meetings and the contents of the Agenda, pursuant to article 8 herein.
- d) To effect official communications to the Public Administration, the Market Operator or any other party when deemed appropriate in function of the nature of the resolutions adopted by the Committee, relative to the contents of such resolutions as well as to any relevant incidents arising from the market operation.
- e) To issue certifications of the Resolutions of the Market Agents Committee.
- f) Any other function expressly entrusted to this office under the present Regulations.

2. The Chairman shall be elected by the Committee from among its members. The Committee may likewise agree upon a system of automatic appointment, a rotating chairmanship or alternating chairmanship among the different groups of members, or any other system, provided that such system clearly establishes the criteria which determine the Committee member chosen for the appointment.

3. The Committee shall appoint a Vice Chairman from among its members. The Vice Chairman shall assist the Chairman in the exercise of his/her functions and shall substitute the Chairman in the event of his/her absence. The Committee may likewise agree upon an automatic system for the appointment of the Vice Chairman in the terms established in section 2 above.

4. The Chairman and Vice Chairman shall exercise their offices for six-month periods.

5. The Chairman and the Vice Chairman shall be relieved from their offices for the following reasons:

- a) Expiration of the term of exercise of the office.
- b) Loss of membership on the Committee.
- c) Death or disability.
- d) Removal agreed upon by a 2/3 vote of the Plenary Session.

6. The Chairman shall be replaced in his/her absence by the Vice Chairman and, in the absence of both, by the oldest full member, excluding the delegates of the Spanish and Portuguese Market Operators and System Operators.

Article 12. The Secretary

The Secretary shall:

- a) Draft the minutes of the meetings held, including in the same the resolutions adopted. Those members of the Committee who wish to record their particular positions may request such inclusion in the minutes.
- b) Issue the certifications of the resolutions of the Market Agents Committee.

In the absence of the Secretary, his/her functions shall be exercised by the youngest holder member of the Committee.

The office of Secretary shall be exercised for six-month periods. The Committee may likewise agree upon an automatic system for the appointment of the Secretary in the terms established for the Chairman and the Vice Chairman.

Article 13. Committee Support Body

1. OMI-POLO ESPAÑOL, S.A. (OMIE) shall make available to the Committee the human and material resources required to exercise its functions.

2. The reception of requests for reports and the correspondence addressed to the Committee shall be presented at the OMI-POLO ESPAÑOL, S.A. (OMIE), which shall also be responsible for the establishment, maintenance and keeping of the files holding the minutes of the meetings, as well as all documents, correspondence, etc. arising from the actions of the Committee.

3. OMIE shall under all circumstances provide the members of the Market Agents Committee, and especially the Chairman and Secretary, with the necessary support for the pursuit of their duties.