



Risk Committee Rulebook



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OMIClear - Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A.

In accordance with several international recommendations on best practices in managing clearing houses and central counterparties, OMIClear approves the regulation of constitution and operation of the risk Committee (RC).

Subject

1. The RC is an independent advisory body of OMIClear's Board of Directors (BD).
2. The RC has to advise the BD on any matters that have an impact on the risk management policy, and in particular OMIClear's risk management model and its global risk management policy.
3. Included in the concept of risk, the risks commonly called of credit or counterparty risk, market, close-out, hedging or positions replacement, foreign exchange, settlement, collateral, legal, systemic and operational.
4. The RC is required to deliver an opinion on the definition or significant changes in the following subjects:
 - a) Admission requirements of members and participants in transactions registered with OMIClear;
 - b) Taking of counterparty or settlement system roles in new types of operations or services;
 - c) Admission to clearing and settlement of new classes of contracts, insofar as they relate to a non-existing underlying or configure a new type of operation with an impact on the overall risk of OMIClear;
 - d) Methodology and risks parameters of margins;
 - e) Clearing Fund management and operation rules;
 - f) Collaterals valuation, investment, and custody policies;
 - g) Acceptance of new collateral families, for example public debt or bank guarantees, and their haircuts;
 - h) Procedures to be followed in the event of default of one Member or participant in the markets, services or transactions, managed by OMIClear, namely in those where OMIClear acts as a central counterparty or clearing house;
 - i) Settlement model of operations and settlement risk management procedures;
 - j) Policy on OMIClear's risk information disclosure;
 - k) Outsourcing to third parties, of OMIClear's core functions;
 - l) Amendments to this rulebook.
5. The RC is still required to deliver an opinion in respect of an application for the review of a clearing member or participant membership admission process, which has been previously refused on the basis of risk, and for which the applicant expressly requests the opinion of the RC.
6. The RC is informed about audits and risk reports, including stress tests and back tests results.
7. The RC has the right:
 - a) To recommend internal or external audits to OMIClear's risk management mechanisms;
 - b) Ask the OMIClear the studies needed for decision making;
 - c) Receive from OMIClear all information that is relevant for the exercise of its functions;
 - d) Recommend adjustments to the markets and services rules, managed by OMIClear, including this rulebook.
8. Excluding in special situations, ensured by the Sub-Committee of Crisis (CSC), whose composition and intervention are set out in paragraphs 46 to 54, the RC, as such, is not called to intervene in the day-to-day management of operations nor in situations of emergency or crisis.

9. The BD is not obliged to follow the recommendations or to adopt any procedures recommended by the RC in respect of the topics expressed in paragraphs 5 and 6, and when this occurs, the BD shall inform the CMVM.
10. OMIClear must include the RC opinion on the process of registration or communication of Clearing Rules whenever the rules changes imply his opinion, as provided in paragraph 5.

Rights and Obligations of RC members

11. Individually, each RC member has the following rights:
 - a) Finish the mandate he was appointed, even though, in its course, have ceased their employment relationship, if existent, with the Member who indicated him, or that entity have ceased or changed its membership status;
 - b) Have a fixed financial compensation, established by the Remuneration Committee, for each presence in ordinary meetings of the RC;
 - c) Have supported by OMIClear all costs with trips and stays related with the ordinary meetings of the RC.
12. Individually, each Member of the RC has the following obligations:
 - a) Guide its actions as a member of the RC, by high standards of diligence, trustworthiness and independence, notably in relation to the interests of his employer or a specific market agent;
 - b) Refrain from intervening, and communicate them at least to the RC Chairman, where he meets with conflicts of interest between the market or the OMIClear in the face of his employer or other personal or professional relationships;
 - c) If its conditions, including professionals, have been substantially changed and that put into question the capacity in which he was admitted as a member of the RC, he should put his/her position at the disposal of the RC, which will assess the possibility of his/her maintenance;
 - d) Accept a decision of OMIClear to follow a straight majority decision of RC to cease his/her RC membership, namely because the majority of RC members consider he/she is not being able to continue to pursue his/her role, inter alia by the fact that its actions be hinder the functioning of the RC, OMIClear, markets or of the services provided by OMIClear;
 - e) Submit to a strict confidentiality agreement in respect of all the information that he/she gets as a RC member, and cannot make use of it in accordance with personal or professional terms before this become public, even after ending his participation in the RC;
 - f) Subscribe, to be admitted, a declaration in the terms set in the draft included in the Appendix.

RC Composition

13. All RC members must have solid knowledge of the areas of clearing, settlement and risk management in general and OMIClear business in particular.
14. The RC is composed of seven (7) members, all appointed by the BD, with the following distribution:
 - a) two members of OMIClear BD, independent, in accordance with the applicable rules, appointed as the RC Chairman and Vice-Chairman by the BD;
 - b) Three elements designated by the Clearing Members, under the conditions laid down in paragraphs 20 to 27;

- c) Two elements designated by the Trading Members, under the conditions laid down in paragraphs 20 to 27.
- 15. Where the BD composition does not have the conditions for the appointment of one or more elements referred to in point a) of the preceding paragraph, may appoint other elements with identical characteristics of recognized independence.
- 16. With the sole purpose to support its decisions, and not assuming a voting role, the RC can invite to attend, in whole or in periods of its meetings:
 - a) Employees of OMIClear, upon prior notification to OMIClear;
 - b) Representatives of platforms, namely those of OMIP, whose products are cleared and settled by OMIClear, being such a request delivered through OMIClear;
 - c) Independent experts.
- 17. OMIClear shall inform CMVM of the RC meeting's agenda, for the purposes established in article 28 of EMIR.

RC Constitution

- 18. RC's members mandate is two years, being simultaneous to all its members, starting the 1st. of July of the calendar year in which they are appointed.
- 19. The nomination of the members designated by the BD and in particular the Chairman and Vice Chairman of the RC, shall take place no later than the 31st. of May of the year of appointment of the new composition of the RC.
- 20. The indication of the remaining five members of the RC, is held by electoral process:
 - a) The three representatives of Clearing Members within the Clearing and Settlement Committee;
 - b) The two representatives of the Trading Members through the Trading and Products Committee.
- 21. Candidates declare their willingness in writing to OMIClear's AC until the March 31st. prior to the appointment, adding their personal and professional data in order to their candidature be evaluated by the respective committees.
- 22. If there is more than one element which has a professional relationship at the same corporation or group of corporations, even in lists submitted to different committees, OMIClear will promote, with these candidates, a selection procedure so that there cannot be, at the time of the constitution of the lists, more than one member of the RC by corporate group.
- 23. OMIClear disseminates the identification of candidates and their profiles by the respective Members Committee.
- 24. Every entity participating in the Clearing and Settlement Committee votes on three candidates, and each participating entity in the Trading and Products Committee selects and votes in a list of two candidates.
- 25. The voting process referred to in the previous paragraph can contain full or partial abstaining and posting may be made by mail order as in person.
- 26. Applicants fulfilling the highest number of votes will become part of the RC's list to be nominated by OMIClear's BD.
- 27. This whole process shall be completed no later than the June 10th of the year of appointment of the new composition of the RC.
- 28. OMIClear communicates the RC composition to CMVM as soon as it is constituted.
- 29. If a member considers leaving his/her participation before six months of expiry of the mandate of the RC, he/she is replaced if it is feasible to apply the methodology and assumptions used in the initial nomination. If the two preceding conditions do not apply, there is no replacement.

RC Operative

30. The RC ordinarily meets three times per year.
31. The RC meets when convened by its Chairman, on demand of any two or more of its members or of the OMIClear AC.
32. The notice of meeting, agenda and supporting materials are the responsibility of the promoters of the meeting and must be distributed, by all members of the RC, with a minimum of 10 (ten) Clearing Days before the proposed date for the meeting.
33. RC members who wish to add themes to the agenda, must do it at least 3 (three) Clearing Days before the meeting, by sending the justification for the amendment and its supporting materials to the Chairman that circulates them to all members of the RC.
34. Without prejudice to the two preceding paragraphs may be arranged an urgent meeting, duly justified with 1 (one) Clearing Day in advance vis-à-vis its realization; in these situations agenda additions are not allowed.
35. The RC can only act when the majority of its members is represented.
36. When all the conditions set in the previous paragraph are not fulfilled:
 - a) In a non-urgent meeting, can take place at a new meeting with the same agenda, at a date set by the initial proponents, never far less than 5 (five) Clearing Days of the date of the first attempt; in this circumstances, there are no limits to the ability of deliberation of RC expressed in the previous paragraph.
 - b) At a meeting as a matter of urgency, applies the defined in the preceding subparagraph, the term referred to therein shall be of 4 (four) hours.
37. The place of meetings is set out in the notice convening the meeting, taking place, by default, in the OMIClear headquarters.
38. A member of the RC, that cannot attend a given meeting, just can, if he/she wishes to express an opinion or vote, be represented by another member of the RC that attends the meeting.
39. Any RC member must be able to participate in the RC meetings by phone or teleconference, being responsibility of the meeting proponent to assure, in coordination with OMIClear, the appropriate technical conditions for at least one of the means.
40. Any deliberation of the RC will be adopted if it is supported by a majority of the expressed votes.
41. In the event of a tie vote, the Chairman of the RC shall have the casting vote.
42. The RC may entrust one or more members of a particular material resolution, such delegation must be approved by a majority of the members of the RC, which can include the representatives. The decisions taken by the trustees shall be binding upon the RC.
43. RC meeting minutes shall be drawn up, where can be omitted the name of speakers at the meetings.

Inhibitions

44. No Member may take part in a deliberation or discussion when it has an interest, by itself, or by a third party, though being able to submit it to the vote of all RC members present or represented.
45. When any one of the members of the RC considers that there are conflicts of interest of another member concerning a given subject, should express it and if this is not accepted by the Member concerned, the theme should be subject to a vote of all RC members present.

Crisis Sub-Committee

46. The Crisis Sub-Committee (CSC) is a sub-group of the RC and aims to assist OMIClear, when requested, in the resolution of the following situations:
 - a) Default of a Clearing Member or another counterpart of OMIClear, particularly in the reconstruction of its portfolio of positions, in the close-out of such positions, in its hedging, or in the portability of customer Positions;
 - b) Settlement default, including overseeing the default procedures adopted by the OMIClear;
 - c) Any other critical situations to the safety of OMIClear, the market or the services, for which OMIClear requests support.
47. The scope of intervention of the CSC is defined by OMIClear on a case-by-case basis.
48. The CSC involvement is merely advisory, not assuming its members any responsibilities towards OMIClear or any OMIClear counterparts.
49. The CSC is composed of the three RC members that are nominated by the Clearing Members.
50. A member of the RC can refuse to participate in the CSC, having to inform the RC in writing, and the RC to evaluate, in accordance with point d) of the paragraph 13, the consequences of that refusal.
51. If there are one or more members prevented from taking part in the CSC, either by personal issues, either through conflict of interest with the subject matter of intervention, the CSC acts on the basis of the available participants every time.
52. CSC members must sign, to the extent that concerns them, a liability and confidentiality agreement, in accordance with the draft in the Appendix.
53. The mandate of the CSC is coincident with that of RC's.
54. The OMIClear supports all costs arising from the activities of members of the CSC, and when such action relates to Clearing Members or other OMIClear counterparts defaults, such costs shall be payable by the defaulter.

The Board of Directors

I, ... [Name], with the ID card number ... [Number], tax number ... [Number], and address on ... [professional or home complete address], intending to serve as a member of OMIClear's Risk Committee (RC), declare, without reservations:

- i. Conduct my actions, as a RC member, with high standards of diligence, aptness and independence, namely in face of the interests of my company or of any agent, close or far from the market;
- ii. To abstain from intervening and to communicate it, every time I face any conflict of interests between the market or OMIClear and my professional or personal relations;
- iii. To be subject to a strict confidentiality agreement pertaining all information obtained as a RC member, not being able to use it in professional or personal terms before it becomes public, even after terminating my service in the RC;
- iv. [Only for applicants to the RC that will be part of the Crisis Sub-Committee] To strengthen all the commitments made in the preceding paragraphs as a Crisis Sub-Committee member, keeping the utmost secrecy regarding all information obtained in that quality, even towards all other RC members that are not part of this Sub-Committee;
- v. In all else, to accept, abide by and, within my possibilities, make sure the Regulation of the Risk Committee, in force at the moment, is abided by.

[Date and Place]

[Signature]