

 <b>Instruction</b>	<b>Number:</b>	C-EX-DF-02/2022
	<b>Contract Group:</b>	Financial Derivatives
	<b>Date:</b>	25 April 2022
	<b>Effective date:</b>	03 May 2022
	<b>Replaces:</b>	-
<b>Subject</b>	Liquidity Provider Program in xRolling Stocks.	
<b>Summary</b>	Description of the benefit through net income that the Liquidity Provider will receive from MEFF in the xRolling Stocks Program. Attached as Annexes, the Participation Application form for LP in xRolling Stocks and the authorization form that must be provided to MEFF by the LP.	

### **BENEFITS ASSOCIATED TO THE LIQUIDITY PROVIDER PROGRAM IN xROLLING STOCKS**

The Member that acts in its capacity as Liquidity Provider (hereinafter LP) in the xRolling Stocks contracts, will benefit from the Liquidity Provider program in xRolling Stocks in accordance with the provisions of Circular C-EX-DF-2022 08 or the one that replaces it.

This benefit will be conditional, as established in the aforementioned Circular, upon providing to MEFF by the Member who is interested in acting as LP in xRolling Stocks, with the submission of the Participation Application form and on compliance with the requirements demanded to the Liquidity Provider in xRolling Stocks in this Circular and in the rest of the MEFF regulations.

Likewise, as established in the aforementioned Circular, Members who wish to act as LP in xRolling Stocks contracts must inform MEFF of their intention, prior to the start of the trading in xRolling Stocks, by submitting the aforementioned Participation Application for the xRolling LP program. It is incorporated as Annex I to the present Instruction the Participation Application form as LP in the xRolling Stocks contracts.

The benefit of a net income by MEFF will consist of 1,44 basis points per trade with a minimum of 1,44 Euros, plus 1,00 Euro in the event that the hedge order associated to the xRolling in the Reference Market is executed during the auction period.

This benefit will be conditional, as established in the aforementioned Circular, on compliance with the requirements demanded to the Member in the Liquidity Provider Circular in xRolling Stocks.

Within the obligations described in the aforementioned Circular, the Liquidity Provider must provide to MEFF with the authorization that MEFF establishes by Instruction, signed by the Member of the Reference Market that intermediates the hedging transactions for the LP. The authorization form that must be provided to MEFF by the LP is incorporated as Annex II in the present Instruction.

If the LP were to act in xRolling Stocks on behalf of clients, hereinafter, LP Clients, the benefits established in the Circular and this Operating Instruction, will be on account of the LP Clients in the xRolling Stocks contracts.

The LP Member shall be obliged to transfer to its LP Clients the economic benefits established in the Circular and in this Operative Instruction, in the manner agreed by both. MEFF will comply with its obligations under this Instruction by making said income available to the LP Member, on behalf of its LP Client, in the manner determined by the Member. The responsibility of transferring it to the LP Client will correspond in any case to the LP Member.

ANNEX I

**PARTICIPATION APPLICATION FORM FOR LP IN xROLLING STOCKS CONTRACTS**

**The MEFF Member who wishes to act as a Liquidity Provider in xRolling Stocks**..... (hereinafter “Liquidity Provider or LP”) with the following registered address **street, city, postal code and country**....., with CIF: ..... represented by the person who signs at the end of the present document and duly empowered:

Hereby requests, on behalf of the Member ..... (name of the Member), the participation as Liquidity Provider in xRolling Stocks, in the Financial Derivatives Segment of MEFF.

The Liquidity Provider undertakes to comply with the requirements demanded to the Liquidity Provider in xRolling Stocks in MEFF regulations.

The Liquidity Provider will benefit from the Liquidity Provider program in xRolling Stocks in accordance with the provisions on the corresponding Circular and Instruction that develops it.

The benefit will be conditional, as established in the aforementioned Circular, upon compliance with the requirements demanded to the Member in the Circular of Liquidity Providers in xRolling Stocks.

Within the obligations described in the aforementioned Circular, the Liquidity Provider must provide to MEFF with the authorization that MEFF establishes by Instruction, signed by the Member of the Reference Market that intermediates the hedging transactions of the LP.

The LP will have the obligation to carry out, as established in the aforementioned Circular, in the Reference Market and prior to the trade on the xRolling Stocks Contract, the hedging transaction of the shares corresponding to the xRolling Stocks Contract.

If MEFF Supervision detects that there has been no execution in the Reference Market, then the LP will not benefit from the incentives established in MEFF regulations.

Date and Place.....

Name .....

Position.....

Telephone.....

Signature/Stamp of the company.....

**ANNEX II**

**AUTHORIZATION GRANTED BY THE MEMBER OF THE STOCK EXCHANGE OF ..... IN FAVOR OF SOCIEDAD DE BOLSAS IN ORDER TO PROVIDE TO MEFF, THE GOVERNING COMPANY OF THE DERIVATIVE PRODUCTS MARKET (MEFF), WITH THE INFORMATION REGARDING THE ORDERS AND HEDGING TRANSACTION DERIVED FROM THE xROLLING STOCKS TRADING.**

***The Stock Exchange Member*.....** with the following registered address ***street, city, postal code and country*.....**, with CIF: ..... represented by the person who signs at the end of the present document and duly empowered:

**EXPOSES**

- I. That (*name of the Stock Exchange Member*) holds the status of Member of the Stock Exchange of ..... (hereinafter "Exchange Member") and carries out transactions in the S.I.B.E. managed by the entity Sociedad de Bolsas. S.A.
  
- II. That the Exchange Member:
  - a) Has concluded the corresponding agreement with a MEFF Member that acts as Liquidity Provider in xRolling Stocks, to intermediate in the Stock Exchanges the hedging transactions that the MEFF Liquidity Provider must carry out in order to trade in xRolling Stocks, and in compliance with MEFF regulations.
  
  - b) It holds the status of Member of MEFF and acts as a Liquidity Provider in xRolling Stocks (LP).
  
- III. That, in order to supervise the operation of xRolling on Shares, MEFF must carry out a check on the information sent by the MEFF PL member on the order sent and the hedging operations carried out on the Exchanges, both at the time of shipment, as at the time of its total or partial execution and for this, MEFF needs access to information related to the aforementioned order and hedging operation that Sociedad de Bolsas will provide.

**DECLARES**

**FIRST** - The Stock Exchange Member authorizes Sociedad de Bolsas to provide MEFF with information on orders and transactions that respond to the need to carry out hedging transactions in xRolling Stocks on MEFF.

Specifically, it authorizes Sociedad de Bolsas to provide MEFF with the following information:

- Member's SIBE Code
- Asset/Value
- Side
- Price
- Volume
- All the history of the order/transaction (time of introduction, execution, cancellation and even modification if it has taken place).
- In the case of transactions, it will also be necessary to provide information on whether it has been executed during the auction period or on the open market.

**SECOND** - The Stock Exchange Member authorizes MEFF to access the information mentioned in the previous section for the sole purpose of supervising that the order number and the transaction number that the Liquidity Provider has reported exists and that the asset on which it has been made, the side, price, volume and time of introduction coincides with the RFQ entered in MEFF.

**THIRD** - This authorization will produce effects from the date of its signing and while the contract signed between the Stock Exchange Member and the Liquidity Provider remains in force, to carry out the xRolling Stocks hedging transactions, or, as the case may be, while the Member of MEFF holds its status as Stock Exchange Member.

The revocation of this authorization as a result of the termination of the contract between the Stock Exchange Member and the MEFF LP Member will have no effect on Sociedad de Bolsas, nor MEFF, as long as it has not been notified by the Exchange Member and/or the MEFF Member.

**FOURTH** - This authorization shall be governed exclusively by Spanish law. The terms defined in the Rule Book and General Conditions of MEFF's Financial Derivatives Segment will have the meaning contained therein in this authorization.

**FIFTH** - For the resolution of any conflicts that may arise against Sociedad de Bolsas or MEFF in relation to the interpretation, validity or compliance with this authorization, the Exchange Member, renouncing any other jurisdiction that may correspond to him, will submit said questions to arbitration of law that will be regulated in accordance with the provisions of the Spanish Arbitration Law, Law 60/2003, of December 23. An arbitrator will be appointed by common agreement between the parties and, if this is not possible, each of the parties will appoint an arbitrator and these arbitrators, in turn, will appoint a third party, who will act as President. In the event that one of the parties does not designate an arbitrator within the period of five (5) calendar days following the communication of the initiation of the arbitration procedure (which, in any case, will be within the period of fifteen (15) calendar days counted from the notification, if the agreement has not been reached), the arbitrator appointed by the party that has done so will be understood to be accepted as arbitrator by the party that has waived its right to appoint him, for which the arbitration will be carried out by only one arbitrator. The appointment will be communicated by the means that may record its reception by the arbitrator or arbitrators, for their acceptance. If the arbitrator or arbitrators have not accepted by written form before the person who appointed them, within fifteen (15) calendar

days from the day following their notification, it will be understood that they do not accept the appointment. Therefore, in the event that either party has appointed an arbitrator and the arbitrator does not accept said appointment, the corresponding party will have a final period of five (5) calendar days to appoint a new arbitrator. Once the appointments made have been accepted by the arbitrator or arbitrators, they will have a period of twenty (20) calendar days to issue the arbitration award.

The arbitration procedure will take place in Madrid and in Spanish.

The parties expressly agree to comply with the arbitration award issued.

For all issues that, by legal imperative, cannot be submitted to arbitration or, where appropriate, for the judicial formalization of arbitration, the parties, waiving any other jurisdiction that may correspond to them, submit to the Courts and Tribunals of the city of Madrid.

Date and Place.....

Name .....

Position.....

Telephone.....

Signature/Stamp of the company.....