

RULES OF THE RISK COMMITTEE

(Valid as of 5 November 2014)

§ 1.

The Rules set out the detailed terms of reference for the Risk Committee (“Committee”) including the composition of the Risk Committee, the term of office of its members, and the criteria of selecting and the procedure of appointing and removing its members.

I. Composition of the Committee, Appointing Members of the Committee

§ 2.

1. The Risk Committee shall be comprised of:
 - a) independent members of the Supervisory Board of KDPW_CCP (“Supervisory Board”);
 - b) 3 delegates of representative associations or organisations of clearing members of KDPW_CCP, where representative shall be understood within the meaning of § 3 sub-para. 4, subject to subparas. 5-6;
 - c) 3 delegates of representative associations or organisations of counterparties to trade cleared by KDPW_CCP other than KDPW_CCP clearing members, where representative shall be understood within the meaning of § 3 sub-para. 4, subject to subparas. 5-6.
2. Failure of representative associations or organisations referred to in sub-para. 1 item (b) or (c), where representative shall be understood within the meaning of § 3 sub-para. 4, subject to subparas. 5-6, to exercise the right to nominate candidates for members of the Committee in a number necessary to appoint the Committee with a composition referred to in sub-para. 1 shall not prevent the appointment of the Committee. The first sentence shall apply accordingly in the event of failure of representative associations or organisations to exercise the right, set out in § 7 sub-para. 3, to nominate candidates for a member of the Committee in order to fill a mandate which has expired.

§ 3.

1. Members of the Committee referred to in § 2 sub-para. 1 items (b) or (c) shall be appointed by the Supervisory Board at a meeting of the Supervisory Board for a common term of office of the Supervisory Board and shall perform their function until the day of appointment of the Committee with a new composition by the Supervisory Board of the next term of office.
2. An announcement convening a meeting of the Supervisory Board whose agenda includes appointment of the Committee shall be provided at least one week before the planned meeting and shall include the agenda and the date and place of the meeting.

3. An announcement of a meeting of the Supervisory Board referred to in sub-para. 2 shall be provided to the Management Board of KDPW_CCP (“Management Board”) and to the Polish Financial Supervision Authority.
4. Candidates for members of the Committee nominated by associations or organisations which group:
 - a) at least 20% of clearing members of KDPW_CCP, or
 - b) at least 20% of counterparties to trade cleared in KDPW_CCP other than KDPW_CCP clearing members, or
 - c) clearing members whose value of trade cleared in KDPW_CCP represented at least 20% of trade cleared by KDPW_CCP in the calendar year preceding the year of appointment of members of the Committee, or
 - d) counterparties to trade cleared in KDPW_CCP other than KDPW_CCP clearing members whose value of trade cleared in KDPW_CCP represented at least 20% of trade cleared by KDPW_CCP in the calendar year preceding the year of appointment of members of the Committee,hereinafter “representative associations or organisations”, subject to subpara. 5-6.
5. The provisions of sub-para. 4 items (b) and (d) shall apply provided that:
 - a) KDPW_CCP has information necessary to determine that associations or organisations fulfil the criteria set out therein, or
 - b) associations or organisations referred to therein prove to KDPW_CCP that they fulfil the criteria set out therein in a notification provided to KDPW_CCP after the end of the calendar year preceding the year of appointment of members of the Committee containing documents which confirm that the conditions are fulfilled.
6. The requirements based on the thresholds referred to in sub-para. 4 items (a) and (b) shall not apply if the criteria are fulfilled by fewer than 3 organisations or associations.

§ 4.

Independent members of the Supervisory Board shall become members of the Committee as of their appointment as members of the Supervisory Board.

§ 5.

1. Members of the Committee delegated by representative associations or organisations of clearing members of KDPW_CCP shall be appointed to the Committee by the Supervisory Board at a meeting of the Supervisory Board from among candidates nominated by such associations or organisations in writing, at least 3 business days before the date of the meeting, including a description of their education, qualifications, experience and specialty expertise, their written statement to the effect that they agree to stand for

appointment as a member of the Committee, and a written statement to the effect that they fulfil the conditions set out in § 16 sub-para. 5 of the Statute. Each representative association or organisation shall be entitled to nominate at least one candidate for a member of the Committee. If there is only one representative association or organisation, it shall nominate at least 3 candidates for members of the Committee.

2. Members of the Committee delegated by representative associations or organisations of counterparties to trade cleared by KDPW_CCP other than clearing members shall be appointed to the Committee by the Supervisory Board at a meeting of the Supervisory Board from among candidates nominated by such associations or organisations in writing including a description of their education, qualifications, experience and specialty expertise, their written statement to the effect that they agree to stand for appointment as a member of the Committee, and a written statement to the effect that they fulfil the conditions set out in § 16 sub-para. 5 of the Statute. The provisions of the second and third sentence of sub-para. 1 shall apply accordingly.
3. In appointing members of the Committee, the Supervisory Board shall take into account the necessity of ensuring the participation in the Committee of:
 - a) persons experienced in managing different groups of risks related to the activity of KDPW_CCP; and
 - b) persons delegated by organisations or associations of clearing members or counterparties to trade other than clearing members whose trade is cleared in different clearing systems organised by KDPW_CCP.
4. Before voting on appointment of members of the Committee, each member of the Supervisory Board may request to ask of candidates additional questions which may impact the results of the vote or to have a discussion on proposed candidates.
5. Voting on appointment of members of the Committee shall be in a secret ballot.
6. Where representative associations or organisations referred to in § 2 subpara. 1 items (b) or (c) jointly nominate 3 candidates for members of the Committee and at least one of those is not appointed as a member of the Committee by the Supervisory Board, the Supervisory Board shall make a supplementary appointment at the next meeting of the Supervisory Board. Sub-paras. 1-5 shall apply accordingly.

§ 6.

1. Following appointment of members of the Committee referred to in § 2 subpara. 1 items (b) and (c), subject to § 5 subpara. 6, the Chairperson of the Supervisory Board and, in his or her absence, the Deputy Chairperson of the Supervisory Board shall announce the appointment of the Committee for a new term of office, taking into account § 4. This provision shall apply accordingly in the event referred to in § 2 sub-para. 2.

2. The first meeting of the Committee shall take place directly after the meeting of the Supervisory Board referred to in § 3 subpara. 2. The Committee may pass valid resolutions provided that all candidates for members of the Committee:
 - a) have been notified by the Management Board of KDPW_CCP of the planned date and venue of the first meeting of the Committee, or
 - b) are present at the meeting and raise no objections
3. The first meeting of the Committee shall be opened by the Chairperson of the Committee in the previous term of office or, if his or her term on the Supervisory Board has not been extended or in the case of his or her absence, by the Chairperson of the Supervisory Board or a member of the Supervisory Board delegated by the Chairperson.
4. The agenda of the first meeting of the Committee shall include the election of the Chairperson, the Deputy Chairperson and the Secretary of the Committee. In the case referred to in subpara. 2 item (b), the agenda may be extended by the Committee in a resolution to include other matters.

§ 7.

1. In case of death or resignation of a member of the Committee, his or her mandate shall expire. In case of an independent member of the Supervisory Board, his or her mandate shall expire also in case of his or her removal from the Supervisory Board on terms set out in the Statute. The mandate of a member of the Supervisory Board shall be suspended within the period of delegating him or her to perform functions of a member of the Management Board.
2. A member of the Committee shall resign where he or she is unable to participate in the work of the Committee for a period of more than 6 months due to force majeure or personal circumstances.
3. In case of expiration of the mandate of a member of the Committee referred to in § 2 subpara. 1 items (b) or (c) during the term of office, the mandate shall be filled at the next meeting of the Supervisory Board according to the rules set out in § 5 provided that the representative associations or organisations which represent the group of entities referred to in § 2 subpara. 1 item (a) or (b), which lost their representative on the Committee due to the expiration of the mandate, nominate a candidate or candidates for a member of the Committee other than the temporary delegate referred to in subpara. 4 or 5.
4. Until appointment of a new member of the Committee according to subpara. 3, the association or organisation which nominated the member of the Committee whose mandate has expired may nominate its temporary delegate to the Committee.
5. In the event of failure to exercise the right referred to in sub-para. 4 within one week from the expiry date of the mandate, the right to delegate a temporary delegate shall transfer to

the other associations or organisations representing the group of entities referred to in § 2 sub-para. 1 items (a) or (b), which have lost their delegate on the Committee following the expiry of the mandate, provided that the candidate first nominated to the Management Board shall be the temporary delegate.

6. A temporary delegate shall fulfil the requirements set out in § 16 sub-para. 5 of the Statute.
7. A temporary delegate shall cease to act as a member of the Committee as of the day of appointment of a new member of the Committee by the Supervisory Board. A temporary delegate shall become a member of the Committee unless the Supervisory Board at its next meeting passes a resolution filling the mandate according to subpara. 3 or ascertains, in a resolution, the expiration of the mandate of the temporary delegate due to his or her non-fulfilment of the requirements referred to in § 16 subpara. 5 of the Statute.
8. In case of expiration of the mandate of a member of the Committee being an independent member of the Supervisory Board, a new independent member of the Supervisory Board shall become a member of the Committee as of the day of his or her appointment as a member of the Supervisory Board on terms set out in the Statute.
9. A new member of the Committee shall be appointed for the term of office of the Supervisory Board and shall, subject to subpara. 8, perform his or her function until the day of appointment of the Committee with a new composition by the Supervisory Board of the next term of office.
10. Information concerning expiration of a mandate, nomination of a temporary delegate or failure of an authorised entity to nominate a temporary delegate within the time limit referred to in sub-para. 5, and appointment of a temporary delegate or a new member to the Committee shall be published on the KDPW_CCP website.

II. Organisation of the Committee

§ 8.

1. At the first meeting of the Committee, members of the Committee shall elect in a secret ballot by a majority of 2/3 of votes the Chairperson and the Deputy Chairperson of the Committee provided however that only an independent member of the Supervisory Board may be the Chairperson of the Committee. Members of the Committee may also elect the Secretary to the Committee.
2. The Chairperson of the Committee shall direct the work of the Committee and represent it to the authorities of KDPW_CCP and to third parties. The responsibilities of the Chairperson of the Committee shall include without limitation convening and chairing meetings, inviting guests to meetings of the Committee, requesting the Management

Board or the Supervisory Board to provide the Committee with specific documents or information necessary to give an opinion on a given matter, and responding to their queries. The Chairperson of the Committee shall chair meetings of the Committee, give the floor, open voting and announce the results of voting.

3. In the absence of the Chairperson of the Committee, his or her responsibilities shall be exercised by the Deputy Chairperson of the Committee. In the absence of the Chairperson or the Deputy Chairperson of the Committee at a meeting of the Committee, his or her function shall be performed by an independent member of the Supervisory Board, present at the meeting, delegated by the Chairperson or the Deputy Chairperson.
4. Members of the Committee may at any time remove in a secret ballot by a majority of 2/3 of votes the Chairperson of the Committee or the Deputy Chairperson provided however that only another independent member of the Supervisory Board may be the next Chairperson of the Committee.
5. The Chairperson of the Committee shall, within 3 days of election, provide the Management Board with copies of resolutions in the matters referred to in subpara. 1, authenticated by the Chairperson of the Committee, and shall indicate electronic mail addresses for delivery to the Chairperson and the Deputy Chairperson.
6. KDPW_CCP shall provide technical support to the Committee, including preparation and distribution of invitations to and materials for meetings of the Committee, and informing the Polish Financial Supervision Authority of the dates and venues of meetings of the Committee and the planned agenda as well as resolutions passed by the Committee. The exchange of documents among members of the Committee and in relations with the Polish Financial Supervision Authority may take place in electronic form provided that resolutions passed by the Committee together with the justification shall be provided to the Polish Financial Supervision Authority in writing.

§ 9.

1. Members of the Committee shall exercise their rights and obligations in person.
2. Members of the Committee shall provide the Chairperson of the Committee with electronic addresses to which all information connected with their membership of the Committee should be sent to them. Members of the Committee shall notify the Chairperson of the Committee of any change to addresses provided by them.
3. Meetings of the Committee may take place at the registered office of KDPW_CCP in a dedicated room provided to the Committee by the Management Board.

§ 10.

1. The following persons may also take part in meetings of the Risk Committee with no voting right:
 - a) employees of KDPW_CCP;
 - b) independent external experts;
 - c) employees of the Polish Financial Supervision Authority or other authorities by invitation of the Chairperson of the Committee.
2. Members of the Committee shall allow representatives of the Polish Financial Supervision Authority to take part in meetings of the Committee with no voting right.
3. The Chairperson of the Committee shall provide the Polish Financial Supervision Authority or its representatives, by written request, with all necessary information about the activities and the results of work of the Committee.

§ 11.

1. The Committee shall meet regularly at a frequency necessary to properly perform its responsibilities, at least once every six months.
2. The venue and dates of regular meetings of the Committee shall be set by the Chairperson of the Committee, taking into consideration to the extent possible requests of all members of the Committee so as to enable all members of the Committee to participate in meetings.
3. Where justified, the date of a regular meeting may be rescheduled by the Chairperson of the Committee but no more than for 2 weeks.
4. A meeting shall be valid if at least one-half of all members of the Committee are present.
5. The Chairperson of the Committee shall notify the Management Board at the address of KDPW_CCP of the venue and dates of regular meetings.
6. Members of the Management Board shall take part in meetings of the Committee only by invitation of the Chairperson of the Committee, in order to provide members of the Committee with required explanations or information.

§ 12.

1. A meeting shall be convened by the Chairperson of the Committee by sending to the members at the electronic address provided by them, with a week's notice, the agenda and the materials and documents to be considered at the meeting, including those provided to the Chairperson by the Management Board or the Supervisory Board.
2. Five days before a meeting, a member of the Committee may request the Chairperson of the Committee to provide him or her with additional information concerning matters on the agenda of the meeting or to invite specific persons to the meeting of the Committee.

A request should contain a justification.

3. The Chairperson of the Committee shall immediately notify members of the Committee of a request filed as per sub-para. 2.
4. The Chairperson of the Committee shall comply with a request if it is seconded by at least one member of the Committee.
5. Information about the venue and date of a regular meeting of the Committee together with the planned agenda of the meeting shall be provided to the Polish Financial Supervision Authority according to § 8 subpara. 6.

§ 13.

1. Where justified, the Chairperson of the Committee or the Deputy Chairperson may convene an extraordinary meeting of the Committee by sending invitations in writing or in electronic format to the electronic addresses of the members of the Committee, indicating the reason for convening the extraordinary meeting and attaching materials for the meeting, including documents provided to him or her by the Management Board or the Supervisory Board.
2. An extraordinary meeting of the Committee may also be convened by request of the Management Board or of the Supervisory Board filed with the Chairperson of the Committee or by request of at least 3 members of the Committee. In that case, a meeting shall be held within 6 days of the date of filing the request. Sub-para. 1 shall apply accordingly.
3. A convened extraordinary meeting of the Committee shall be announced at least 5 days before the scheduled date of the meeting.
4. The provisions of § 12 sub-paras. 2 and 3 shall apply accordingly provided that the date referred to in § 12 sub-para. 2 shall be 3 days.
5. Information about the venue and date of an extraordinary meeting of the Committee together with the planned agenda of the meeting shall be provided to the Polish Financial Supervision Authority according to § 8 subpara. 6 or 7.
6. To the extent not governed by sub-paras. 1-5, the provisions concerning ordinary meetings of the Committee shall apply to extraordinary meetings of the Committee.

§ 14.

1. Whenever an opinion of the Committee is required without delay, a member of the Management Board by request of the person responsible for risk management in KDPW_CCP may request the Committee to pass a resolution by circular procedure and provide the Chairperson of the Committee with the scope of matters which require an opinion as well as relevant materials.

2. The Chairperson of the Committee shall immediately forward the request referred to in sub-para. 1 and received materials to the other members of the Committee at the electronic address provided by them together with draft resolutions concerning approval or non-approval of a specific request.
3. A resolution shall be deemed to pass by circular procedure if the Chairperson receives in writing or in electronic format, within 3 business days of initiating the actions referred to in sub-para. 2, with votes of a majority of the members of the Committee in favour of a resolution concerning approval or non-approval of a specific request, respectively. Resolutions passed by circular procedure shall be attached to the minutes of the next meeting of the Committee.
4. *(revoked)*
5. The request referred to in subpara. 1 and resolutions passed by the Committee by circular procedure together with a justification, referred to in § 15 subpara. 3, shall be provided immediately to the Polish Financial Supervision Authority according to § 8 subpara. 6.

§ 14a.

1. The Committee may raise comments to a matter presented for its opinion. In that case, the Committee is deemed to have approved the matter presented for its opinion provided that the raised comments are taken into account.
2. Comments referred to in subpara. 1 may be taken into account by KDPW_CCP S.A. both in the manner strictly specified in a resolution of the Committee and otherwise in order to achieve the same effect as derived from the resolution.

§ 15.

1. The Committee shall give opinions on matters listed in § 19 sub-para. 1 and § 20 sub-para. 1.
2. The Committee shall pass resolutions within the scope of its authority.
3. Resolutions shall be passed at meetings of the Committee by an ordinary majority of votes in an open ballot. Resolutions referred to in § 14a and resolutions granting no approval for a given matter shall include a justification prepared by the Chairperson of the Committee. Voting on personal matters shall be in a secret ballot. A justification shall be delivered to the Management Board within 5 days of the date of the resolution.
4. Resolutions may only be passed on matters on the agenda. An agenda may only be amended if all members of the Committee are present at the meeting and each of them accepts such amendment.
5. Resolutions shall be signed by all members who voted in favour of the resolutions. Members of the Committee who voted against a resolution shall justify their objection in

writing. The Chairperson of the Committee or the Deputy Chairperson shall attach such letter to the resolution of the Committee.

6. Resolutions shall be signed by the Chairperson of the Committee.
7. An absent member of the Committee may provide his or her position on matters on the agenda of the meeting of the Committee in writing or in electronic format to the address of the Chairperson of the Committee by the opening of the meeting at the latest. This position shall be attached to the minutes of the meeting. This provision does not apply when a member is of the conflict of interests.

§ 16.

1. Minutes shall be taken of meetings of the Committee. Minutes shall state the place, date and time of the meeting, the agenda, the first and last names of persons present at the meeting, the content of passed resolutions, the results of voting and the voting procedure, and contain the following:
 - a) information on conflicts of interests referred to in § 18 sub-para. 4 disclosed by members affected by such conflict or by the Chairperson of the Committee or the Deputy Chairperson according to § 18 sub-para. 5;
 - b) proceedings on matters in which a conflict of interest has been disclosed, and the first and last names of members of the Committee participating in voting on matters in which a conflict of interest has been disclosed;
 - c) objections and dissenting opinions provided by members of the Committee.
2. Minutes shall state that the Committee is capable of passing resolutions thanks to the presence of the required number of members.
3. Minutes shall be signed by the Chairperson or the Deputy Chairperson or, in their absence, the person referred to in § 8 subpara. 3 second sentence.
4. Minutes from meetings of the Committee shall be maintained for 10 years at the registered office of KDPW_CCP.

§ 17.

1. The Committee may adopt rules which set out the detailed terms and conditions of holding and documenting meetings, taking into account the provisions of these present rules.
2. The provisions of the Statute of KDPW_CCP concerning the Committee, the rules of the Committee, the rules referred to in sub-para. 1, and information about the composition of the Committee shall be published on the KDPW_CCP website. Information about the venue and dates of regular meetings of the Committee shall also be published on the KDPW_CCP website

3. The Chairperson of the Committee or the Deputy Chairperson shall immediately provide resolutions passed by the Committee to the Management Board and to the Supervisory Board at the address of KDPW_CCP.
4. Subject to applicable law, members of the Committee shall keep confidential all information acquired in connection with membership of the Committee.
5. The Chairperson of the Committee shall instruct persons taking part in meetings of the Committee with no voting right of the legal obligation of keeping confidential all information acquired during the meeting of the Committee.

III. Independence of the Committee

§ 18.

1. The Committee shall report directly to the Supervisory Board.
2. Subject to subpara. 1, members of the Committee shall not report to the authorities of KDPW_CCP. Members of the Committee shall not report formally to KDPW_CCP or persons employed in KDPW_CCP.
3. The authorities of KDPW_CCP, members of such authorities and other persons employed in KDPW_CCP shall not give the Committee or its members any instructions concerning matters reserved for the authority of the Committee or otherwise influence its work.
4. Members of the Committee shall disclose all circumstances known to them including without limitation any family, personal, economic or business relationship which could impact their impartiality in performing the functions of a member of the Committee (conflict of interests) with regard to individual matters considered by the Committee.
5. Where the Chairperson of the Committee or the Deputy Chairperson identifies an actual or potential conflict of interests of a member of the Committee with regard to a matter considered by the Committee, he or she shall notify the other members of the Committee thereof. The member of the Committee concerned by the conflict of interest shall be excluded from the consideration of matters including taking the floor on matters concerned by the conflict of interest and shall not vote on matters concerned by the conflict.
6. Members of the Committee delegated by organisations or associations referred to in § 2 sub-para. 1 item (b) or (c) may be removed during the term of office by request of the organisations or associations which nominated them as candidates for a member of the Committee.
7. In case of identification of any circumstances which indicate that a member of the Committee no longer fulfils the requirements set out in § 16 sub-para. 5 of the Statute, the Supervisory Board shall request the organisation or association which nominated him or

her as a candidate for a member of the Committee to file a request for his or her removal according to sub-para. 6. If a request for removal is not filed within one month of the delivery of such request, the Supervisory Board may remove the member at the next meeting in a secret ballot and shall immediately notify thereof the Polish Financial Supervision Authority, the Management Board, the Chairperson of the Committee and the association which nominated him or her as a candidate for a member of the Committee, indicating the reasons for removal.

8. In case of removal of a member of the Committee, the provisions of § 7 sub-paras. 3-8 shall apply accordingly to appointment of a new member of the Committee.
9. Members of the Committee shall be paid no remuneration by KDPW_CCP for performance of their functions set out in the rules.

IV. Functions of the Committee

§ 19.

1. The Committee shall provide opinions and advice to KDPW_CCP on matters concerning procedures, internal regulations and arrangements which impact management of risks connected with the provision of clearing services, as well as mechanisms of management of risks connected with the provision of clearing services by KDPW_CCP and risk control mechanisms, other than matters connected with management of current business by KDPW_CCP.
2. The Committee shall perform other functions reserved for it in applicable law.

§ 20.

1. The following matters shall require an opinion of the Committee:
 - a) activities within organised clearing systems, including comprehensive reviews of models, methodologies and rules adopted for quantification, classification and management of such risks as well as liquidity risk management rules;
 - b) matters concerning rules which set out the terms and conditions of clearing trade in financial instruments, the rules of the clearing fund, the rules of guarantee funds and resolutions passed under such rules;
 - c) categories of entities which may seek the status of clearing member and the conditions of participation to be met by such entities;
 - d) classes of derivative instruments which may be accepted in clearing systems organised by KDPW_CCP;
 - e) outsourcing of clearing activities or a trade clearing liquidity guarantee system activities or other activities which may significantly impact risk management;

- f) procedures applicable in the event of default or insolvency or a clearing member or the necessity of using resources of the trade clearing liquidity guarantee system;
 - g) addition of the provision of new services to the scope of the authorisation held by KDPW_CCP;
 - h) conclusion of an interoperability arrangement;
 - i) other matters reserved for the authority of the Committee in regulations issued under the authorisation set out in Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.
2. An opinion of the Committee concerning a matter tabled for its consideration shall include without limitation:
- a) indication of the risk connected with the activity including an assessment of the impact of the activity on the existing risk managed by KDPW_CCP;
 - b) assessment of the feasibility of effective management of the risk referred to in item (a) by KDPW_CCP including proposed methods of managing such risk;
 - c) recommendations for a decision to be made by KDPW_CCP concerning the matter together with a justification.
3. An opinion referred to in sub-para. 1 item (e) shall furthermore concern conformity of the planned actions with the Regulation referred to in sub-para. 1 item (i) and in particular with Article 35(1)(e) of the Regulation.

§ 21.

The Committee shall perform its responsibilities in compliance with applicable law, including without limitation in compliance with the Regulation referred to in § 20 sub-para. 1 item (i) and in compliance with provisions issued under the authorisation set out in Regulation.

§ 22.

1. The Management Board of KDPW_CCP shall provide the Risk Committee, in a manner protecting confidentiality, with all information necessary to consider matters falling within the scope of its authority.
2. The Management Board of KDPW_CCP shall notify the Polish Financial Supervision Authority of all decisions made contrary to the opinion of the Risk Committee.