

Appendix 4: Functional Appendix

1. Purpose of the Functional Appendix

The purpose of the Functional Appendix is to supplement the Market Rules by setting forth certain practicalities of the functioning of the Belpex GCE and its Trading Platform, including the Requested System Properties, as indicated in the Market Rules.

For any questions related to the Functional Appendix, please contact the Belpex account manager mentioned in the Belpex Contact Information.

2. Definitions

Capitalized terms and expressions used in this Functional Appendix shall have the respective meanings given to them in the Market Rules and/or the Market Appendices as amended from time to time and published on the GCE Website.

I. Operational, procedural and technical requirements

I.1. Generalities

The Trading Platform allows a direct Access via Internet independent of the location of the Participants. During the login procedure, data is exchanged to verify the Authorized User's identity and permissions. Once the login procedure has successfully been completed, the Authorized User may, for the Markets for which it has Access, view, enter or cancel the Orders and read all relevant information in that respect. The Trading Platform is the tool in support of day-to-day trading activities. Information may be saved in the form of a *.xls file.

Questions related to the Access to Trading Platform can be addressed to the CSD.

I.2. Requested System Properties

The workstation and network of an Authorized User shall, when trading on the Belpex GCE, at all times comply with the following requirements:

- Internet Explorer v6.0 or later version (Optimized for Version 6.0)

- No security restriction related to:

1) Code execution (the browser must be able to allow code execution such as Javascript/ECMAScript - AJAX);

2) the browser must not stop any refreshment (polling of web site);

3) the browser must allow website authentication (via server certificate);

4) the browser must allow cookies use and creation.

Please note that this is a "normal" behavior for a browser. However very restricted security policy may prevent some of these features.

I.3. Usernames and passwords

a. Login procedure

In order to Access to the Trading Platform, an Authorized User shall introduce:

- its UserID

- its Password

The UserID will be communicated to the Authorized User by email after its creation on the Trading Platform by the Belpex operator.

Its password will be communicated separately by registered letter.

b. Password modification

An Authorized User may always change its password by following the indications in the change password window.

An Authorized User may always change its password by following the indications in the change password window.

This window is automatically displayed when the Authorized User has clicked on the box "I want to change my password after logging on" and has introduced his User ID and password and clicked on "Login".

c. Forget your password?

In case the Authorized User has forgotten its password, it shall contact by phone the Belpex CSD mentioned in the Belpex Contact Information and confirm its request by a signed fax.

II. Order Submission

Orders in respect of a given Trading Day must be submitted by the Participant's Authorized User(s) before the end of the Open Phase of that Trading Day, in accordance with the Market Rules as supplemented by this Appendix.

II.1. Trading on behalf procedure

In the event of proven technical or functional communication problems during the submission of Orders as referred to in Article 31.3.3 of the Market Rules, an Authorized User may request Belpex to trade on its behalf by entering or canceling Orders on its behalf into the Belpex Trading Platform.

In such case the Authorized User shall per fax, using the standard forms provided by CSD on its request and which must be received by the CSD ultimately half hour before the end of the Open Phase of the relevant Trading Day:

- a) Explicitly give permission to Belpex for submitting or canceling Orders on Participant's behalf and acknowledge i) that the Participant will be bound by such submission or cancellation of Orders by Belpex on Participant's behalf and ii) that Belpex is indemnified by the Participant from all consequences resulting from Belpex submitting or canceling Orders on Participant's behalf; and
- b) Indicate the Order(s) to be submitted (or to be cancelled) to the Belpex Trading Platform.

Any request submitted outside the aforementioned timeframes or any request which is ambiguous will or may not be considered by Belpex.

Immediately after sending the fax, the Authorized User must notify CSD by phone that a request was submitted.

The service of trading on behalf is subject to the availability of human resources at Belpex and is provided on a best efforts basis only. Since the Orders will need to be entered manually into the GCE Trading Platform by Belpex, Belpex shall at all times be entitled to decide not to accept the request of a Participant, if the request cannot be handled by Belpex in the remaining available timeframe (e.g. in the event the Participant informs Belpex after the end of the Open Phase or in the event the Participant informs Belpex so close to the end of Open Phase that Belpex cannot in a secure manner submit or cancel the Orders on behalf of the Participant).

For each request executed by Belpex CSD, Belpex CSD will send by email or fax to the Participant a copy of the Orders page of the Trading Platform (print screen).

Upon receipt of such copy Participant shall verify the correctness of the information contained in the Orders page. If an error is detected, the Participant shall inform Belpex immediately by phone (+ confirmation by email) thereof failing which the Participant shall be deemed bound by the Order submission or cancellation by Belpex on behalf of the Participant.

II.2. Technical validation

For each new introduced Order (during the Open Phase) or Outstanding Order (during Pre-Open Phase), the following technical validations are applied:

- For Limit Orders: the Order prices are equal to or within the minimum and maximum Order price limit as indicated in the Market Specifications Appendix for the relevant Tradable Instrument;
- The volume of any Order must be equal to or within the minimum and maximum Order volume limits as indicated in the Market Specifications Appendix for the relevant Tradable Instrument;
- The price of any Limit Order must be >0 and a multiple of the price tick;
- The volume of any Order must be >0 and a multiple of the volume tick;
- Validity date (for 'till date' Orders) must not be in the past and be syntactically valid;
- The introduction of a Purchase Order (respectively Sales Order) will be allowed to an Authorized User authorized to buy (respectively to sell) in this Market.

An Order shall not be registered in the Order Book until the Order has passed this technical validation and the validation mentioned in the paragraph II.3. hereunder.

II.3. Validation in respect of available Collateral and Tradable Instruments

Furthermore, the following validation is realized:

- For each new introduced Purchase Order (during the Open Phase) or Outstanding Purchase Order (during Pre-Open Phase), the following validation is realized:
 - The Cash Position of the Participant must be compliant with Article 35 of the Market Rules.
If this validation is negative, the Order is rejected.
If this validation is positive and provided the technical validation checks are successful, the Order is validated and is registered with a status 'open' in the Order Book.
- For each new introduced Sales Order (during the Open Phase) or Outstanding Sales Order (during Pre-Open Phase), the following validation is realized:
 - The credit balance of the Trading Account of the Participant must be compliant with Article 39 of the Market Rules.
If this validation is negative, the Order is rejected.
If this validation is positive and provided the technical validation checks are successful, the Order is validated and is registered with a status 'open' in the Order Book.

In case of rejection of Outstanding Orders during this validation process, all subsequent Outstanding Orders of this Participant will be cancelled.

II.4. Information on submitted Orders

After Order validation, the Authorized User of the Participant may visualize in the window 'Orders' of the Trading Platform all of its registered Orders and their corresponding status.
For each Order, the Authorized User can find the following information:

- Order ID: unique sequence number awarded to each Order submitted into database of the Belpex Trading Platform;
- Tradable Instrument: displays Tradable Instrument name to which the Order relates;
- Market: displays Market name to which the Order relates;
- Participant's name that initiates the Order;
- If it's a Purchase or Sales Order;
- Authorized User's name that initiates the Order;
- Order price type being:
 - Limit
 - At Market;
- Price limit: displays Order price limit (for Limit Orders);
- Order validity type being:
 - Till date
 - Till cancel;
- Validity date: displays Order validity date (for 'till date' Orders);
- Initial volume: displays the initial volume;
- Open volume: displays the Order volume not yet traded;
- Status: displays the status of Orders, such as:
 - "Open", implies that the Order is registered in the Order Book and is available for trading on a Market in Open Phase;
 - "Cancel", implies that an Order has been cancelled and will no longer be taken into account for the Fixing;
 - "Traded", implies that the Order is fully executed.

An Order rejected during the validation process does not appear in the Order Book and in the window 'Orders' of the Trading Platform.
The Orders with a status 'Cancel' or 'Traded' can be visualized on the Trading Platform for the Participant during two years after their last status change.

II.5. Order registration

Orders are registered in the Order Book taking into account:

- a) The side of the Order Book i.e. purchase or sale; and
- b) The price¹:
 - (i) The priority of Purchase Orders is determined by descending price: the Purchase Order with the highest price is the best Purchase Order, the Purchase Order with the second highest price is the second best Purchase Order and so on;
 - (ii) The priority of Sales Orders is determined by ascending price: the Sales Order with the lowest price is the best Sales Order, the Sales Order with the second highest price is the second best Sales Order and so on; and
- c) Time of registration in the Order Book: Orders at the same side of the Order Book and with same price will be registered by entry time in the Order Book, the Order with the earliest entry time ranking first.

III. Fixing

III.1 List of possible Fixing Price

Are included in the list of possible FP:

- The prices of the various Limit Orders available in the Order Book;
- The prices associated to 'At Market' Orders available in the Order Book;
- The reference price: this price is under normal circumstances equal to the FP of the previous Trading Day. If the reference price is not available (e.g. for the first Trading Day) Belpex may determine a reference price taking into account any relevant information, e.g. the average price of the latest OTC transactions reported to the relevant Issuer.
In addition Belpex reserves itself the right to modify, at any time, the reference price, in particular (but not limited to) in the event the reference price is at Belpex' sole discretion considered as not representative for the Tradable Instrument value. In determining the modified reference price, Belpex may consider any relevant information. A modified reference price will be communicated to the Participants by a Communication and as a message in the Participant's message box.

The reference price is present in the list of possible FP straight from the beginning of the fixing process. The reference price may therefore be selected as possible FP or as FP at each of the i to iv process steps.

III.2. Rules to determine the Fixing Price

The rules to determine the FP are in sequence:

- i. Take as FP, the price which causes the balance between the cumulative volume on the selling side and the cumulative volume of the buying side to change;
- ii. If several prices fulfill the condition mentioned under i., take as FP the price which allows the largest volume to be executed;
- iii. If several prices fulfill the condition mentioned under ii., take as FP, the price which allows for the smallest imbalance between the buy side and the sell side;
- iv. If several prices fulfill the condition mentioned under iii., take as FP the price which is the closest to the reference price.

¹ For Limit Orders, this is the price indicated in the Order by the Authorized User. For Purchase 'At Market Order', this is the maximum Order price limit defined in the Market Specifications Appendix. A Purchase 'At Market Order' has therefore no additional price priority in comparison with a Purchase Limit Orders at the maximum Order price limit. For Sales 'At Market Order', this is the minimum Order price limit defined in the Market Specifications Appendix. A Sales 'At Market Order' has therefore no additional price priority in comparison with a Sales Limit Orders at the minimum Order price limit.

III.3. Availability of results: Fixing Price and Fixing Volume

Belpex shall use its best efforts to make the FV and FP available on the GCE Website or by any other means as soon as possible after the end of the Post-Fixing Phase.

After the Fixing, a Contract is created for each (partially) executed Order (in accordance with the Orders' priority in the Order Book, as defined in paragraph II.5) subject to Article 32.8.3 of the Market Rules. Contracts can be visualized by the Authorized Users in the window 'transactions' on the Trading Platform.

For each Contract, the Authorized User can find the following information:

- o Transaction ID: indicates the unique identification code awarded to a Contract;
- o Tradable Instrument: indicates to which Tradable Instrument the Contract relates;
- o Buy / Sell; "B" indicates a purchase Contract; "S" indicates a sales Contract;
- o Unit price: indicates the FP applicable for that Contract;
- o Volume: states the contracted volume in Tradable Instruments of that Contract;
- o Transaction date: represents the transaction date of a Contract;
- o Order ID: reference to the executed Order that resulted in the Contract.

III.4. Illustrations

In order to bring maximum transparency on the market, Belpex has decided to propose a didactic description of the GCE Fixing Algorithm.

This illustration can be found in Schedule 1, which is part of this Functional Appendix

IV. Deposits on the Belpex GCE Cash Account

IV.1. Cash Deposits

The cash deposits of a Participant referred to in Article 35 of the Market Rules shall at all times comply with the following specifications:

- the cash deposit shall be duly credited on the GCE Cash Account at the latest at 16.00h on the Business Day preceding the Trading Day;

The Belpex GCE Account number is the following:

001-5603439-19

IBAN CODE : BE39 0015 6034 3919 SWIFT Code : GEBA BE BB

- Any payment order for cash deposit shall mention the structured communication indicated by Belpex following Admission with a view to identifying the Participant who has realized the cash deposit. Any payment order for cash deposit with invalid structured communication may not be taken in consideration by Belpex;

IV.2. Cash Information on the Trading Platform

The Authorized User of the Participant will be able to view on the Trading Platform the following information about Cash Position:

- the Participant's Cash Position on the GCE Account: means the total amount of cash deposited by the Purchasing Participant on the GCE Cash Account which was not reimbursed or not used for Contracts.
- Participant's Cash reserved for Open Purchase Orders: means the cash reserved to secure the Open Orders.

- Available cash for Trading: means the difference between the 'Cash Position' and the 'cash reserved by open Purchase Orders'. This is the cash available for new Purchase Orders.

V. Tradable Instruments position

The Tradable Instrument position of a Participant shall be displayed as follows on the Trading Platform: (Illustrative example)

Tradable Instrument position	
Total position on trading account	10000
Volume rejected due to expiry date	3000
Volume reserved by Open Sales Orders	0
Available volume for trading	7000

Since only Tradable Instruments that comply with the minimum validity period specified in the Market Specification Appendix may be traded, a difference may exist for a Participant between the position on the Trading Account in the Issuer's Database and the "available volume for trading" as trading displayed in the platform.

Also the "available volume for trading" will be updated in real time taking into account submitted Sales Orders.

Remark: It's important to note that Belpex doesn't verify the legal validity of the Tradable Instrument.

VI. Fallback procedure

In case of Exceptional Circumstances, Belpex takes the measures it deems appropriate in accordance with the Market Rules. With a view to initiate a fall back procedure, Belpex may amongst others request the Participants within the indicated timeframe:

- to confirm by fax its Open Orders, failing which the non-confirmed Orders shall not be taken into account for that Participant;
- to check on the Trading Platform its Open Orders and to inform Belpex of any error detected in the information in this respect on the Trading Platform.