Appendix to Market Definition - Slovenia

Terms of Use for M7 Trading Platform - API Access

v1.3

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Introduction

(1)   The M7 Trading System is accessed and used to conclude transactions on the Slovenian Intraday Market and for Submission for Clearing.

(2)   The M7 Trading System enables connection to backend system via API with AMQP. The AMQP is an open standard application layer protocol for message-oriented middleware. The defining features of AMQP are message orientation, queuing, routing (including point-to-point and publish-and-subscribe), reliability and security.

(3)   This AMQP functionality allows Market Participants to subscribe to request, send and receive market information from and to M7 Trading System via Market Participant's API.

(4)   All communication between Market Participant and M7 Trading System is encrypted using SSL protocol.

General Provisions

(1)   By using the API for communication to the backend of the M7 Trading System, any Market Participant agrees to comply with these Terms of Use. BSP reserves the right to change these Terms of Use at any time without notice.

(2)   Market Participant's continued use of the API for communication to the backend of the M7 Trading System constitutes acceptance of any changes. If any Market Participant does not agree to be bound by all of these Terms of Use, it should not use or shall not be granted the access to the API for communication to the backend of the M7 trading platform.

(3)   The Market Participants using the API for communication to the backend of the M7 Trading System fully agree with the following Terms of Use:

a)   Market Participant shall be responsible for any activity that occurs through their account;

b)   Market participant must not use the API for communication to the backend of the M7 trading platform by means other than those permitted in technical documentation provided by BSP and in accordance with BSP Rules;

c)   Market Participant is obliged to immediately inform Market Supervision in case they notice any kind of any irregularity related to the use of the API for communication to the backend of the M7 Trading System;

d)   Market Supervision may suspend the use of the API for communication to the backend of the M7 Trading System and disable the relevant account of Market Participant without notice if Market Supervision reasonably suspects that Market Participant is violating these Terms of Use.

Technical and Compliance Testing

(1)   BSP may require technical testing from a Market Participant prior to granting access to the Trading System and/or in relation to the implementation of changes or updates to the Trading System infrastructure or software.

(2)   BSP shall communicate the necessity of such technical testing to Market Participants by means of an operational Notice.

(3)   BSP shall require a compliance test of the API solution before granting access to the Trading System. The compliance test is obligatory for API users with trader rights. API users with read-only access are not required to complete the compliance test. The compliance test may be performed in either of the following manners:

a)   Individually performed compliance tests, in the case of user-specific software;

b)   Compliance test via a certified Independent Software Vendor (ISV) as recognised and listed by BSP.

(4)   The compliance test shall cover, inter alia, the following functionalities:

a)   General system requests and responses;

b)   Order entry functionality, including entering, modifying, and cancelling Orders;

c)   Trading functions and all relevant data flow within the system;

d)   Kill function, enabling the Market Participant to immediately revoke active Orders;

e)   The Exchange Participant shall, during the compliance test, confirm that its API-based trading solution is capable of:

   □   Handling both standard and exceptional market circumstances;

   □   Avoiding the submission of unnecessary or excessive amounts of Orders.

(5)   BSP shall define the test scenarios to be used in the compliance test and provide them to the Exchange Participant prior to commencement of testing.

(6)   Upon successful completion of the compliance test, the Exchange Participant shall confirm its success via email from its Registered Email Address.

Order Event

(1)   BSP may define a maximum permissible number of Order-related messages per Trading Day submitted via the API.

(2)   Unless otherwise stipulated in a Market Maker Agreement or Liquidity Provider Agreement with BSP, the following Order Event limits shall apply:

   a)   The following Order action types are counted towards the above limit: UADD (Order added), UMOD (Order modified).

   b)   The default daily limit per Exchange Participant is set to 10,000 Order Events.

   c)   Exchange Participants may request an allocation of additional Order Event bandwidth, resulting in a daily limit allocated higher than the default limit.

   d)   An Exchange Participant may exceed its applicable Order Event limit, provided that it maintains a minimum Volume (MWh)-to-Order Event ratio of 1:150 over the course of the Trading Day.

   e)   An Exchange Participant may submit a maximum of 110,000 Order Events per Trading Day.

(3)   Allocation of additional Order Event bandwidth is available to Exchange Participants in accordance with the applicable Price List.

(4)   BSP reserves the right to suspend trading access or impose other sanctions in accordance with the Rules in case the defined Order Event limit is exceeded. BSP may also restrict or revoke API access rights as stipulated in the relevant provisions of the BSP Rules.

(5)   BSP reserves the right to be compensated in case an Exchange Participant breaches the allocated Order Event limit in accordance with the Price List.

Throttling Function

(1) A throttling service is implemented in the Trading System to monitor the number of Order Events generated by Exchange Traders. The purpose of this service is to ensure stability and to prevent unnecessary load on the Trading System.

(2) The throttler is governed by two sets of parameters:

    a) Short throttling rule:

- Observation window: 10 seconds
- Level 1 (L1) threshold: 1,000 Order Events
- Level 2 (L2) threshold: 6,000 Order Events
- Tolerance: 30 seconds
- Cooldown: 10 seconds

    b) Long throttling rule:

- Observation window: 86,400 seconds
- Level 1 (L1) threshold: 1.5 times the Exchange Participant's permitted Order bandwidth
- Level 2 (L2) threshold: 2 times the Exchange Participant's permitted Order bandwidth
- Tolerance: 86,400 seconds
- Cooldown: 0 seconds

(3) The Order Event count is determined by the Trading System based on the activity of each Market Participant.

(4) The throttling parameters shall be interpreted as follows:

    a) Observation window: time interval within which Order Events are monitored;

    b) L1 threshold: the level of Order Event deemed sustainable over short periods. Upon reaching L1, a warning is issued and tolerance is initiated. Load must fall below L1 to end the tolerance and begin cooldown;

c) L2 threshold: the maximum sustainable load level. Reaching L2 triggers immediate throttling measures;

d) Tolerance: the duration within which a sustained L1 breach is tolerated. If not resolved, throttling is enforced;

e) Cooldown: the minimum interval after restriction before throttling state can be cleared.