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EPEX SPOT's benchmarks: Cessation procedure

Version: 1.0

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Summary

<u>Related process</u>	Regulation (EU) 2016/1011
<u>Objective of the procedure</u>	The purpose of this document is to comply with article 28(1) of the Regulation 2016/1011 and to present the process to be followed in case a cessation of one or several benchmarks is decided.
<u>Person/department responsible for the approval and maintenance of the procedure</u>	Product Development department
<u>Monitoring process of compliance with the procedure</u>	Checklist of employee in charge of benchmarks. Second line manager's checks. Third line compliance checks.
<u>Measures to be taken in event of breach of the procedure</u>	Reporting to the Management Board and Human Resources department who may take appropriate action depending on the nature of the breach.

Historical of the document (Update must be performed after any modification of the process)

Evolution	Date	Version	Author	Comments
Creation	31/10/2019	1	A.RAMBAUD	
Update				

Current version must be designated with grey background

Related Documents

Document Name	File location
All other procedures relating to the Regulation (EU) 2016/1011	<u>J:\22-Productdev\01-studies\03-regulation\Benchmark Regulation\Benchmark Regulation 2016-1011\AMF application</u>

1. Reasons for change or cessation

EPEX SPOT might have to decide on the cessation of one or several of its benchmarks in case of:

- unreliable or insufficient input data;
- changes of the market structure;
- change in industry-wide standard definitions of the computation methodology;
- significant deterioration of the liquidity of the underlying market prices used for the computation of the benchmark;
- change of the activity; and,
- external complaints.

2. Procedure to be followed in case of change or cessation

The Product Development department is in charge of performing an analysis in order to determine whether a change or cessation is needed.

The employee in charge of supervising the benchmarks, will, hand by hand with the Product Development department and after having conducted an in-depth analysis of the events triggering a cessation, initiate the cessation process.

Once the economic and business analyses have been provided, the person in charge of supervising the benchmarks will organize the consultation of the Oversight Function as soon as possible and provide it with all the relevant material.

The cessation will only be decided if it has been agreed upon by the Oversight Function.

Once agreed upon, the Product Development department initiates the modification / cessation project to modify or terminate the benchmark(s) and follows it until the end.

In case of a cessation decision, EPEX SPOT will communicate prior to the cessation in order to make sure that all stakeholders have the necessary time to adjust.

A notice shall be published on EPEX SPOT's website and sent to the stakeholders within two months prior the cessation.

The notice should precise:

- (i) the justification of the cessation;
- (ii) the timeline of the cessation process;
- (iii) when possible, give an indication on whether the benchmark(s) at stake could be replaced in the near future; and,
- (iv) when possible, give an indication on whether an equivalent could be recommended.