Gas Trading Platform

– Market Rules

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# Introduction

## Gas Trading Platform

### General organization of the Market

The electronic gas trading platform (the “**Trading Platform**”) is the gas trading platform for the market (the “**Market**”) operated by the market operator company, EMEX East Med. Energy Exchange Ltd. (the “**Market Operator**”). It allows the trading in authorized products (“**Tradable Products”** or “**Products**”) that comply with the characteristics defined in this Market Rules document by participants to the Market (“**Members**”) which were granted admission to the Market after their application status (“**Applicants**”).

###  The Market Operator role and responsibilities

The Market Operator is the company responsible for managing the Trading Platform. In this capacity, the Market Operator:

1. defines the Tradable Products on the Trading Platform;
2. enters into an agreement with Members meeting the criteria established by the Market Operator to acquire this status. This agreement (“**Trading Agreement**”) defines the terms on which the Member will carry on its trading activities and the resulting relations with the Market Operator, as well the market segments on which the Member chooses to carry its trading activities;
3. may enter into an agreement with Members meeting the criteria established by the Market Operator to define the terms on which the Applicant will become a Member to the Market without trading activity (“**Observer Agreement**”);
4. defines the requirements and procedures for Tradable Products;
5. matches buy and sell orders for the Products via the Trading Platform, in accordance with the Market Rules; and
6. makes all decisions necessary for the integrity and orderly operation of the Market, in particular by monitoring the Members' compliance with the Market Rules.

### This document: Market Rules

The Market Rules establish the conditions under which the Market Operator ensures the orderly operation of the Market, and under which Members are admitted to operate on the Trading Platform.

The Market Operator shall provide Members and Applicants with:

1. these Market Rules and the amendments thereto;
2. the Appendices, which clarify the provisions of the Market Rules and are an integral part hereof; and
3. the Trading Agreement or the Observer Agreement as applicable.
4. the form of the Bilateral Agreement.

The Market Operator may amend the Market Rules. Such amendments shall be announced to Members at least 10 (ten) calendar days before the amendments enter into force, unless the amendment must be adopted immediately in order to avoid damage to the Trading Platform or the Market Operator. Members shall be deemed to have accepted the amendments when they enter into force. If a Member does not accept the amendments, it shall be entitled to terminate its Trading Agreement or Observer Agreement, as applicable, within the same period. Amendments to annexes shall not entitle a Trading Member to terminate its Trading Agreement.

The Market Rules will be made available to Members on the website of the Market Operator.

## Contractual relations

Relations between the Market Operator and the Members of the Trading Platform shall be governed by the Trading Agreement or the Observer Agreement, as applicable, and relations between the Trading Platform Members shall be governed by a Bilateral Agreement. By signing the Trading Agreement or the Observer Agreement, Members undertake to comply with the Market Rules and any notices pertaining to operation of the Market issued by the Market Operator (“**Market Notices**”) relevant to them.

Any violation by a Member of any obligation resulting from the Market Rules entitles the Market Operator to suspend or terminate the Member's Trading Agreement or Observer Agreement, as applicable.

# Market Members

There are two categories of Members:

* Trading Members
* Observers

## Authorized Applicants

Applicants represent and warrant to the Market Operator:

1. that they have been duly organised in accordance with the laws of their jurisdiction of incorporation;
2. that the signature and performance of the Trading Agreement or the Observer Agreement:
	* are within their statutory powers and have been duly authorised by all the measures required under their by-laws;
	* do not require any type of deposit to be made with a government organisation, agency or administration, or in relation to such institutions;
	* do not infringe or breach applicable legal or regulatory provisions, including anti-trust and securities laws, or their own statutory documents or any contract, order, injunction, ruling or other legally binding procedure.
3. that they are not subject to arbitration or court actions or proceedings or any administrative or other measures that could lead to an evident and substantial deterioration in their business activities, assets or financial situation or that could affect the validity or proper performance of the Trading Agreement;
4. that they undertake to take note of all communications by the Market Operator, including Market Notices and to comply with such communications;
5. that they undertake to promptly inform the Market Operator of any changes concerning the representations made above;
6. that they are qualified to operate on the Trading Platform;
7. that it has staff competent to ensure compliance with these Market Rules and the Trading Agreement and that such staff has the qualifications and experience required to establish and manage adequate internal procedures and controls in relation to the intended business on the Trading Platform;
8. that, where relevant, they have entered into any agreement provided for, or required, by these Market Rules and met any technical requirements specified by the Market Operator;
9. that it is aware that all activities on the Trading Platform and all associated correspondence, including Market Notices and client support, will be in English;
10. that they have conducted their own analysis of the documents that they have received, and of the benefits and risks, especially those of an economic, legal or tax-related nature, that may arise from the Market Rules and from each Trade, having the necessary knowledge and experience and the necessary skills; and
11. that they are aware of the potentially volatile nature of the Products offered on the Market and accept the risks associated with their use.
12. That Trading Members have a valid contract with Israel Natural Gas Lines Ltd. (**INGL**) and have at their disposal the quantities of gas required to sell gas in Trades, and the transmission capacity to provide, or accept natural gas sold and purchased in any Trade.

## Market Members definition and access to the Trading Platform

### Market Members

Access the Trading Platform for trading or viewing purposes is restricted to Members only.

### Trading Members

Trading Members shall participate on the Trading Platform in their own name and for their own account. Access to the Trading Platform for trading purposes is restricted to Trading Members only.

Membership for each Trading Member shall include a limited number of individual Trading Accounts. A Trading Member may request additional Trading Accounts for a Fee specified in Section 6.

#### Trading agreement

The Trading Agreement defines the terms on which Members carry out their trading business and conduct the ensuing relations with the Market Operator.

The Trading Agreement is a standard agreement provided by the Market Operator. In the event of a conflict of rules between the Market Rules and the Trading Agreement, the Market Rules shall take precedence.

The Trading Agreement cannot be assigned or transferred by Members in any way, whether free of charge or for consideration, without the prior written consent of the Market Operator.

#### Trading Members access requirements

This section sets forth the Trading Members’ access requirements for the Trading Platform. The Market Operator ensures that Applicants meet these requirements before deciding whether to admit them.

The Market Operator reserves the right not to proceed with the Admission process (as defined below) if in its sole discretion, the Market Operator has reason to believe that an Applicant will not comply with the conditions set forth below, notably in view of the risk analysis that the Market Operator must perform for each proposed Admission.

Applicants seeking access to Trading must provide the admission forms, documents and information required by the Market Operator for the purpose of:

* identifying the Applicant as well as identifying its shareholders and all beneficial owners;
* knowledge and evaluation of the technical and human resources to be allocated to trading on the Trading Platform.

The Market Operator shall also be entitled to require Applicants to provide any additional information that can reasonably be deemed necessary to assess its specific characteristics and eligibility for Admission as a Trading Member.

 Applicants shall guarantee the authenticity of the provided documents and the validity of the information communicated to the Market Operator.

It is up to the Trading Member to update the information and documents as necessary and inform the Market Operator without delay of any change in the Trading Member’s status that could jeopardize its good standing on the Trading Platform.

#### Admission and becoming a Trading Member

The Market Operator shall make decisions concerning Admission of Trading Members in accordance with requirements defined in the Market Rules.

The Market Operator shall decide to admit a Trading Member once the Applicant has sent the Market Operator all the necessary information and satisfied all the membership requirements.

Admission to the Trading Platform shall take effect on the date the Trading Agreement is signed.

The Market Operator is entitled to refuse to grant Admission to an Applicant. If the Market Operator decides not to approve Admission of an Applicant, it shall give reasons for its decision.

The Market Operator shall inform all of the Members of the Trading Platform of the new Member's identity and Admission date by means of Market Notices.

The list of Members of the Trading Platform shall be published on the Trading Platform or on the Market Operator’s website.

#### Duration suspension and termination of Membership

Membership in the Trading Platform shall continue so long as the Trading Agreement is in force.

Suspension or termination of the Trading Agreement shall result in the suspension or termination of Membership in the Trading Platform.

#### Quotation Providers (or Liquidity Providers or Market Makers)

The Market Operator shall be entitled, at a later stage, when the Market Operator believes there is sufficient activity on the Trading Platform, to authorise certain Trading Members to act as Quotation Providers on the Trading Platform.

Quotation Providers shall undertake to enter buy and sell Orders with a view to improving market liquidity.

Quotation Providers shall operate under an agreement, defined by the Market Operator, which sets forth their rights and obligations.

In recognition of the additional liquidity that they bring to the Trading Platform, the Market Operator shall be entitled to offer Quotation Providers a special scale of charges.

The Market Operator shall inform Trading Members of authorisation of Quotation Providers by way of a Market Notice. Notwithstanding any other provision of these Market Rules, authorisation of Quotation Providers shall not entitle Members to terminate a Trading Agreement or Observer Agreement, as applicable.

### Observers

Observers have view-only access to all common information on the Trading Platform but are not allowed to execute Trades.

#### Observers access requirements

The provisions of Sections 2.2.2.1-2.2.2.4 shall apply to Observers, *mutatis mutandis*.

## Members access to the Trading Platform and identification

### Commencement of operations

Following commencement of operations, a Member can commence trading once:

* the Member has provided the Market Operator with all the necessary information, including Bilateral Trading Limits, and an undertaking that the Member and all of its employees and representatives shall comply with the provisions of the Market Rules and the Trading Agreement.
* the Member is technically ready to commence trading.

The Market Operator Shall notify such Member’s Authorised Representatives that it has been authorized to commence Trading.

### Technical identification

Members will access the Trading Platform through a secured standard web portal, the use of which is governed by the Market Rules and the Trading Agreement.

### Authorized Representatives

Each Member shall appoint Authorised Representatives, chosen from among the people under its authority or acting on its behalf, who will be the Market Operator’s contacts for the administrative formalities arising from the Market Rules. Authorized Representatives shall submit identification documents to the Market Operator.

### Traders identification

Before commencement of Trading, Trading Members must provide the Market Operator with the list of the individual Traders who will be acting for such Trading Member and information identifying them. Trading Members shall inform the Market Operator of any change of assignment.

Traders shall submit identification documents to the Market Operator and shall sign a consent to comply with all terms of these Market Rules and the Trading Agreement and the observer Agreement.

Trading Members operate on the Trading Platform through one or more Traders acting under their authority or on their behalf.

Trading Members assign a Trader to each Trading Account, and shall notify the Market Operator of such assignment prior to commencement of Trading by the relevant Trader. This Trading Account may not be used by any other person however an Authorised Representative of a Trading Member may notify the Market Operator that the Trading Member wishes to assign one of its Trading Accounts to another Trader on a temporary or permanent basis. The Trading Member wishing to assign a Trading Account shall provide the Market Operator with the information regarding the new Trader as specified above.

Unless otherwise stipulated, a Trading Account will be allotted for all tradable Product(s) on the Trading Platform.

Trading Members can ask the Market Operator to create, suspend or delete a Trading Account.

A Trading Member shall be responsible for, and cannot disavow the actions of:

* a Trader who has been identified to the Market Operator by such Trading Member, regardless of whether such Trader is acting under the Trading Members' authority or on their behalf;
* a person acting under such Trading Member’s authority or on their behalf, regardless of whether such person has been identified as a Trader.

### Traders’ qualifications

Trading Members shall ensure that the Traders they have designated have all necessary qualifications.

Traders shall read all the documents issued by the Market Operator concerning in particular:

* these Market Rules,
* the functional structure of the Trading Platform,
* the characteristics of the Products traded on the Trading Platform,
* instructions for the use of the Trading Systems.

## Rules of conducts and Members obligations

### Principle

Members trading on the Trading Platform must comply with the Market Rules at all times, including the rules of conduct set forth below.

### Definitions

For the purposes of these rules of conduct, the terms "attempted market manipulation", "market manipulation" and "inside information" have the meanings given here below:

**« Attempted market manipulation »** means:

1. entering into any Trade, issuing any Order to trade or taking any other action relating to a Product with the intention of: giving false or misleading signals as to the supply of, demand for, or price of Products; securing the price of one or several Products at an artificial level, unless the person who entered into the Trade or issued the Order to trade establishes that his reasons for doing so are legitimate and that such Trade or Order to trade conforms to accepted market practices on the Trading Platform; or employing a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Products;

or

1. disseminating information through the media, including the internet, or by any other means with the intention of giving false or misleading signals as to the supply of, demand for, or price of Products.

**« Market manipulation »** means:

1. entering into any Trade or issuing any Order to trade a Product which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Products; secures or attempts to secure, by a person, or persons acting in collaboration, the price of one or several Products at an artificial level, unless the person who entered into the Trade or issued the Order to trade establishes that his reasons for doing so are legitimate and that that Trade or Order to trade conforms to accepted market practices on the Trading Platform ; or employs or attempts to employ a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Products;

or

1. disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Products, including the dissemination of rumours and false or misleading news, where the disseminating person knew, or ought to have known, that the information was false or misleading.

**« Inside information »** means:

information of a precise nature which has not been made public, which relates, directly or indirectly, to one or more Products and which, if it had been known to the public, would cause a significant change in the price of such Products.

Information pertaining to the business or operations of a Trading Member, if used only by such Trading Member, shall not be considered inside information.

### Rules of conduct

When trading on the Trading Platform by sending Orders for their own account, or for the account of a third party if such possibility is permitted by the Market Operator at a later stage, Members are required to:

comply with the general principles of market integrity, honesty and good conduct, comply with the rules and instructions of the competent supervisory authorities as well as those of the Market Operator.

All Orders submitted on the Market must have a due economic justification. The Market Operator is entitled to look for such justification by requesting explanations from the beneficiary of such Orders.

### Prohibition of market manipulation

Members are forbidden to engage or attempt to engage in market manipulation involving Orders.

This prohibition includes, without limitation:

* any kind of deceitful or misleading behaviour;
* any kind of collusion between Members or with third parties;
* any kind of positioning in terms of prices aimed at implementing a technique of market manipulation.

Orders that Members enter in the Order Book shall have no purpose other than execution. In particular, Orders shall not be intended to influence prices or the behaviour of other Members.

Orders shall be placed solely in the interest of the Member that entered them or, in the case of interventions of Members on the account of a third party, when applicable, in the sole interest of their Client. Members shall not act in the interest of other Members or in concert.

Members undertake to behave impartially and equitably in respect of the Market Operator and other Members. They shall not enter into Trades on the Trading Platform unless they are observing customary trading practices and principles of market professionals.

### Prohibition against deceitful or misleading behaviour

Members are forbidden from engaging in deceitful or misleading behaviour.

Members shall refrain from disseminating, directly or indirectly, false information that would cause prices to move.

Members shall refrain from using current market techniques or procedures to carry out Trades on the Trading Platform with a view to misleading other Members.

In particular, Members are strictly forbidden to:

* enter Orders with no economic justification;
* place Orders without intending to execute them;
* provide false or misleading information on the supply, demand or prices of the Products;
* use fictitious means or any other form of deception that gives or could give false or misleading indications of supply, demand or prices of the Contracts.

### Deceitful acts intended to reduce market liquidity

Members are forbidden to engage or attempt to engage in deceitful acts intended to reduce market liquidity.

### Prohibition of insider dealing

Members and their operators who hold inside information relating to a Product are forbidden from:

* use that information by acquiring or disposing of, or attempting to acquire or dispose of, for their own account or for a third party, the Products traded on the Trading Platform to which that information relates;
* communicate that information to another person, except in so far as such communication is part of the normal course of their work, their profession or their duties;
* recommend, on the basis of that inside information, that another person acquire or dispose of the Product traded on the Trading Platform to which that information relates.

## Standing obligations of Members

### General

Members are subject to an obligation to fulfil their undertakings under the Trading Agreement.

###  Fulfilment of access requirements

The access requirements set and verified by the Market Operator for the authorisation of Members shall be met at all times by the Member throughout the term of the Trading Agreement.

### Changes in the information provided for admission or commencement of operations

Members shall notify the Market Operator immediately of the following changes, if they are material to their access to the Trading Platform:

1. Changes in their legal situation, such as:

* Any change that could affect the Member’s ability to meet the requirements for membership;
* Material changes in any of the information or documents provided in the application for Admission;
* changes in specific access requirements for the Trading Platform;
* changes in their technical situation or organisation that are material to their access to the Trading Platform.

2. Changes in laws, regulations or case law that are material to their compliance with the admission requirements and with these Market Rules;

As part of its market surveillance activity and to comply with its regulatory obligations, the Market Operator may ask for updates of the forms, documents and other information previously submitted by the Member.

 The Market Operator may also ask for the list of the Member's counterparties as well as any further information necessary to the proper performance of its market surveillance duties.

Where the Market Operator is unable to obtain this information from any Member, it reserves the right to suspend or terminate the Trading Agreement with the Member.

### Fees and other expenses

The Member shall pay to the Market Operator membership fees as well as variable fees and expenses (trading, Trade cancellation).

Prices are expressed in USD. The Market Operator is entitled to change fees and the currency payable by notice to the Member.

Such notification shall be made with a 30-day advance notice for the entry into force of the amendment. If the Member rejects the new prices, the Member will be entitled to terminate its Trading Agreement.

### Compliance audits

The Member shall accept that the Market Operator, or a person appointed by it, may perform on-site audits of Members' compliance with the Trading Platform, Market Rules and the Trading Agreement.

These audits may be performed at the facility where the Member is doing business on the Trading Platform.

The Member shall grant the Market Operator (or the person appointed by it) access to premises, information and personnel that the auditors deem necessary for verifying compliance with the Market Rules and the Trading Agreement. The Member agrees to provide the Market Operator with all necessary information. When an audit is to be performed in a Member's facility, the Market Operator undertakes to give the Member ten (10) days prior notice.

Following an audit, the Market Operator may forward recommendations to the Member, who agrees to examine them.

### Rules of conduct obligations

The Member shall undertake and guarantee to comply with and fulfil all requirements set forth in Section 2.4 of the present Market Rules. The Member agrees to provide the Market Operator with any information reasonably required to remedy any potential or effective infringement to the Market Rules.

##  Orderly functioning of the Trading Platform

### Sanctions incurred by the Member

When the Market Operator considers that the situation or actions of a Member are no longer consistent with its undertakings or are detrimental to the orderly operation of the Trading Platform, it shall instruct the Member to remedy the situation immediately.

If the Member fails to remedy the situation or to desist from the detrimental actions within the allotted time period, then the Market Operator may issue a formal warning to the Member, order the suspension of its operations, or revoke its membership.

Where the Market Operator in its sole discretion considers that a Member’s actions will cause immediate damage to the Market Operator, another Member or any third party, the Market Operator may:

* suspend such Member with immediate effect;
* suspend one or more Trading Accounts of a Member without the formal warning procedure set forth above.

Suspension or cancellation of membership shall automatically result in cancellation of all the Member's Orders in the Trading Screen.

In any event, termination of the Trading Agreement, which triggers the loss of Membership, shall not prevent the Market Operator from seeking compensation for any and all direct losses caused by the Member's behaviour.

### 2.6.2 Exchange of information and disclosure to authorities

In order to ensure the integrity and orderly operation of the Trading Platform, the Market Operator may have occasion to disclose confidential information relating to a Member and the Member's activity, without asking for the Member's prior written agreement, to the following bodies:

* The relevant competent authorities
* To a third party, as ordered by a competent court

Where possible, the Market Operator shall give the relevant Member prior notice of such disclosure in order to allow the Member an opportunity to object.

# Trading

## Tradable Products

The Products included for trading on the Trading Platform shall be as specified in Annex 3.1.

The Market Operator shall decide which Products are eligible for trading on the Trading Platform and specifies the characteristics of these.

The Market Operator shall be entitled to add other Products from time to time and shall notify Members of such new Products by way of a Market Notice.

## Trading Windows

### General principle

Trading on the Trading Platform is only allowed within the Trading Windows opening and closing times as defined in the Product description. Trading Members shall only be able to submit or accept Orders within these periods. Certain Products can only be traded during certain Trading Windows and not during others.

#### Trading Windows schedule modification

The Market Operator reserves the right to modify temporarily or permanently the Trading Windows schedules. The Market Operator shall inform in advance all members of such modifications. In such cases, the Market Operator shall communicate the new schedules to all Members.

#### Exceptional opening, closing and/or prolongation of the Trading Windows

For market security reasons, technical reasons or force majeure the Market Operator reserves the right to exceptionally modify the opening and closing time of a certain Trading Window on a specific day and with short notice.

In case of exceptional closing the Market Operator shall inform Members by e-mail of the trading session suspension and, eventually, of the time when trading will resume.

## Orders

### Characteristics of Orders

Orders are messages whereby Members submit information necessary to make a Trade in a Product. An Order is an offer to enter into a contract, the terms and validity of which are set forth in the said Order.

Orders transmitted to the Market Operator shall include:

* the user name of the Member originating the Order;
* the Trading Account in which the Order is recorded;
* the Product the Order refers to;
* the Quantity;
* the Price;
* the side (buy, sell), type, validity and terms of execution of the Order;
* whether it is an indicative or firm Order;
* whether it is a flexible or an All or none Order.

By submission of an Order, a Member declares that the information contained therein is valid.

### Orders classification

#### Simple Orders

Simple Orders specify a price and a total contract volume limit. The quantity limit is the maximum quantity that the Order submitter is willing to trade at the given price. Simple Orders can be traded at a quantity equal or lower than the quantity limit. If traded at a lower quantity, this quantity must respect the minimum lot size and the volume tick of the traded Product specified in Section 3.1.

When a Simple Order is partially filled, the original Order disappears from the Order Book and it is replaced by a new Simple Order with the same price and a volume equal to the remaining volume of the original Order.

#### All or None Orders

All or None Orders specify a price and a total contract volume. All-or-None Orders can only be traded at the specified price and for the full quantity.

#### Firm or indicative Orders

Trading Members can submit both firm or indicative Orders on the Trading Screen. Firm Orders can be accepted by other Trading Members, thus leading to a binding trade closing. Indicative Orders cannot be accepted by other Trading Members and they only reflect a non-binding proposition done by a Trading Member.

#### Request-for-Quotation

Request-for-Quotation Orders are submitted by Trading Members that want to receive an offer, either for buying or for selling, a certain volume of a specific Product. Other Trading Members can submit firm or indicative quotations to answer a Request-for-Quotation.

### Orders origin and effect

#### Order origin

An Order is deemed irrefutably to originate from a Member when the Member's technical username is present in the message containing the Order or when it originates from a Trading Account assigned to such Trading Member. This information is only available to the Market Operator and its subcontractors. Accepted instructions issued by a Member shall appear on the Trading Screen of that Member, while instructions that have not been accepted shall not appear.

#### Effect of Orders

The acceptance of an Order on the Trading Platform and conformity with Bilateral Trade Limits shall result in the conclusion of a contract between the Trading Members involved. The effects of such Contracts shall be specified in the Bilateral Agreement signed between the two Counterparts.

### Mistyping Trading Limits

Mistyping Trading Limits may be implemented by the Market Operator on certain Products to avoid mistrades. These comprise a Volume Trading Limit per Order, which is the maximum volume that can be inserted per Order and a Price Trading Limit per Order, which is the minimum and maximum price at which an Order can be inserted. Values of these Trading Limits are published. If an Order does not comply with a Trading Limit, it may be rejected and hence not be inserted in the Order Book. Neither the Market Operator nor any third party shall be responsible for the damages directly resulting from the Trading Limits set by the Market Operator.

In case a technical problem preventing the Market Operator from checking the compliance of Orders with the Mistyping Trading Limits occurs:

* The Market Operator will communicate as soon as possible on such technical problem to the Members;
* The Trading Members will still be required to comply with the applicable Mistyping Trading Limits.

### Bilateral Trading Limits

Bilateral Trading Limits shall be implemented at the request of each Trading Member, following the agreements reached by Trading Members in their respective Bilateral Agreements. Bilateral Trading Limits impose a value cap on the total net cumulative value of) that the Trading Member requesting the Limit can trade during a certain period of time with another defined Trading Member. Trading Limits shall be set by a Trading Member in good faith, taking into account the status and risk tolerance of the relevant Trading Members.

Such request shall contain the following information: name of the counterpart who shall be a Trading Member in the Trading Platform, the Product(s) concerned and the maximum total net cumulative value that may be traded. The consent of the relevant Trading Member’s counterparty is not necessary for the establishment of the Bilateral Trading Limit and the Trading Members shall be solely responsible for advising each other of any Bilateral Trading Limits set or amended.

Trading Members shall enter their Bilateral Trading Limits with each of the other Trading Members on the Trading Platform. Until such time as a Bilateral Trading Limit has been entered, the Bilateral Trading Limit with such member shall be zero.

If an Order does not comply with the relevant Bilateral Trading Limit, the Trading Platform will not allow the Trade to be completed. The Trading Platform will notify the relevant of the party/ies that the Trade could not be completed due to insufficiency of the Bilateral Trading Limit and the Order will remain in the order book.

Trading Members are responsible for updating each of their Bilateral Trading Limits from time to time, in their sole discretion, and will receive automatic confirmation of each update. The Trading Member shall contact the Market Operator for assistance in case the update was not confirmed. In any case in which the Bilateral Trading Limit has not been updated, the last confirmed Bilateral Trading Limit shall apply. The Market Operator shall not be liable for the non-compliance of Orders with the Bilateral Trading Limit or in case a Bilateral Trading Limit was inadequately set-up or updated by any Member.

Trading Members, in their respective Bilateral Agreements, shall be entitled to require security from one another. The Market Operator shall have no liability in respect thereof.

### Orders routing

Orders shall be sent via the Trading Platform web-based interface to the Trading System.

In exceptional cases, if the Order transmission systems are unavailable, Members shall be permitted to send Orders to the Market Operator by email or by a recorded telephone line, after authentication.

### Orders cancellation

Trading Members can at any time cancel the firm or indicative Orders that they have submitted and that have not been accepted yet by another counterparty.

### Order display

Orders that have been transmitted in the Order Book are arranged on the following basis: by side (buy or sell), by limit price, by time of receipt. The most competitive Orders are displayed on top of the Order Book.

### Trade creation

A Trade shall be deemed to have been entered into when an Order entered in the Order Book by a Trading Member is accepted by another Trading Member in compliance with the provisions of these Market Rules.

In the absence of a central counterparty for the settlement of a Trade, the Trading Members involved (“**Counterparties**”) in the Trade shall undertake to proceed to the financial settlement (“**Settlement**”) of the said Trade and to the physical delivery of the said Trade by means of a bilateral nomination. The provisions of the Bilateral Agreement between the Counterparties shall apply to the financial settlement and nomination process.

### Trade cancellation

**1° Cancellation at the request of a Member**

Members can ask the Market Operator to cancel a Trade in which they are involved. The Market Operator reserves the right to request a justification for the cancellation.

The cancellation request must be telephoned to the Market Operator as soon as the error is detected and no later than ten (10) minutes after the Trade was concluded. The cancellation request must be documented by email.

The Market Operator shall have sole discretion to cancel a Trade.

In any event, the Market Operator shall cancel a Trade if both Counterparties give their assent.

The Market Operator shall charge an administrative fee as specified in Section 6 for a cancellation resulting from a Member’s request.

**2° Automatic cancellation**

The Market Operator may cancel a Trade automatically if:

* the Trade results from a manifest error and neither party can be contacted to correct the error;
* the Trade breaches Market Rules;
* the Trade does not conform with the Trading Limit of one or both of the Counterparties; and
* exceptional circumstances so warrant.

# Post-trade

## Post-trade information

### Counterparty disclosure

Trading on the Trading Platform’s Trading Screen is done in an anonymous manner. However, for nomination and payment purposes, the Members involved in a Trade need to know their Counterparties after the Trade closing.

The name of the Counterparties involved in a trade remain hidden for all other Market Members (both Trading Members and Observers) not involved in the Trade.

### Transmission of Trade confirmations

Once their Orders have been matched on the Trading Platform, both Trading Members receive an electronic Trade confirmation on their trading accounts containing the relevant information about the Trade. It shall include the following fields:

* Trade details:
	+ Trade Platform ID
	+ Trade Date
	+ Type
	+ Source
* Trade status
	+ Added date
	+ Status
* Contract
	+ Product code
	+ Product name
	+ Period
	+ Quantity
	+ Price
* Counterparties
	+ Buyer
	+ Seller

### Trade information available for all Members

When a trade occurs on the Trading Platform, all the terms of the Trade will be available to Members other the identity of the parties of the transaction. The information released to all Market Members includes:

* Trade details:
	+ Trade Platform ID
	+ Trade Date
	+ Type
	+ Source
* Trade status
	+ Added date
	+ Status
* Contract
	+ Product code
	+ Product name
	+ Period
	+ Quantity
	+ Price

## Nomination

### Trade responsibility

Following conclusion of a Trade, the responsibility of each Counterparty in execution of the Trade shall be as set forth in the Bilateral Agreement between the Counterparties.

### Nomination responsibility

The Counterparties are responsible for making the nomination of the traded Products and for ensuring that they each have the necessary transmission capacity with INGL to effect delivery of the Products. In no event shall the Market Operator bear any liability for the inability of the Counterparties to effect delivery of the traded Products and the terms of each Counterparty’s agreement with INGL shall apply.

If nomination of the Products cannot be effected for any reason, the Counterparties shall cancel the Trade and pay a Fee as specified in Section 6. The provisions of Section 2.4.3 shall apply in this case.

## Payment

The provisions of the Bilateral Agreement between the Counterparties will apply to the payment made in connection with the Trade.

# Conditions of service

## Technical aspects

### Technical facilities for accessing the Market Operator services

The Market Operator undertakes to utilize usual and customary resources when implementing information systems, in order to ensure insofar as possible, the continuity and availability of the services provided under the Market Rules and the Trading Agreement or Observer Agreement, as applicable.

In the event of a malfunction in the Trading System that could impact a Member, the Market Operator shall inform said Member of the nature and likely duration of such malfunction.

Members agree to comply with the procedures for accessing the Market Operator systems. In particular, they shall not conceal their true identity or appropriate another's identity; nor shall they transmit information with a view to causing a system malfunction or overload.

### Technical documentation

The Market Operator shall supply the Member with the technical and operational documents needed to operate the technical facilities for accessing its services.

### Equipment

 Members shall ensure that the characteristics of its hardware and software environment will not disrupt or interfere with the Market Operator systems.

In the event that the Member's use of services disrupts the operation of the Market Operator Trading System, the Market Operator shall contact the Member in order to terminate such disruptions. If these disruptions cannot be terminated within a reasonable time period, or if they endanger the Market Operator Trading System, then the Market Operator reserves the right to suspend the Member's access to the Trading Platform, without prejudice to the enforcement of the other provisions herein and to the damages that may be claimed in respect of such disruptions.

Under all circumstances, the Member agrees to take all necessary steps to comply with any technical specifications communicated by the Market Operator to the Members.

### Use of the systems

The Member agrees to use the services offered by the Market Operator, the technical facilities for accessing those services, the associated hardware and software, the IT and telecommunications equipment, and transmission media:

* in compliance with applicable legal and regulatory provisions;
* in compliance with any technical specifications supplied by the Market Operator;
* in compliance with the Market Rules;
* solely in connection with the services offered by the Market Operator; all other use, connection to other networks, and sharing of files or data with other networks or applications is expressly subject to prior authorisation in writing from the Market Operator;
* without making them available to third parties not authorised under the Market Rules; in this respect the Member shall not assign, sublease, modify, pledge, transfer or, in general, make them available to third parties in any form whatsoever.

The Member agrees to seek and abide by the legal, regulatory, administrative and contractual authorisations arising from the applicable domestic and/or foreign laws and/or international law pertaining to the use of the services offered by the Market Operator.

### Functional assistance

The Market Operator agrees to provide Members with functional assistance, as defined in the relevant Market Notice.

### Security measures

Each Member agrees to respect the physical and logical security measures intended to protect the integrity of the other Members’ and the Market Operator’s systems. Each Member retains full control, either directly or indirectly, over the design and implementation of its policy of administering authorisations for logical access to the network. Furthermore, it assumes sole and complete responsibility for drafting policies, rules, methods and procedures in this matter, and reserves the right to update these in order to maintain and improve the protection of its IT resources in compliance with the Market Rules and the technical documentation.

In particular, as regards to system access, each Member will take personal responsibility for organising any internal logical and physical security measures, including restriction of access to the site in which its equipment is located, in order, in particular, to protect its access codes from unauthorised third parties.

Before sending any information over the transmission systems put in place to access the Trading Platform, each Member shall also ensure that measures are taken to avoid the propagation and dissemination of, in particular, computer viruses over the other Member's systems and its own configuration.

Furthermore, the Members shall each put in place back-up procedures for instructions, data and files.

If a Member observes that its systems have been penetrated by an unauthorised third party, it shall alert the other Members and the Market Operator in an effort to seek the cause of such penetration and to take appropriate solutions.

The Member authorizes, and each Authorized Representative and Trader will authorize the Market Operator to record telephone conversations and accept that such recordings may constitute admissible evidence.

### Other provisions concerning Internet use

The Market Operator and each Member have respective systems for which they are responsible. However, as all the information transmitted between those two systems is carried over the Internet, each Member is responsible for its access to and its use of this network.

Each Member shall be responsible for connecting to the Trading Platform. Accordingly, each Member must obtain the administrative authorisations, take out the necessary subscriptions, and make the necessary connections or have them made.

### Service providers and subcontractors

The Market Operator and the Member (hereinafter jointly the “Parties” and individually, a “Party”) accept that they may engage one or more service providers or subcontractors of their choosing to perform the provisions of the Trading Agreement. The Parties agree to exercise due care and attention when choosing and supervising such service providers and subcontractors, where applicable.

Under all circumstances, if a Party engages a subcontractor or service provider to perform the provisions of the Trading Agreement, the Party shall remain liable for the performance of provisions of the Trading Agreement and for compliance with the Market Rules.

In consequence whereof, each Party authorises the others to divulge to its service providers or subcontractors, where strictly necessary, the technical and operational information that such providers or subcontractors need to fulfil their obligations. However, the Parties must ensure that their contractual relations with service providers or subcontractors are compatible with the Trading Agreement, the Market Rules and all provisions applicable on the Market Operator, in particular the clauses governing confidentiality and trade secrets.

A Member that engages a service provider or a subcontractor to perform the provisions of the Trading Agreement hereby agrees:

* to introduce provisions into the agreements binding it to the service provider or subcontractor whereby the Market Operator is authorised to audit said provider or subcontractor;
* to ensure that the confidentiality clauses in agreements of a Party with a service provider or subcontractor shall impose confidentiality obligations upon such service provider or subcontractor to keep confidential all confidential information of the Market Operator or other Parties.
* to introduce provisions into the aforementioned agreements, insofar as possible, whereby the service provider or subcontractor agrees to implement all modifications required by the Member further to audit-related recommendations from the Market Operator.

## Liability

### Principles and limitations of liability

Except as expressly provided in these Market Rules, the Market Operator shall not have any liability to a Member in respect of all or any loss, damage, cost and/or expense suffered by the Member whatsoever and howsoever arising whether in contract, tort (including negligence or omission or breach of statutory duty to the Member), at law or otherwise in connection with or arising out of or in relation to the performance or non-performance of the terms of these Market Rules.

For avoidance of doubt, each Party remains solely responsible toward the other Party for the performance of its own obligations under the Market Rules and Trading Agreement even if such obligations are performed together with third parties or their performance has been delegated by such Party to a third party.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER PARTY NOR ANY OF ITS AGENTS, EMPLOYEES OR REPRESENTATIVES SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES IN CONNECTION WITH CLAIMS BY THE OTHER PARTY HEREUNDER UNLESS ANY SUCH CLAIM ARISES OUT OF THE FRAUDULENT ACTIONS OR MALICIOUS MISCONDUCT OF THAT PARTY.

Nonetheless, neither Party shall seek to render the other liable for compensation for the harmful consequences of:

* Force Majeure;
* malfunctions of a service used by the other Party, attributable to circumstances beyond its control and arising in particular from the unavailability, failure or interruption of telecommunications networks or from constraints or limits imposed by telecommunications operators or other service providers;
* impossibility or difficulty for the Member to access the Market Operator’s Trading Systems owing to access hardware or equipment for which the Member or a third party is responsible.

In no event shall the Market Operator have any liability hereunder towards non-Members. In the event that a third party who is not a Trading Member (the “Third-Party Trader”) engages in trading on the Trading Platform through a Trading Member, the Market Operator’s liability shall be solely towards the Trading Member and subject to the provisions of this Section 5.2.

### Member’s liability

In the event that a Third-Party Trader engages in trading on the Trading Platform through a Trading Member, then (i) such Trading Member shall be liable to the Market Operator under these Market Rules and the relevant Trading Agreement for the actions of the Third-Party Trader and (ii) the Trading Member shall (a) indemnify the Market Operator and hold the Market Operator harmless, on an on-demand basis, from and against any losses, claims, demands, damages or liabilities of any kind relating to or arising out of the activities of the Third-Party Trader, and (b) reimburse the Market Operator for all expenses (including reasonable fees and legal expenses) incurred by the Market Operator in connection with investigating, preparing or defending any investigative, administrative, judicial or regulatory action or proceeding in any jurisdiction related to or arising out of Third-Party Trader activities, in each case as such expenses are incurred or paid.

### Market Operator’s liability

Any obligation of the Market Operator under the Market Rules, including their annexes, is a best efforts obligation, meaning that the Market Operator may only be held liable provided that the Member demonstrates that the Market Operator has not provided its best efforts, diligence and care in performing its obligation.

In no event the Market Operator shall be held liable for the damages caused directly or indirectly by any of the following:

* impossibility or difficulty for the Member to access the Market Operator’s trading systems owing to problems with access, hardware or equipment for which the Member or a third party is responsible;
* objection to a Trade executed by the Member, where such objection is raised after the cancellation period;
* objection to a Trade resulting from an incorrect Trading Limit; and
* non-compliance by the Member with the Market Rules.

Whatever the circumstances, should the Market Operator incur liability under these Market Rules or otherwise, the Parties expressly agree that the total compensation shall not exceed 10 000 U.S. dollars, per year and per Member, except in case of willful misconduct or fraud.

## Intellectual Property

### Intellectual property and license

The Market Operator warrants that it has obtained all the licenses necessary for using the Trading Platform, including the trading and order transmission system.

Each Party shall retain ownership of the documents, data and information of any sort that is transmitted to the other Party under the Trading Agreement and to which either Party may have access.

The Member guarantees the Market Operator that it holds the authorizations, property rights and license contracts for all the configurations, firmware and software needed to perform the services relating to the Market Rules.

The Member undertakes to respect the intellectual property rights of the Market Operator and of all third parties providing a system or software application needed to access the Trading Platform. To this end, the Member shall take all necessary measures as regards its staff and third parties to protect said rights and, in particular, shall refrain from altering references to property rights and copyright specified on the materials supplied by the Market Operator. The Member shall not remove nor modify references to copyright, trademarks, trade names or any other sign of intellectual property.

### Ownership of Market Data

The Market Operator is the owner of the Market Data resulting from Trades on the Trading Platform. The Member shall not have any rights in such data. More specifically, the Market Rules and Trading Agreement do not confer any intellectual property rights upon the Members.

If the Member uses an external service provider in connection with its activities on the Market Operator, it undertakes to introduce the above provision into its contractual relations with the said service provider.

### Dissemination of Market Data

Use and dissemination of Market Data shall be solely as specified herein.

### **5.3.3.1** **Utilization of Market Data by the Member**

The Member shall use Market Data solely for the purpose of trading on the Trading Platform and for its own requirements.

A Member may not disseminate Market Data to third parties, without a special contract with the Market Operator.

The Member has the right to extract and reutilize Trading data whatever its support (e.g. on its website or on websites and platforms operated by third parties) provided that such uses are made only in connection with

(i) the specific Orders, trading data, Settlement data and Trading Account data relating to the Member’s individual activities for internal purposes only;

(ii) a limited amount of non-substantial Data, provided that such use remains at all times punctual, non-repeated and non-systematic. The Member shall be entitled to use an external service provider in connection with its activities on the Trading Platform. In such a case, it undertakes to introduce the above provision into its contractual relations with said service provider.

The Member may not make any other use of Market Data without the prior written approval of the Market Operator, and without derogating from the aforesaid, the:

(i) commercialization, reselling or licensing Market Data to third parties, creation of any tradable spot or financial Product listed on an exchange or entered into by ways of an intermediary using the Market Data;

(ii) for the Settlement of OTC Trades, as reference price or;

(iii) to create any index (i.e. any numerical representation of the value or volatility of a market or market sector calculated from time to time on a standard basis, in order to reflect movements in the underlying constituents) to be used as reference price underlying of such tradable financial Products.

**5.3.3.2 Utilization of Market Data by the Market Operator**

The Member has sole control over Orders and membership data. By signing the Trading Agreement, it grants the Market Operator a right to use said data as described hereafter. The Market Operator has sole exclusive rights and control over all other data on the Trading Platform, including Market Data (“**Trading Data**”). The Member hereby expressly grants to the Market Operator, to the further extent possible, the right to use, free from any confidentiality obligations except as provided by law, the Market Data by any means and for any purpose related directly or indirectly to the operation of the Market, as described in the Market Rules. This includes:

• using Trading Data for statistical purposes, which statistics may be made public;

• licensing Trading Data to third parties, either for their own use or for sublicensing. This service is

to be covered by a specific agreement with the Market Operator;

• using Trading Data for any other purpose explicitly mentioned in the Market Rules;

• reporting Trading Data, including Orders and any other information related thereto to the national regulatory authorities for market

monitoring purposes, as required by applicable laws and/or regulations;

• providing Trading Data to transmission system operators (TSOs), in particular for the purpose of operating the Market.

Notwithstanding the above, the Market Operator will ensure that Members remain anonymous to the extent possible.

## Confidentiality Policy

### Confidentiality principles

In order to perform the Trading Agreement, each Party may communicate to the other Party proprietary confidential information (Confidential Information).

The term Confidential Information shall include all business and technical information covered or not by any trade secret regulation, and other information, written or oral, or in any other form, tangible or intangible, including, but not limited to, information which relates to business plans, customers, marketing, sales, financial information and business strategies, data, knowledge, know-how, patents, Product plans, Product developments, markets, software (including source and object code) or individual activity on the market.

Confidential Information shall not include information which is public knowledge at the time of its disclosure, or which has been obtained through third-party sources or which becomes public knowledge subsequent to such disclosure, other than by breach of any obligation of confidentiality of one of the Parties.

Each Party undertakes and agrees that it, including its employees, officers will hold all Confidential Information in confidence against any third party and will not disclose, copy or reproduce in whole or in part, whether in written, oral, electronic or any other form, Confidential Information to a third party without the prior written consent of the other Party, unless specified in these Market Rules.

Each Party undertakes and agrees to respect the general principle of privileged communications, pursuant to applicable laws and regulations. In particular, each Party agrees to respect trade secrets and to refrain from divulging to third parties, either free of charge or for consideration and in any form whatsoever, the information that it receives from the other Party or that it obtains through performance of the Trading Agreement concerning but not limited to the Party's business, commercial policy, industrial strategy, management or organizational plans, computer applications and any medium bearing the word "confidential" and, in general, any information or document of a financial, economic, technical, IT-related, commercial or social nature, without the prior written authorization of the other Party, designating the beneficiaries of such information and the tenor thereof.

Furthermore, the Parties undertake not to divulge to third parties the concepts, ideas, know-how and techniques revealed by the Parties in the performance of the Trading Agreement.

### Rights of use / rights for disclosure

The Member authorises the Market Operator to use the trading volumes generated by the Member for statistical purposes inter alia. Such statistics may be made public. In this case, the Market Operator will ensure that Members remain anonymous.

Each Party is entitled to communicate:

* To the service providers or subcontractors of its choosing: the information received from the other party that is strictly necessary to the provisions of their services, subject to the provisions of Section 5.1.8;
* To the competent authorities: the information that such authorities may request under applicable laws or regulations.

### Commercial references

Each Party authorizes the other to quote its corporate name or trading name as a commercial reference.

## Disputes

### **Mediation**

Disputes between the Market Operator and one or more Members arising out of or in connection with the Market Rules or the Trading Agreement shall be dealt with through mediation before being referred to the courts or to arbitration.

As soon as one Party notifies the other of its intention to refer the dispute to mediation, the other Party will have a non-renewable fifteen-day period to announce whether or not it wishes to take part in mediation. If the other Party does not agree to mediation, the Parties shall be deemed to have rejected mediation.

If the other Party agrees to mediation, the Parties shall then have a non-renewable one-month period to appoint a mediation. If a mediation is not appointed within this time, the Parties shall be deemed to have rejected mediation.

The Parties shall choose the mediator by mutual consent on the basis of the mediator's familiarity with energy markets.

The mediator shall try to help the Parties resolve their dispute and may propose a solution.

The mediator shall decide how both Parties shall present their case (in writing or orally).

The mediation procedure is limited to one month and may be extended for one further month.

In performing its task, the mediator may:

• hear the Parties,

• ask for documents,

• hear experts and call on experts for assistance.

Mediation procedures shall be strictly confidential. However, mediators shall notify the Market Operator of the opening of a mediation procedure and the outcome, unless the Market Operator is a party to the dispute.

The conciliator shall be paid a flat fee to be split evenly between the parties.

### Arbitration

Any disputes arising out of or in connection with the Market Rules or the Trading Agreement that are not settled through mediation shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce before one or more arbitrators appointed in accordance with the said Rules. The arbitration shall take place in Tel Aviv in the English language.

## Governing Law

These Market Rules shall be governed by Israeli law.

## Force Majeure

Neither the Market Operator or a Member shall be held liable nor be deemed in default under these Market Rules or Trading Agreement for any delay or failure in performance of any of their respective obligations if such delay or failure is the result of causes beyond the control and without negligence of such Party. Such causes shall include, without limitation, acts of war, civil war, riots, acts of terrorism, general strikes or lockouts, insurrections, sabotage, embargoes, blockades, acts or failures to act of any governmental or regulatory body (whether civil or military, domestic or foreign, national or supranational), communication line failures, power failures, IT Failures, fires, explosions, floods, accidents, pandemics, epidemics, earthquakes or other natural or man-made disasters, and all occurrences similar to the foregoing (collectively referred to as “**Force Majeure**”).

The Party affected by an event of Force Majeure, upon giving prompt notice to the other Party, shall be excused from performance hereunder on a day-to-day basis to the extent prevented by Force Majeure and the direct consequences thereof (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent that such obligations relate to the performance so prevented), provided that the Party so affected shall use its best efforts to avoid or remove such causes of non-performance and to minimize the consequences thereof and the Parties shall continue performance hereunder with the utmost dispatch whenever such causes are removed.

In the event that the Force Majeure event continues to persist for a period exceeding three (3) months, then either Party shall have the right to terminate the Trading Agreement without any notice period nor any due compensation, subject to a written notification of termination to the other Party.

# Fees

## Membership Fees

6.1.1 Annual Membership fee:

Trading Membership: 30,000 USD.

Trading Membership for Consumers with a connection to a distribution network as defined in the Natural Gas Law 2002 with pressure under 16 bar ((הסכם משווק: 20,000 USD.

Trading Membership for a Member consuming in excess of 2 BCM annually and having 4 or more entry or exit points from the INGL network: 100,000 USD.

The Market Operator, at its sole discretion shall be entitled to offer a discounted Fee for Each Wholly-owned Entity of 10,000 USD

Limited membership (Observer): 20,000 USD.

Trading accounts fee:

Each Trading Member shall receive four (4) Trading Accounts. Each aadditional Trading Accounts shall be subject to a fee of 1,500 USD per annum.

## Trading Fees

0.02 USD per MMBTU for each party to the transaction.

## Trade cancellation and Administrative Fees

Trade cancellation shall be subject to a fee of 500 USD.

## Invoicing

Membership fee – Quarterly, prior to the beginning of the quarter.

Trading fee – Monthly for the previous month.

Fees are payable monthly by the Members and invoiced at the end of each calendar month.

The Market Operator shall issue electronic invoices. These invoices shall be via email at the address communicated to the Members.

The Market Operator’s records shall be deemed to be accurate and correct for the purposes of determining commissions and Fees payable to the Market Operator hereunder.

## Value Added Tax on fees

Fees and Services provided under these Market Rules are subject to Value Added Tax at the prevailing rate in Israel.

## Payment

The fees referred to shall be payable within fifteen (15) working days of the date of receipt of the electronic copy of the Market Operator’s pro-forma invoice, without any withholding or set-off, other than any withholding tax required by law.

Payments of Fees shall be made in US Dollars.

If the amounts invoiced are not paid in full within the specified deadline, the sums owed are increased, by right, and without the need for a formal notice to pay, by expenses incurred in recovering the debt plus interest for late payments at a rate equal LIBOR+5%. These charges are due on the day following the due date mentioned on the invoice.

# Natural Gas for Export

The Market Operator will comply with all Israeli regulations applicable to the trading for export of natural gas, as may be in force from time to time.

# Defined terms

|  |  |
| --- | --- |
| Admission | Authorisation to become a Trading Member. |
| Appendix | Document that clarifies the provisions of the Market Rules and is an integral part thereof. |
| Applicant | Legal entity which has applied to the Market Operator in order to become a Member. |
| Authorized Representative | A representative authorized by a Member who will serve as that Member’s contact with the Market Operator for the administrative aspects of the Member’s activities on the Trading Platform.  |
| Bilateral Agreement  | Standard agreement between two Trading Members that indicates the conditions of nomination and financial Settlement (including security requirements) of the parties. |
| Bilateral Trading Limits | Credit Limits imposed to cap the maximum volume or the value of the Trades between two specific Trading Members. |
| Delivery | Delivery of a Product in execution of a Trade on the Trading Platform |
| Delivery Period | Set of dates at which the Underlying Commodities of Contracts traded on the Trading Platform. *For example: DA 26th of April 2021* |
| Delivery Zone | Geographic Delivery Zone for the underlying commodity of a Product that can be traded on the Trading Platform  |
| Fees | Fees payable by Members to the Market Operator in for membership and trading commissions  |
| INGL | Israel Natural Gas Lines Ltd., the transmission systems operator in Israel’s natural gas market. |
| Jewish Holidays | The Jewish New Year, Yom Kippur, the first day of Sukkot, Simchat Torah, the first and last day of Passover and Shavuot and Israeli Independence Day. |
| Market Data | Data relating to Quantities and Prices and all equivalent data. |
| Market Notice | A notice issued by the Market Operator to all Members containing information pertinent to operation of the Trading Platform. |
| Market Rules | Latest version of this document, including the Appendixes. |
| Member | Legal entity that has signed a Trading Agreement or an Observer Agreement with the Market Operator. |
| Mistyping Trading Limit | Limits imposed on the volumes or total values of the Orders or Trades that can be made by a certain Trading Member. |
| MMBtu | Quantity of gas corresponding to 1 MMBtu of energy under the conditions of the Gas Transmission Network Operator for the Delivery Zone considered. |
| Observer | A legal entity that has signed an Observer Agreement with the Market Operator. Observers have view-only access to all common information on the Trading Platform but are not allowed to trade. |
| Observer Agreement | Contract between a Member and the Market Operator governing access to the Trading Platform for view-only purposes. |
| Order | Message sent by a Member as defined in Point 3.3 of this document. |
| Order Book | Centralisation by the Trading System of buy and sell Orders for the Products traded. |
| Party(ies) | Signatory(ies) to the Trading Agreement |
| Price Tick | Smallest amount by which the Price of a Product may vary. |
| Price | Amount in the Product price unit at which each Trade is concluded. |
| Product (or tradable Products) | Product traded on the Trading Platform under the standard terms defined in the Market Rules and which characteristics are defined in the Market Rules. |
| Quantity (Trade Volume) | Quantity, in the volume unit of the considered Product, covered by each Trade. |
| Quantity Tick | Smallest amount by which the Quantity of a Product may vary. |
| Quotation Provider | A Member who is authorized to quote both a purchase and sale price for a given Product on the Trading Platform |
| Sabbath  | The time period from sundown on Friday to nightfall on Saturday in Israel. |
| Trader | Authorised person for Trading on the Trading Platform on behalf of a Trading Member. |
| Trading | Submitting Orders for execution of a Trade. Hitting or lifting existing Orders in the Order Book. |
| Trading Account | Account through which a Members trades on the Trading Platform. |
| Trading Agreement | Contract between a Member and the Market Operator governing access to the Trading Platform for Trading purposes. |
| Trading Member | Member of the Trading Platform that has signed a Trading Agreement and is authorised by the Market Operator for Trading on the Trading Platform. |
| Trading System | Electronic system operated by the Market Operator that allows Members to trade Products on the Trading Platform. |
| Trading Window | Period of time during which a certain Product can be Traded on the Trading Platform. |
| Trade (or Trade) | Contract entered into on the Trading Platform between a buyer and a seller that undertake to fulfil their obligations under the Market Rules applicable to the Trading Platform. A Trade can be made through the Order Book. |
| Wholly-Owned Entity | An entity wholly-owned by a Trading Member and having a transmission or distribution agreement with INGL.  |

**Annex 3.1- Tradable Products**

* + - 1. Israel Day-ahead Gas Product description

1.1 Day-ahead Weekdays

|  |  |
| --- | --- |
| Name of the Product | Day-ahead weekdays (DA) (Spot Product) |
| Delivery (Virtual hub) | Israel Virtual Hub (Israel Natural Gas Network) |
| Underlying | Natural gas at the conditions of the TSO concerned delivery area |
| Negative prices | Not allowed |
| Contract volume unit | Million British Thermal Units (MMBtu)  |
| Price unit | US dollars per Million British Thermal Units ($/MMBtu) (2 decimal digits) |
| Contract volume | 10 MMBtu  |
| Minimum lot size | 5 Contracts (50 MMBtu)  |
| Volume tick | 1 contract = 10 MMBtu |
| Premium price tick | 0.01 $/ MMBtu |
| Total contract volume | = number of contract x contract volume  |
| Trading Windows | Tradable on the day before the delivery (D-1)Sunday to Thursday (up to five days a week)15:00-16:00 (Israel time)  |
| Delivery | All contracts are physical contracts and lead to physical deliveries on the specified virtual point. Delivery occurs each calendar day of the Delivery Period.For a given day D of the Delivery Period, the delivery goes from 06:00 Israel time of day D to 06:00 Israel time of day D+1, excluding Friday, Saturday and Jewish Holidays. |

1.2 Day-ahead Weekends and Jewish Holidays

|  |  |
| --- | --- |
| Name of the Product | Day-ahead weekend & Jewish Holidays (DA) (WE-JH) (Spot Product) |
| Delivery (Virtual hub) | Israel Virtual Hub (Israel Natural Gas Network) |
| Underlying | Natural gas at the conditions of the TSO concerned delivery area |
| Negative prices | Not allowed |
| Contract volume unit | Million British Thermal Units (MMBtu)  |
| Price unit | US dollars per Million British Thermal Units ($/MMBtu) (2 decimal digits) |
| Contract volume | 10 MMBtu  |
| Minimum lot size | 5 Contracts (50 MMBtu)  |
| Volume tick | 1 contract = 10 MMBtu |
| Premium price tick | 0.01 $/ MMBtu |
| Total contract volume | = number of contract x contract volume  |
| Trading Windows | Tradable on the day before the delivery (D-1) or D-2 or D-3 or D-4 Thursday or the day before Jewish Holidays 15:00-16:00 (Israel time)  |
| Delivery | All contracts are physical contracts and lead to physical deliveries on the specified virtual point. For a given day D of the Delivery Period, the delivery goes from 06:00 Israel time of day D to 06:00 Israel time of day D+1, D+2, D+3, D+4. |

* + - 1. Israel Within-day Gas Product description

|  |  |
| --- | --- |
| Name of the Product | Within-day (WD) |
| Delivery (Virtual hub) | Israel Virtual Hub (Israel Natural Gas Network) |
| Underlying | Natural gas at the conditions of the TSO concerned delivery area. Intraday Product for balancing needs. |
| Negative prices | Not allowed |
| Contract volume unit | Million British Thermal Units (MMBtu)  |
| Price unit | US dollars per Million British Thermal Units ($/MMBtu) (2 decimal digits) |
| Contract volume | 10 MMBtu |
| Minimum lot size | 5 contracts (50 MMBtu) |
| Volume tick | 1 contract = 10 MMBtu |
| Premium price tick | 0.01 $/ MMBtu |
| Total contract volume | = number of contract x contract volume (10 MMBtu)  |
| Trading Windows | Tradable on the day before the delivery (D-1)Monday to Sunday 7 days a week* 17:00-18:00 (Israel time)
 |
| Delivery | All contracts are physical contracts and lead to physical deliveries on the specified virtual point. Delivery occurs each calendar day of the Delivery Period.For a given day D of the Delivery Period, the Delivery goes from 06:00 Israel time of day D to 06:00 Israel time of day D+1.  |

* + - 1. Week-ahead[[1]](#footnote-2)

3.1 Week-ahead Weekdays

|  |  |
| --- | --- |
| Name of the Product | Week ahead week days (WEEK) (Spot Product) |
| Delivery (Virtual hub) | Israel Virtual Hub (Israel Natural Gas Network) |
| Underlying | Natural gas at the conditions of the TSO concerned delivery area |
| Negative prices | Not allowed |
| Contract volume unit | Million British Thermal Units (MMBtu)  |
| Price unit | US dollars per Million British Thermal Units ($/MMBtu) (2 decimal digits) |
| Contract volume | 10 MMBtu  |
| Minimum lot size | 5 Contracts (50 MMBtu)  |
| Volume tick | 1 contract = 10 MMBtu |
| Premium price tick | 0.01 $/ MMBtu |
| Total contract volume | = number of contract x contract volume  |
| Trading Windows | Tradable on the day before the delivery (D-1)Wednesday/Thursday (one day per a week)13:00-15:00 (Israel time)  |
| Delivery | All contracts are physical contracts and lead to physical deliveries on the specified virtual point. Delivery occurs the week after the trading; equal quantity per day for five days from Sunday to Thursdays (The total volume divided by five).For a given day D of the Delivery Period, the delivery goes from 06:00 Israel time of day D to 06:00 Israel time  |

3.2 Week-ahead - Week End

|  |  |
| --- | --- |
| Name of the Product | Week ahead (Week) weekends (Spot Product) |
| Delivery (Virtual hub) | Israel Virtual Hub (Israel Natural Gas Network) |
| Underlying | Natural gas at the conditions of the TSO concerned delivery area |
| Negative prices | Not allowed |
| Contract volume unit | Million British Thermal Units (MMBtu)  |
| Price unit | US dollars per Million British Thermal Units ($/MMBtu) (2 decimal digits) |
| Contract volume | 10 MMBtu  |
| Minimum lot size | 5 Contracts (50 MMBtu)  |
| Volume tick | 1 contract = 10 MMBtu |
| Premium price tick | 0.01 $/ MMBtu |
| Total contract volume | = number of contract x contract volume  |
| Trading Windows | Tradable on the day before the delivery (D-1)Wednesday/Thursday (one day per a week)13:00-15:00 (Israel time)  |
| Delivery | All contracts are physical contracts and lead to physical deliveries on the specified virtual point. Delivery occurs the week after the trading; equal quantity per day for two days from Friday to Saturday (The total volume divided by two).For a given day D of the Delivery Period, the delivery goes from 06:00 Israel time of day D to 06:00 Israel time  |

ANNEX [X]-PRIVACY POLICY

As part of operation of the Trading Platform, the Market Operator may receive and/or collect personal data from staff, employees or any other representative of the Members. This includes any kind of personal data as understood under EU General Data Protection Regulation n° 2016/679 (“GDPR”), for example contact details (first name, last name, email, birthdate, national identification number, postal address, phone number) or connection details as well as Member data such as client information, market data and bilateral trading limits.

The personal data transferred may be subject to the following basic processing activities:

Access, usage, storage, transfer, modification, updates, deletion, publication, internal communication

// (i) organization, adaptation or alteration of data ; (ii) retrieval, consultation or use of data, (iii) disclosure of data by transmission, dissemination or otherwise making available; or (iv) alignment, combination, blocking, erasure or destruction of information or data for the purposes of providing customer support, complying with contractual obligations, billing and administration purposes (email, phone conversation or contractual documentation).

Data is processed inside and outside the European Union and Market Operator’s sub-contractors are GDPR-compliant. Data will only be copied to the extent required to provide a Member with Trading Platform services or as required for regulatory purposes. Data will be pseudonymised and encrypted where applicable and appropriate.

Access to data is restricted to employees and consultants of the Market Operator and its subcontractors on a need to know basis, who have been trained to observe strict standards of confidentiality in handling your data. To ensure the security and confidentiality of data we use data networks protected, inter alia, by industry standard firewalls. Although we have tried to create a secure, reliable and trustworthy Trading Platform, please be aware that the Internet is generally not regarded as a completely secure environment, and that therefore the confidentiality of the data provided by Members or material transmitted via the Trading Platform or by e-mail cannot be guaranteed by the Market Operator.

The Market Operator and/or its subcontractors will retain personal data for as long as is reasonably required for such purposes and/or in accordance with any applicable legal or ethical reporting or document retention requirements. Members’ payment information will not be stored on the Market Operator’s servers.

The Market Operator will not sell, rent, share or otherwise distribute or make available data, including personal data, to third parties, except when required to do so for legal or regulatory purposes or to the Market Operator’s subcontractors who act for or on behalf of the Market Operator in order to provide services associated with the Trading Platform. When disclosure of personal data to third parties is likely or necessary for whatever reason, the Market Operator shall ensure that such third parties provide the same level of protection as the Market Operator.

1. Week-ahead products are subject to approval of Market Operator’s Board of Directors. [↑](#footnote-ref-2)