Resolution No. 35/158/14
of the Supervisory Board of KDPW_CCP S.A.
dated 5 November 2014
amending the Rules of Transaction Clearing (organised trading)

Pursuant to Art. 48 subpara. 15 of the Law on trading in financial instruments (consolidated text: Dziennik Ustaw – Journal of Laws from 2010, No. 211, item 1384, as amended) and § 15 subpara. 2 point 3 of the Statute of KDPW_CCP S.A., the Supervisory Board of KDPW_CCP S.A. resolves as follows:

§ 1
The Rules of Transaction Clearing (organised trading), attached to Resolution No. 9/9/10 of the Supervisory Board of KDPW_CCP S.A. dated 29 November 2010 (as amended), shall be amended as follows:

1/ in § 1 and § 2, the phrase “KDPW_CCP S.A.” shall be replaced by the phrase “KDPW_CCP”;

2/ in § 1 subpara. 1, the phrase “Central Securities Depository of Poland S.A.” shall be replaced by the phrase “Central Securities Depository of Poland”;

3/ § 3 and § 4 shall be replaced by the following:

“§ 3
Whenever reference is made herein to the following terms:
1/ the Law on trading in financial instruments, this shall be understood to mean the Law on trading in financial instruments of 29 July, 2005 (consolidated text: Dziennik Ustaw – Journal of Laws of 2014, item 94, as amended),
2/ KDPW_CCP, this shall be understood to mean the company KDPW_CCP S.A.,
3/ participation, or participant, this shall be understood to mean, respectively, participation in the clearing system, described in § 1 subpara. 1, or a participant of this system,
4/ the Central Securities Depository of Poland, this shall be understood to mean the company known as “The Central Securities Depository of Poland (KDPW)” (in Polish: “Krajowy Depozyt Papierów Wartościowych S.A.”),
5/ settlement institution, this shall be understood to mean, respectively, the Central Securities Depository of Poland, a settlement institution indicated in a resolution of the Management Board of KDPW_CCP, managed on the basis of a licence from the Polish Financial Supervision Authority, or another entity indicated in a resolution of the Management Board of KDPW_CCP authorised to perform transaction settlement,
6/ securities, this shall be understood to mean securities as defined in Article 3 point 1a and b of the Law on trading in financial instruments,
7/ derivatives market, this shall be understood to mean the market where transactions involving derivatives are executed, and are cleared by KDPW_CCP,
8/ derivatives account, this shall be understood to mean the account used to register derivatives,

9/ clearing guarantee fund, this shall be understood to mean the clearing guarantee fund referred to in Article 65 subpara. 1 of the Law on trading in financial instruments, managed by KDPW_CCP according to the provisions of Article 65 subpara. 4 of the Law on trading in financial instruments,

10/relevant guarantee fund, this shall be understood to mean, respectively:

a/ the guarantee fund securing the clearing of transactions concluded in a given alternative trading system, operated by KDPW_CCP according to Article 68 subparas. 1-5 in conjunction with subpara. 6 of the Law on trading in financial instruments,

or

b/ the on-demand lending guarantee fund referred to in Appendix 3 to the Rules, operated by KDPW_CCP according to Article 68 subparas. 2, 3 and 7 of the Law on trading in financial instruments.

10a/ novation, this shall be understood to mean a way of clearing transactions consisting in novation of such transactions as defined in relevant provisions of the Law on trading in financial instruments of 29 July 2005,

11/ a participant with the status of clearing member, this shall be understood to mean that a participant is responsible to KDPW_CCP for the proper performance of responsibilities arising from transaction clearing, including also responsibilities involving the creation and operation of a system for securing transaction clearing liquidity,

11a/ event of default, this shall be understood to mean a situation where a participant poses or where reasonable circumstances suggest that it may soon pose a reasonable risk to the safety of trading or proper operation of the clearing system referred to in § 1 subpara. 1, in particular in connection with:

a/ reliable information which suggests that bankruptcy of the participant has been declared, the participant has become insolvent or will soon be unable to timely perform obligations arising from the clearing of transactions, which occurs among others where:

- the participant has filed a motion for declaration of bankruptcy, or
- the competent regulatory authority has filed a motion for declaration of bankruptcy of the participant, or
- the solvency ratio of the participant being a bank has fallen below the minimum referred to in Article 128 of the Banking Law of 29 August 1997 (consolidated text: Dziennik Ustaw – Journal of Laws from 2012, item 1379, as amended), or

b/ reliable information which suggests that:

- the participant is in liquidation, or
- the competent regulatory authority has decided to suspend the operation of the participant or to revoke the permission for its formation, or
- the competent regulatory authority has decided to impose compulsory administration on the participant, or
- the competent regulatory authority has been notified by the competent authority according to applicable law that the participant's assets are insufficient to meet its obligations, or
- the competent regulatory authority has decided to limit the scope of the participant’s activity, as a result of which the participant will not be entitled to conclude or clear transactions, or
- another similar event has occurred and poses a risk to the safety of trading or the proper operation of the clearing system referred to in § 1 subpara. 1, or
  c/ merger, split or take-over of the participant or acquisition of the core assets of the participant by another entity, including acquisition of the enterprise or its organised part, where as a result of such event the participant's obligations are not recognised or taken over by, respectively, the entity taking over, the entity formed through the merger, or the split entity, or
d/ or the participant’s non-performance or undue performance of its obligations arising from transaction clearing, or
e/ failure to submit the information referred to in § 22 necessary to assess whether or not the participant meets the requirements of participation or events which may have a negative impact on its obligations arising from participation, or
f/ material breach of legal regulations by the participant, or
g/ or breach of the terms and conditions of participation referred to in § 9 subpara. 2 in a way which poses the risk that obligations arising from transaction clearing will not be performed in due time, or
h/ the participant’s non-performance or undue performance of other material obligations set out in the rules, which justifies the termination of its participation in the clearing system referred to in § 1 subpara. 1,
i/ identification by KDPW_CCP according to separate rules referred to in § 1 subpara. 5 of an event of default of the participant in another clearing system organised by KDPW_CCP where such event poses a risk that liabilities arising from the clearing of transactions in the clearing system referred to in § 1 subpara. 1 will not be met timely by such participant or may pose a reasonable risk to the safety of trading,
12/ a counterparty to transaction clearing, this shall be understood to mean a participant holding the status of clearing member for transactions for which that participant is a party, or represents a party, in transaction clearing performed by KDPW_CCP,
13/ settlement agent, this shall be understood to mean a participant of a settlement institution which:
  a/ has consented for its depository account, securities account or derivatives account managed in that settlement institution to be used in order to perform transaction settlement, within the scope for which the participant, described in point 3, holds the status of clearing member, and to adjust assets posted in securities as margins required of such participant and as its contributions to the clearing guarantee fund or the relevant guarantee fund, excluding assets which are securities referred to in § 47 subpara. 3 point 4, and
  b/ according to regulations issued by the settlement institution, it is authorised for such transactions to be settled and for such assets to be adjusted using such account,
13a/ collateral agent, this shall be understood to mean an entity which is a participant of the relevant depository system indicated by the Management Board of KDPW_CCP in a resolution, which has agreed for the relevant securities account managed for it in such system to be used
in order to adjust assets which are securities referred to in § 47 subpara. 3 point 4, posted as margins required of such clearing member and as its contributions to the clearing guarantee fund or the relevant guarantee and to adjust entitlements from such securities,

16/ clearing bank, this shall be understood to mean a bank managing bank accounts, used by the settlement institution to perform the cash leg of the settlement of transactions in a given currency, and also used to process cash flows in the transaction clearing liquidity guarantee system, provided that payments in EUR arising from participation in the clearing system are processed through bank accounts managed under agreements concluded by participants or their payment agents with central banks which manage payment systems in TARGET2,

15/ payment agent, this shall be understood to mean an entity which has consented for its bank account managed in the clearing bank or in TARGET2 to be used for processing a participant’s cash debits and credits in a given currency arising from participation in the clearing system,

16/ transaction, this shall be understood to mean a legal relationship concerning financial instruments, respectively:

a/ arising from a transaction made in securities trading or on a derivative instruments market, or

b/ arising from novation of a transaction referred to in point a,

17/ position, this shall be understood to mean, respectively, a credit or debit of a participant holding the status of clearing member arising from a transaction accepted to the transaction clearing system referred to in § 1 subpara. 1 or a transaction concluded within the transaction clearing liquidity guarantee system operated by KDPW_CCP,

18/ account system, this shall be understood to mean all accounts managed by KDPW_CCP in the clearing system referred to in § 1 subpara. 1 in order to perform transaction clearing, position registration, monitoring of risk arising from transactions accepted for clearing, and registration of collateral,

19/ clearing account, this shall be understood to mean a registration device operated by KDPW_CCP in the transaction clearing system referred to in § 1 subpara. 1 for a participant in order to clear transactions to which it is a party or a clearing counterparty and to register the participant’s positions,

20/ collateral account, this shall be understood to mean a registration device operated by KDPW_CCP in the transaction clearing system referred to in § 1 subpara. 1 in order to calculate and register the initial margin,

21/ trade repository, this shall be understood to mean the Central Securities Depository of Poland or another entity designated by KDPW_CCP, which is authorised under applicable legal regulations to collect and store information concerning derivative instruments and concerning transactions in such instruments,

22/ transaction report, this shall be understood to mean information concerning transactions in derivative instruments accepted for clearing, which are submitted, respectively:

a/ where KDPW_CCP is responsible for the submission of such information – by KDPW_CCP to a trade repository in the scope, within time limits, and in the form determined in the agreement concluded by KDPW_CCP with such trade depository or resulting from applicable legal
regulations, or
b/ where a participant holding the status of clearing member ensures the submission of such information - by that participant or another entity to a trade repository designated according to the rules or another repository authorised under applicable legal regulations to collect and store information concerning derivative instruments and concerning transactions in such instruments,

23a/ CRR, this shall be understood to mean Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Official Journal of the European Union L 176 from 2013, p. 1),

24/ KDPW_CCP capital requirement, this shall be understood to mean a defined amount of the capital of KDPW_CCP referred to in Article 16 subpara. 2 of EMIR calculated by KDPW_CCP according to the rules notified to the participants holding the status of clearing member according to § 58b subpara. 7 taking into account legal regulations applicable to KDPW_CCP and the safety of trading in a way ensuring protection of KDPW_CCP against the risk arising from the conducted activity and effective liquidation or restructuring of such activity,

25/ dedicated resources, this shall be understood to mean a defined amount of resources constituting own capital of KDPW_CCP calculated by KDPW_CCP according to § 58b subpara. 2, 3, 6 and 7 taking into account legal regulations applicable to KDPW_CCP and the safety of trading, dedicated to cover the loss in the event of default in respect of obligations arising from transactions cleared by KDPW_CCP prior to using the contributions to the clearing guarantee fund or the relevant guarantee fund excluding the contribution of the participant on whose part the event of default has occurred,

26/ transaction settlement suspension, this shall be understood to mean non-execution by the relevant settlement institution of a settlement instruction sent by KDPW_CCP to such institution for a transaction whose clearing counterparty is a participant holding the status of clearing member, covered by the transaction clearing liquidity guarantee system, to the extent of liabilities arising from such transaction and within the time limit that such liabilities should be met, as a result of which such institution has suspended, pursuant to Article 45f subpara. 1 of the Law on trading in financial instruments, the settlement of such transaction in whole or in part due to circumstances arising on part of such participant or its settlement agent or its payment agent,

27/ transaction settlement order cancellation, this shall be understood to mean also the cancellation of such order only to such extent that the settlement under such order is not made pursuant to the regulations of the relevant settlement institution to which KDPW_CCP sends such order due to the lack of necessary assets in the depository account, the bank account, the omnibus securities account, the securities account or the cash account.
1. Whenever the provisions of the rules refer to making a declaration or making available, or providing information by KDPW_CCP to a participant, or by a participant to KDPW_CCP, this shall be understood to mean provision to the intended party (addressee) of the declaration, or information in electronic form, subject to the provisions of subpara. 2-4, § 46b subpara. 2, § 77a subpara 4 and cases referred to in a resolution of the Management Board of KDPW_CCP adopted under the rules.

2. In relations between KDPW_CCP and its participants, declarations and information prepared in electronic format are delivered via the Central Securities Depository of Poland, on the basis of principles described in agreements signed between the Central Securities Depository of Poland and participants, defining the ability to make declarations of will and to send information in electronic form.

2a. KDPW_CCP represents that it accepts as effective declarations of will submitted and information sent by a participant in electronic form in the way described in subpara. 2.

3. The declarations and information sent on the basis of the provisions of these rules, or resolutions of the Management Board of KDPW_CCP, described in § 2 subpara. 1, by:
   1/ participants, in accordance with the provisions of § 12 subpara. 1, § 13 and § 22-§ 31, as well as § 40 subpara. 2, unless these provisions state otherwise, or in connection with applications to extend, limit or cancel participation status, or as part of the update process of documents submitted by such participants in order to conclude or amend a participation agreement,
   2/ entities applying for the status of participant,
   3/ participants that do not hold the status of clearing member for the matters described in § 14 subpara. 2 and § 69a - § 69c, subject to § 69b subpara. 11 and 12,
   4/ KDPW_CCP in relations with the entities, described in point 2, and additionally in matters described in § 14 subpara. 2 – in relations with participants, described in point 3, while in matters described in point 1, and in matters relating to the imposition of disciplinary or orderly measures – in relations with other participants,
   and
   5/ participants or KDPW_CCP in matters relating to the complaints process, described in § 84a - § 84d,
   will require the delivery to the addressee of the original document containing the declaration or information, or an appropriately certified copy, subject to the provisions of subpara. 5.

4. The Management Board of KDPW_CCP may, by means of a resolution, define other instances where the submission of declarations, or information should take place according to the rules described in subpara. 3.

5. In relations between KDPW_CCP and participants, documents containing a declaration, or information, described in subpara. 3 or 4 may be sent via facsimile or electronic mail through the internet. However, until the moment when the document is received in the manner described in subpara. 3 only actions requiring an urgent response should be performed on the basis of the contents of a message sent via facsimile, or electronic mail. No action should be performed when a facsimile, or electronic mail transfer has been damaged in such a way as to render its contents impossible to determine.
6. An appropriately certified copy of a document shall mean:
1/ for official documents: a copy certified officially or notarised, stating it is true to the original, and for documents containing information from the National Court Register – also a computer print-out which meets the requirements to consider its effect to be equivalent to that of documents issued by the Central Information of the National Court Register,
2/ for private documents: a notarised copy stating it conforms to the original, while for documents containing personal declarations by the entity submitting the copy of the document, a copy certified as being true to the original according to the corporate representation rules of that entity will also be required.
7. The declarations and information described in subpara. 3 and 4 shall be sent by KDPW_CCP to the address indicated in the documents submitted by the participant to KDPW_CCP. In the event that the declaration or information cannot be delivered to the participant at this address, this shall be understood to mean that on the day that KDPW_CCP has received information that such a delivery was not possible, all consequences pertaining to the delivery to the participant of the declaration or information by KDPW_CCP, have taken place.”;

4/ § 7 shall be replaced by the following:
“§ 7
Where performing an operation in the clearing system, including the clearing of a transaction, requires an amount expressed in a foreign currency to be converted to the Polish currency, or vice versa, such conversion shall be made on the basis of the market value of the foreign currency determined according to rules defined by the Management Board of KDPW_CCP in a resolution.”;

5/ § 8d shall be replaced by the following:
“§ 8d
1. The transaction clearing system organised by KDPW_CCP includes a Risk Committee acting as an opinion-making and advisory body to KDPW_CCP.
2. The terms and conditions of operation of the Risk Committee are set out in the Statute of KDPW_CCP and a resolution of the Supervisory Board of KDPW_CCP in a way which ensures the independence of the Risk Committee of direct impact of the Management Board of KDPW_CCP and other persons who actually manage the activity of KDPW_CCP including without limitation opinions given by the Risk Committee.
3. KDPW_CCP shall not be bound by the content of opinions of the Risk Committee.”;

6/ Chapter II “Participation” shall be replaced by the following:

“CHAPTER II
PARTICIPATION

§ 9
1. The following legal entities may become participants:
1/ investment firms,
2/ banks,
3/ foreign investment firms,
4/ legal entities other than those referred to in point 1-3, provided that they are eligible to become participants under applicable legal provisions referred to in § 17 subpara. 2, and according to the provisions of the rules its participation is aimed at co-operation with KDPW_CCP to the extent of activities performed in the clearing system,
5/ entities domiciled outside the Republic of Poland, which perform activities relating to the clearing of transactions executed as part of financial instrument trading, subject to the provisions of § 16, or
6/ companies managing a clearing house.

2. Eligible to become participants with the status of clearing member are only entities that are:
1/ holders of a depository account, or a securities account managed in a settlement institution relevant for the scope of transaction settlement covered within that status, or those entities with a settlement agent in that settlement institution, and
2/ holders of a cash account, in the relevant clearing bank, in the currency in which KDPW_CCP clears transactions and in which participation of such entity in transaction clearing performed by KDPW_CCP is envisaged, or a payment agent maintaining such an account in this bank, and where it plans to participate in clearing in EUR - also a cash account maintained in such currency in TARGET2, or a payment agent maintaining such an account in this system.

§ 10
The participation agreement shall define the scope of clearing member status held by the participant in the clearing system, in particular by specifying the type or types of status granted to the participant according to the classification contained in § 11 subpara. 1.

§ 11
1. The following types of participation status are admitted:
1/ general clearing member - representative in securities trading – where a participant holds the status of clearing member for all transactions involving securities, that are executed in the regulated market, alternative trading system or negotiated lending system by another entity, indicated by it according to the rules,
2/ individual clearing member – where a participant holds the status of clearing member for transactions executed by that participant in the regulated market, alternative trading system or negotiated lending system, on their own account, or the account of a client,
3/ general clearing member – representative in the derivatives market – where a participant holds the status of clearing member for transactions executed in the derivatives market by other entities, indicated by it according to the rules,
4/ non-clearing member – where a participant executes transactions in the regulated market, alternative trading system or negotiated lending system, while at the same time not holding the status of clearing member in any scope and is a client of a participant holding such status
and is authorised to require KDPW_CCP to perform the actions referred to in § 69a - § 69c, respectively.

2. The types of participation described in subpara. 1 points 1-3, shall be granted to an entity which is a financial institution referred to in § 9 subpara. 1, separately for each type of specific activity managed by it in the financial instruments market.

3. The types of activities in the financial instrument markets, described in subpara. 2, include:
   1/ brokerage activities consisting of the execution of purchase and sale orders involving financial instruments on behalf of clients,
   2/ custodian activities or brokerage activities consisting of the management of securities accounts, omnibus securities accounts or derivatives accounts, while at the same time not including the execution of purchase and sale orders involving financial instruments on behalf of clients,
   3/ activities consisting of the clearing of transactions executed in financial instruments trading,
   4/ other activities not described in points 1-3.

§ 12

1. Granting more than one entity the participation type of general clearing member – representative in securities trading, where the represented entity is to be the same participant, first requires the represented participant to indicate to KDPW_CCP which of the entities is to hold the status of principal clearing member in this respect. This indication may be changed, however, such a change will only be recognised by KDPW_CCP at the earliest on the second day after KDPW_CCP has been given notice of the change. The indication shall cease to be valid at the moment that the participation of the entity being indicated itself ceases within a given type of participation status, however, if this should still leave a situation with more than one entity with the participant status of general clearing member – representative in securities trading for the same participant, and the participant being represented prior to this date has not indicated a new representative, then KDPW_CCP shall cease the clearing of transactions executed by that participant, until the date following the date when this situation no longer exists, or when the participant being represented makes a new indication.

2. If a given participant is represented by at least two entities with the participation type of general clearing member – representative in securities trading, then the process of determining which of these entities holds the status of clearing member for specific transactions takes place according to the details of the documents sent to KDPW_CCP that for the basis for their clearing, and if it is not possible to determine this on the basis of these documents, then it shall be deemed that the entity with the status of primary clearing member, indicated according to the provisions of subpara. 1 shall be this clearing member.

3. If a given participant is to be, or already is, represented by another entity, which is to receive, or has already received the participation type of general clearing member – representative in securities trading within this scope, however, within various types of activities performed by this entity, determined according to the provisions of § 11 subpara. 3, then the provisions of subpara. 1 and 2 shall apply accordingly.
4. For transactions executed in securities trading by an entity that is not a participant or that is a participant described in § 11 subpara. 1 point 4, the status of clearing member may only be held by one participant with the participant type of general clearing member – representative in securities trading for that entity for one type of activity performed by that participant, determined according to the provisions of § 11 subpara. 3.

§ 13
1. A participant with the participation type of general clearing member – representative in the derivatives market shall hold the status of clearing member for transactions executed by entities indicated by that participant in a declaration submitted to KDPW_CCP.
2. The indication described in subpara. 1 may be changed, however, such a change only becomes recognised by KDPW_CCP at the earliest on the second day following the date of the submission to KDPW_CCP of a declaration in this matter by the participant.
3. Two or more participants with the participant type of general clearing member – representative in the derivatives market may indicate the same entity that executed transactions in the derivatives market in their declarations referred to in subpara. 1 provided that the represented entity also holds the status of clearing member for transactions executed by it. In that case, the represented entity shall be the participant holding the status of default participant for such transactions. The provisions of § 12 subpara. 2 shall apply accordingly.
4. As of the day of, respectively, the expiration or suspension of the participation of an entity represented, as per subpara. 3, by two or more participants with the participant type of general clearing member – representative in the derivatives market, KDPW_CCP shall discontinue the clearing of transactions executed by that entity if that entity continues to have multiple participants with the participant type of general clearing member – representative in the derivatives market.
5. Only one participant with the participant type of general clearing member – representative in the derivatives market for one type of activity performed by the participant, determined according to the provisions of § 11 subpara. 3, may hold the status of clearing member for transactions executed in the derivatives market by an entity that is not a participant, referred to in subpara. 3.

§ 14
1. Eligible as a participant with the participant type of non-clearing member shall only be an entity which has a relevant participant in the clearing system holding the participant type of general clearing member – representative in organised trading or general clearing member – representative in the derivatives market through which it participates in transaction clearing, subject to subpara. 1.
2. An entity with the participant type of non-clearing member shall act single-handedly in the cases referred to in § 69a - § 69c, and in matters concerning the submission of declarations and documents in matters relating to the extension, limitation or termination of participation, the application of disciplinary measures or safeguards, and as part of the update of documents submitted by a non-clearing member in order to conclude or amend a participation agreement.
3. An entity with the participant type of general clearing member – representative in securities trading or general clearing member – representative in the derivatives market that holds the status of clearing member (clearing entity) for specific transactions executed by another participant (cleared entity) shall be the only entity with credits or debits to KDPW_CCP in respect of the clearing of transactions executed by the cleared participant even if the cleared entity holds the status of clearing member. The cleared entity may act with respect to such transactions only through the clearing entity.

§ 15

1. A participant, which as part of the performance of a given type of activity, determined according to § 11 subpara. 3, has obtained the participation status of clearing member, shall be obliged, as applicable for that type of activity, type of transactions for which the status applies, and market on which they are to be executed, to:
   1/ make a contribution to the clearing guarantee fund,
   2/ submit a written declaration on admission to the relevant guarantee fund and make a contribution to this fund,
   2a/ make a contribution to the on-demand lending guarantee fund,
   3/ pay an initial deposit in the amount determined by the Management Board of KDPW_CCP in a resolution (minimum amount of initial deposit),
   3a/ pay an initial deposit for loans in the amount determined by the Management Board of KDPW_CCP in a resolution where the participant is a clearing counterparty to loans contracted in the negotiated lending system,
   4/ submit a written power of attorney for KDPW_CCP to:
      a/ close derivatives positions on the participant's account, for those positions where the participant holds the status of clearing member, in instances described in these rules,
      b/ receive and submit on its behalf declarations of will on matters concerning the transfer within the transaction clearing liquidity guarantee system of positions arising from transactions executed by an entity acting with the participation type of non-clearing member, represented by the participant in the clearing system, or executed on the account of such entity, together with the collateral of such positions posted as initial margin, and perform actions referred to in § 69a - § 69c in the cases described in the rules,
   5/ submit a written power of attorney for KDPW to execute securities sale and purchase orders on the account of the participant within the scope necessary to perform obligations arising from the clearing of transactions for which the participant holds the status of clearing member,
   6/ open a clearing account in the clearing system relevant for the given participation type,
   7/ deliver a declaration, according to the model set out by KDPW_CCP, where the participant commits to ensure the submission of transaction reports or which designates KDPW_CCP as the entity to submit transaction reports to the relevant trade repository where the obligation to submit transaction reports to a trade repository results from relevant regulations.

2. The obligations, described in subpara. 1 and in § 15a, will need to be realised before the participant, or the entity being represented by that entity in clearing, commences the execution of transactions of a given type in a specific market. The clearing member shall designate to
KDPW_CCP the date of commencing activity in the clearing system in the given scope at least two days in advance.

3. The power of attorney, described in subpara. 1 points 4 and 5, will need to contain a declaration of the participant to waive the right to cancel this authorisation, or to amend its scope in order to enable KDPW_CCP to perform its obligations, as described herein. These powers of attorney shall cease to be valid at the moment of the termination of the participation of the entity which issued them to the extent within which the entity holds the status of clearing member.

4. The power of attorney described in subpara. 1 point 4 item (b) shall include a declaration to the effect that every entity acting with the participation type of non-clearing member, represented by the participant in the clearing system, is authorised within the scope referred to in § 48a and § 69a - § 69c in cases described therein and that the participant has waived the right to cancel the authorisation granted to that entity or to amend its scope in order to enable KDPW_CCP to exercise the rights of such entity, as described in the rules.

5. The declaration described in subpara. 1 point 7 may be amended by the participant; however, any amendment shall be effective for KDPW_CCP no earlier than three days after its delivery to KDPW_CCP.

§ 15a

1. A participant seeking the status of clearing member for transactions made by another entity to which novation applies shall obtain, before opening client position accounts in which transactions concluded by such entity are to be registered, a written declaration of that entity according to a template defined by KDPW_CCP where the entity agrees that the participant may perform obligations arising from the clearing of transactions made by that entity and confirms that it has been informed that the types of transactions subject to clearing through novation are set out in the rules.

2. A participant seeking the status of clearing member shall confirm in writing in a declaration provided to KDPW_CCP, referred to in subpara. 1, that the declaration has been made by authorised representatives of the entity named therein.

3. KDPW_CCP shall accept declarations referred to in subpara. 1 and information of any modification or revocation thereof or any other events related thereto only from the participant, respectively, seeking or holding the status of clearing member for transactions concerned by such declarations.

4. A participant holding the status of clearing member shall cease to perform obligations arising from the clearing of transactions made by another entity upon the termination or amendment of the participation agreement to that extent.

5. The provisions of subpara. 1-4 shall apply also where a participant, respectively, seeks or holds the status of clearing member for transactions made by another participant.

§ 15b
Where the obligation to submit transaction reports derives from applicable legal regulations and a participant holding the status of clearing member intends to represent in clearing another entity which executes transactions, the participant shall be obliged to:
1/ notify that entity of the submission of reports of transactions executed by that entity by KDPW_CCP to a trade repository – where the participant has designed KDPW_CCP as the entity to submit such transaction reports to a trade repository,
2/ ensure that the entity does not duplicate the performance of the obligation of submitting transaction reports.

§ 15c
A participant holding the status of clearing member who intends to post, as margins or contributions to the clearing guarantee fund or the relevant guarantee fund, securities referred to in § 47 subpara. 3 point 4, shall be obliged to:
1/ hold a relevant securities account managed in the relevant depository system for such securities as indicated by the Management Board of KDPW_CCP in a resolution, or have a collateral agent in such system, and furthermore
2/ if the Management Board of KDPW_CCP has specified in a resolution other actions which should be performed in accordance with the applicable legal provisions referred to in § 71 subpara. 2 point 1 in order to establish collateral on such securities and to ensure that such collateral is effective for third parties and to enforce it in cases referred to in the rules – perform such actions.

§ 16
Institutions domiciled abroad, which perform activities relating to the clearing of securities transactions, which are not subject to supervision by the appropriate body supervising financial institutions in European Union member countries, European Economic Area agreement signatory countries, or OECD member countries, may also become participants of the Central Securities Depository of Poland, on condition that they obtain the consent of the Polish Financial Supervision Authority. The provisions of the rules shall apply in matters arising from the participation of such institutions, provided that the participation agreement concluded with the particular institution does not contain any special provisions.

§ 17
1. Any civil disputes arising from proprietary interests connected with participation, including connected with transactions arising as a result of novation, arising between participants, or between a participant and KDPW_CCP, shall be submitted to arbitration by the common court of law with jurisdiction over the seat of KDPW_CCP.
2. Relationships between KDPW_CCP and participants under participation agreements shall be governed by the laws of the Republic of Poland, subject to § 71 subpara. 2 point 1 as well as § 4a subpara. 1 of the clearing guarantee system rules and § 4a subpara. 1 of the relevant guarantee fund rules.
§ 18
1. An entity that intends to obtain participation submits a declaration on the intention to conclude a participation agreement in the form of an application sent to KDPW_CCP.
2. The participation agreement shall be concluded two weeks after the date of the submission of the relevant application, described in subpara. 1, to KDPW_CCP if the entity seeking to conclude the agreement fulfils the participation requirements specified by the law and by these rules, and the application and supplementary appended documentation meet the formal requirements specified herein.
3. In circumstances where the submitted application, or documents appended to it require completion, or amendment, the deadline described in subpara. 2 shall start on the day on which the entity seeking to conclude a participation agreement performed the relevant completion or amendment. In such cases, KDPW_CCP shall prepare information about the scope of the necessary completion or amendments within two weeks of the day of receipt of the application, and shall without delay send this information to the entity applying for participation.
3a. If an entity that intends to obtain participation does not fulfil the terms and conditions of participation specified by the law and by the rules, KDPW_CCP shall, within the time limit referred to in subpara. 2 and 3, adopt a resolution refusing participation. Such resolution shall require justification. A resolution refusing participation may be appealed against to the Supervisory Board of KDPW_CCP. The Supervisory Board of KDPW_CCP shall review an appeal within 2 weeks from submission.
4. The provisions of subpara. 1 – 3a shall apply accordingly to amendments to participation agreements.

§ 19
Applications for a participation agreement should contain the following:
1/an indication of the activities the applicant intends to perform as participant within the clearing system, described in § 1 subpara. 1, and the type or types of participant status being applied for as part of the performance of these activities, and in addition, if the participation type general clearing member – representative in securities trading has been selected, to indicate as appropriate the participant or the entity that is not a participant, for whom the applicant intends to act in that type of participation status,
2/an indication of the entity or entities that will perform the activities of representative for the applicant in clearing, if the applicant is seeking to obtain the participation type of non-clearing member,
3/a declaration that the applicant meets the financial conditions, described in § 23 subpara. 2 and that the applicant is familiar with the principles of sending and receiving declarations and information prepared in electronic form, used in relations between KDPW_CCP and its participants, which are available on the KDPW_CCP website, and that the applicant has understood the terms and conditions which need to be met by participants in accordance with the principles of § 23 subpara. 3, if the applicant is seeking to obtain the participation status of clearing member,
4/ an indication of the type of transactions for which the applicant is seeking to obtain participation status, and the market on which they will be executed.

§ 20

1. The application for a participant agreement shall in addition include:

1/ a copy of the company statute, or articles of association and a valid copy or excerpts from the relevant company register,

2/ a copy of their brokerage licence or licences to conduct other activities related to trading in or registration of financial instruments, that entitle the performance of activities which the applicant intends to perform as part of participation, if such licences are required by the relevant legal regulations, while for foreign investment companies conducting brokerage activities on the territory of the Republic of Poland – an additional declaration showing that conditions have arisen to allow them to begin performing brokerage activities in the territory of the Republic of Poland, defined in Article 117(3), second sentence, of the Law on trading in financial instruments, or a document from the Polish Financial Supervision Authority (KNF), or a department of the Polish Financial Supervision Authority, confirming that the Authority has received from the appropriate foreign supervisory body notification on the intention to begin performing brokerage activities in the Republic of Poland by that foreign investment company, indicating the date when this notification was received,

3/ cards with specimen signatures of the applicant's authorised representatives, as well as copies of power of attorney documents in instances where the right to represent the applicant by those persons submitting a specimen signature on the specimen signature card does not derive from the documents specified in point 1,

4/ a declaration relating to the submission of disputes referred to in § 17 subpara. 1 to the jurisdiction of the common court of law with jurisdiction over the seat of KDPW_CCP,

5/ an information card containing the address for deliveries and, for an entity that seeks the participation type of non-clearing member, also the number of the bank account of the entity in the currency in which transaction clearing is performed, as well as a list of staff authorised by the applicant to contact KDPW_CCP that includes their positions, telephone/facsimile numbers as well as email addresses,


2. Subject to subpara. 4, if the application relates to the type of participation related to the status of clearing member, the applicant shall in addition to the documents described in subpara. 1, also submit the following:

1/ a list of staff employed in posts involving transaction clearing, that includes their positions, telephone/facsimile numbers as well as email addresses,
2/ a declaration providing the identifier of the applicant in the relevant settlement institution, or indicating an entity that will perform the role of settlement agent for the applicant and the identifier of that entity in the relevant settlement institution,

3/ a declaration indicating the number of the bank account of the applicant, managed in the relevant clearing bank in the given currency in which KDPW_CCP clears transactions and in which the applicant intends to participate in clearing, or indicating the entity that will perform the role of payment agent for the applicant and the number of the bank account managed for it in the clearing bank and where the applicant plans to participate in clearing in EUR - also the number of the cash account managed for the applicant in TARGET2 or indicating the entity that will perform the function of payment agent for the applicant and the number of the cash account maintained for it in this system,

4/ declarations by the entities indicated by the applicant, in accordance with the provisions of points 2 and 3, that intend to perform the functions of settlement agent, or payment agent, providing their consent to perform these functions for the applicant,

5/ if the applicant submits the application:
   a/ after the end of the period in which financial statements for a given period should be audited according to applicable legal regulations concerning the applicant – the audited financial statements for the period together with the auditor’s opinion and report, and where such statements are not required to be audited according to the legal provisions applicable in the state of seat of the applicant or where a seat is not required to be established, then its head office – approved or authorised by the competent authority,
   b/ on the lapse of six months after the end of the last six months of a financial year or the start of business – interim financial statements for the period.

6/ if the applicant intends to post securities referred to in § 47 subpara. 3 point 4 as margins or contributions to the clearing guarantee fund or the relevant guarantee fund:
   a/ a declaration indicating the number of the securities account managed for the applicant in the relevant depository system for such securities, indicated by KDPW_CCP, or indicating an entity that will perform the function of collateral agent in such system and the number of the relevant securities account managed for such entity in such system,
   b/ a declaration of the entity indicated by the applicant according to item (a) that will perform the function of collateral agent, wherein it agrees to perform such function for the applicant, unless a separate agreement between KDPW_CCP and the entity or the Central Securities Depository of Poland confirms that it performs such function for the applicant,

7/ if according to the relevant legal provisions applicable in the state of seat of the applicant or where a seat is not required to be established, then its head office, CRR does not apply to its activity:
   a/ a declaration of the applicant indicating the elements referred to in § 24 subpara. 3 and § 25 subpara. 2 and 3, which it considers eligible according to those provisions for the calculation of Tier I capital and funds considered equivalent to Tier I capital within the meaning of CRR, where such declaration should be authenticated by a person authorised as an auditor in a European Union Member State or a third country and subject to public supervision,
disciplinary system and quality assurance system in such state, considered equivalent to the requirements laid down in the provisions referred to in § 17 subpara. 2,
b/ a list of financial information referred to in § 28 subpara. 3, to the extent defined according to subpara. 2, which the participant is required to provide to the competent authorities which supervise its operation and the time limits within which it is required to provide such information to such authorities and where there is no such requirement – a declaration to the effect that it is not required to provide specific data to such authorities according to the applicable legal provisions binding such participant.

3. If an applicant seeking the status of clearing member has provided the financial information referred to in § 28 subpara. 2 and 3 to the competent authorities which supervise its operation, according to the applicable regulations binding it, it shall also attach to the application such information prepared for the last period of activity preceding the date of submission of the application described in subpara. 2 point 5 item (a) or (b), respectively. Subject to subpara. 4, the applicant shall provide the financial information referred to in the preceding sentence prepared on a separate basis and where the relevant legal provisions applicable in the state of its seat or, where a seat is not required to be established, its head office require it to prepare and provide such information to the competent authorities which supervise its operation on a consolidated basis – then in addition it shall provide such information prepared on such basis.

4. If according to the applicable provisions of CRR the competent authorities which supervise the operation of the applicant have waived the precautionary requirements on an individual basis, and as a result it is not required to provide such authorities with the financial information referred to in § 28 subpara. 2 and 3 prepared on a separate basis, it shall attach to the application a copy of the official document which confirms that the precautionary requirements have been waived on such basis. In that case, the applicant shall attach financial information provided on a consolidated basis to the competent authorities which exercise consolidated supervision over the applicant unless the applicable legal provisions do not require it to provide such information to such authorities, as confirmed by a copy of the official document attached by the applicant to the application.

5. If an application concerns the type of participation referred to in § 11 subpara. 1 point 3 and the applicant has indicated a settlement agent, it shall include with the application a written power of attorney granted to KDPW_CCP by the agent to request a settlement institution to open relevant accounts in the system operated by the settlement institution if KDPW_CCP opens clearing accounts for the applicant in the clearing system referred to in § 1 subpara. 1 in order to register positions arising from transactions executed in the derivatives market. The power of attorney shall include a declaration to the effect that the settlement agent waives the right to cancel this authorisation or to amend its scope in order to enable KDPW_CCP to exercise its rights, as described in the rules.

6. If the applicant is a participant of a separate clearing system managed by KDPW_CCP for transactions concluded in non-organised trading and while seeking participation in such system it has provided the documents referred to in subpara. 1 point 1-3, subpara. 2 point 1-3, point 5, point 6 item (a), point 7 and subpara. 3-4, instead of such documents it may provide a declaration confirming their application to participation in the clearing system referred to in §
subpara. 1, unless they have been amended and KDPW_CCP has not yet been notified thereof.

7. After conclusion of a participation agreement, the declarations referred to in subpara. 2 point 2, 3 and 4 may be amended; however, such amendment shall become effective for KDPW_CCP no earlier than two days after the date of submission of the relevant declaration by the participant to KDPW_CCP.

§ 21
Rights arising from the participation agreement, which involve the participation types related to the status of clearing member, may only be transferred with the consent of KDPW_CCP to another participant holding this status.

§ 22
1. The Management Board of KDPW_CCP may require at any time that a participant provide information necessary to assess whether or not it meets the requirements of participation.
2. Participants shall be obliged to notify KDPW_CCP immediately of changes to the information described in § 20 subpara. 1-3.
3. Participants shall be obliged to notify KDPW_CCP promptly of any circumstances arising on their part which give rise to the occurrence of an event of default or justified suspicion of its occurrence, no later than within 24 hours after the occurrence of such circumstances, and of any other events which may adversely affect their performance of obligations arising from participation within the same time limit, unless the rules designate a different time limit.

§ 23
1. Participants with the status of clearing member shall meet the appropriate material, technical and financial requirements.
2. Meeting the appropriate financial requirements shall mean that the participant maintains the adequate level of Tier I capital and meets the precautionary requirements referred to in the provisions of § 24 and § 25.
3. Meeting the appropriate material and technical requirements shall mean the participant maintaining technical and technological equipment, which ensures the participant is able to connect with the IT system of KDPW_CCP used to manage the clearing system, as described in § 1, ensuring that documents can be safely sent to and received from that system in electronic form.

§ 24
1. The level of Tier I capital held by a participant holding the status of clearing member may not be lower than:
1/ for participants holding this status for the participant type of general clearing member – representative in securities trading and general clearing member – representative on the derivatives market:
- the amount of PLN 50 million and the sum of PLN 5 million for each entity represented by the clearing member in any scope for the clearing of transactions performed by KDPW_CCP – for banks, credit institutions, and foreign banks within the meaning of the Banking Law of 29 August 1997,
- the amount of PLN 15 million and the sum of PLN 2 million for each entity represented by the clearing member in any scope for the clearing of transactions performed by KDPW_CCP – for brokerage houses, foreign investment firms, and foreign legal entities referred to in Art. 115 subpara. 1 of the Law on trading in financial instruments,
– PLN 100 million for a company operating a clearing house, and an entity with a seat outside the territory of the Republic of Poland performing tasks in the scope of clearing transactions made in financial instruments trading;
2/ for participants holding this status exclusively for the participant type of individual clearing member:
– PLN 25 million for banks, credit institutions, and foreign banks within the meaning of the Banking Law of 29 August 1997,
– PLN 4 million for brokerage houses, foreign investment firms, and foreign legal entities referred to in Art. 115 subpara. 1 of the Law on trading in financial instruments.
2. Tier I capital shall be understood to mean Tier I capital within the meaning of CRR, which is determined and calculated according to CRR, subject to subpara. 3.
3. If according to the relevant legal provisions applicable in the state of seat of the participant or where a seat is not required to be established, then its head office, CRR does not apply to its activity, Tier I capital shall be understood to mean capital which the participant may use without limitation and without delay to cover risk or losses as soon as they arise, which is equivalent to Tier I capital within the meaning of CRR.
4. Tier I capital which is equivalent to Tier I capital within the meaning of CRR shall be understood to mean capital which is determined and calculated according to the requirements defined in the relevant regulations applicable to the participant considered by the competent authority authorised to exercise supervision in the supervisory system operating in a given European Union Member State to be at least as restrictive as the rules laid down in CRR or Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Official Journal of the European Union L from 2013, 176, p. 338) and which meets such rules.

§ 25
1. A participant holding the status of clearing member shall be obliged to meet the prudential requirements laid down in CRR and in particular requirements for own funds within the meaning of CRR as well as individual measures complementing such requirements which have been applied to it by the competent supervisory authority which supervises its operation according to CRR as well as other relevant legal provisions applicable in the state of seat of the
participant or where a seat is not required to be established, then its head office, subject to subpara. 2.

2. If according to the relevant legal provisions applicable in the state of seat of the participant or where a seat is not required to be established, then its head office, CRR does not apply to its activity, it shall be obliged to meet requirements equivalent to the prudential requirements laid down in CRR and in particular requirements for funds equivalent to own funds within the meaning of CRR as well as individual measures complementing such requirements which have been applied to it by the competent supervisory authority which supervises its operation according to the relevant legal provisions.

3. Requirements equivalent to the prudential requirements laid down in CRR, referred to in subpara. 2, shall be understood to mean requirements considered by the competent authority authorised to exercise supervision in the supervisory system operating in a given European Union Member State to be at least as restrictive as the rules laid down in CRR or Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Official Journal of the European Union L from 2013, 176, p. 338) and which meet such rules.

4. Funds equivalent to own funds within the meaning of CRR shall be understood to mean funds which are determined and calculated according to the requirements defined in the relevant regulations applicable to the participant considered by the competent authority authorised to exercise supervision in the supervisory system operating in a given European Union Member State to be at least as restrictive as the rules laid down in CRR or Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Official Journal of the European Union L from 2013, 176, p. 338) and which meet such rules.

§ 26
[repealed]

§ 27
If a participant no longer fulfils the requirements referred to in § 24 or § 25, it shall be obliged to notify KDPW_CCP of this in writing within two days indicating the reasons for the non-compliance as well as steps taken to remedy it.

§ 28
1. Participants holding the status of clearing member shall be obliged to provide KDPW_CCP with the following:
1/ an audited annual financial statement along with an auditor's opinion and report – within no more than 15 days after the auditor’s report is completed, and where the annual financial statement is not required to be audited according to the legal provisions applicable in the state
of seat of the participant or where a seat is not required to be established, then its head office – within no more than 15 days after it is approved or authorised by the competent authority,

2/ half-yearly financial statements, if according to the relevant legal provisions applicable in the state of seat of the participant or where a seat is not required to be established, then its head office, it is required to provide the competent authorities which supervise its operation with such statements – within the time limit in which such information should be provided to such competent authorities,

3/ financial information containing data on levels of Tier I capital and other requirements referred to in § 24 and § 24 being maintained by it, which the participant is obliged to provide to the competent supervisory authorities which supervise its operation, prepared according to the applicable legal regulations– within the time limit in which such information should be provided to such competent authorities to the extent defined in subpara. 2, subject to subpara. 3.

2. The Management Board of KDPW_CCP shall define in a resolution the scope of data contained in the financial information referred to in subpara. 1 point 3, provided to the competent authorities authorised to exercise supervision over clearing members in the supervisory system operating in the European Union Member States as necessary for KDPW_CCP to assess the compliance of such participants with the financial conditions referred to in § 23 subpara. 2.

3. If according to the relevant legal provisions applicable in the state of seat of the participant or where a seat is not required to be established, then its head office, the participant is not required to provide the financial information referred to in subpara. 1 point 3, to the extent defined in subpara. 2, to the competent authorities which supervise its operation, it shall be obliged to provide such information to KDPW_CCP within the time limit in which such information should be provided to the competent authorities authorised to exercise supervision in the supervisory system operating in the European Union Member States according to Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (Official Journal of the European Union L 191 from 2014, p. 1). If the competent supervisory authority of the participant has waived, according to the applicable provisions of CRR, the application of specific prudential requirements for such participant or such requirements do not apply to such participant according to the provisions of CRR, the obligation referred to in the preceding sentence shall not apply to the extent derived from such waiver or such legal provisions, respectively.

4. Subject to subpara. 5, the financial information referred to in subpara. 1 shall be prepared and provided on a separate basis and where the relevant legal provisions applicable in the state of seat of the participant holding the status of clearing member or, where a seat is not required to be established, its head office require it to prepare and provide such information to the competent authorities which supervise its operation on a consolidated basis – then in addition it shall be prepared and provided on such basis.
5. If according to the applicable provisions of CRR the competent authorities which supervise the operation of the participant have waived the precautionary requirements on an individual basis, and as a result it is not required to provide such authorities with specific financial information prepared on a separate basis, it shall be obliged to provide KDPW_CCP immediately with a copy of the official document which confirms that the precautionary requirements have been waived on such basis. In that case, the participant shall provide KDPW_CCP with financial information provided on a consolidated basis to the competent authorities which exercise consolidated supervision over the participant.

6. The documents referred to in subpara. 1 which have not been prepared in the original in the Polish language or in the English language, according to the legal provisions applicable to the participant, shall be delivered translated into the Polish language or the English language. The translation shall be certified as corresponding to the original document by persons authorised to represent the participant.

7. The documents described in subpara. 1 points 2 and 3 may be sent in electronic form.

§ 29
Participants that hold the status of clearing member as part of their activity pursued as a branch shall be obliged to provide KDPW_CCP with additional financial information referred to in § 28 subpara. 1 to the extent of activities of such branch, provided that according to the relevant legal provisions applicable in the state of seat of the participant or where a seat is not required to be established, then its head office, the participant is required to prepare such information – within time limits in which such information should be provided to the competent authorities which supervise its operation or the operation of its branch according to such applicable legal provisions. The provisions of § 28 subpara. 2, 3, 6 and 7 shall apply accordingly.

§ 30
If according to the relevant legal provisions applicable in the state of seat of the participant holding the status of clearing member or where a seat is not required to be established, then its head office, CRR does not apply to its activity, the Management Board of KDPW_CCP may require the clearing member, in a resolution, to provide KDPW_CCP, within the time limit set in the resolution, with an official document defined in the resolution which confirms that the requirements applied to it, which are equivalent to the prudential requirements laid down in CRR, are considered by the competent authority authorised to exercise supervision in the supervisory system operating in a given European Union Member State to be at least as restrictive as the rules laid down in CRR or Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and that they meet such rules.

§ 31
The Management Board of KDPW_CCP may, by way of resolution, order a participant holding clearing member status to provide, at specified times and over specific periods of time, additional information specified in such resolution concerning the participant's compliance with the requirements referred to in § 24 or § 25 according to the applicable legal provisions where there is a well-founded justification that the activities being carried out by that participant threaten or are likely to threaten the safety of trading.

§ 32
1. Participants holding the status of clearing member shall be obliged at least once every calendar year to take part in tests as part of the System for Maintaining Business Continuity, organised by KDPW_CCP.
2. The System for Maintaining Business Continuity shall mean technical and organisational processes used in order to maintain operational continuity, or the fastest possible replication of the key business processes performed by the clearing system, in the event that these are disrupted as a result of the inability to use the standard IT processing systems operated by KDPW_CCP, or as a result of the sites where these systems are located being unavailable for processing.
3. KDPW_CCP shall inform participants with the status of clearing member of the date or dates of the tests of the System for Maintaining Business Continuity in a given calendar year, with at least one month's advance notice.

§ 32a
1. KDPW_CCP shall perform regular tests of the key aspects of procedures in the event of default in respect of obligations arising from transactions accepted for clearing in the clearing system or arising from participation in the system. Participants holding the status of clearing member shall be obliged to participate in such tests.
2. KDPW_CCP shall inform participants holding the status of clearing member of the date or dates of the tests described in subpara. 1 performed in a given calendar year, with at least one month’s advance notice. 3. The Management Board of KDPW_CCP may at any time request participants holding the status of clearing member to provide information concerning such participants’ access to relevant solutions enabling them to respond to cases of default in respect of the obligations referred to in subpara. 1.”;

7/ § 33 point 8 shall be replaced by the following:
“8/ submit derivatives transaction reports to the relevant trade repository if a participant holding the status of clearing member has indicated, according to the rules and a resolution of the Management Board of KDPW_CCP referred to in § 42a subpara. 5 adopted under the rules, KDPW_CCP as the entity to submit such reports.”;

8/ § 34 subpara. 1 shall be replaced by the following:
"1. Subject to the provisions of subpara. 3, KDPW_CCP shall perform the clearing of transactions in a given currency if the entity which executed the transaction:
1/ is a participant holding the status of clearing member and has carried out the respective obligations described in § 15 subpara. 1, or

2/ is a participant not holding the status of clearing member if within the scope of this transaction the status is held by another participant which has carried out the respective obligations described in § 15 subpara. 1, or

3/ is not a participant, if within the scope of this transaction the status of clearing member is held by another participant which has carried out the obligations described in § 15 subpara. 1.”;

9/ § 37b subpara. 1 shall be replaced by the following:
“1. Cash netting shall cover cash debits and credits of a participant holding the status of clearing member in a given currency of clearing, arising from all transactions accepted for clearing to be settled on the same date.”;

10/ § 37c subpara. 3 shall be replaced by the following:
“3. As a result of performed aggregate non-cash clearing, KDPW_CCP shall issue a settlement instruction to settle the transactions so cleared by indicating aggregate credits and debits arising from such transactions separately where the participant acts as the buyer and as the seller.”;

11/ in § 38, subpara. 4 shall be added as follows:
“4. The document referred to in subpara. 1 shall be a settlement order within the meaning of the Law on the finality of settlement in payment systems and securities settlement systems and on the terms of supervision over such systems of 24 August 2001.”;

12/ § 40 subpara. 2 shall be replaced by the following:
“2. A participant holding the status of clearing member may indicate another relevant settlement institution, than the one determined according to the principles described in subpara. 1, for transactions covered by this status, executed by that participant or by an entity represented by that participant in clearing performed by KDPW_CCP, provided that KDPW_CCP is a participant of the settlement institution authorised to submit settlement instructions referred to in § 33 subpara. 4. For transactions executed in markets operating in the territory of the Republic of Poland, such an indication will require the participant to submit a declaration confirming the notification of the Polish Financial Supervision Authority of the intention to assign the settlement of the transactions to a settlement institution indicated by the participant and the expiry of the deadline for opposition by the Polish Financial Supervision Authority.”;

13/ § 41 shall be replaced by the following:
“§ 41
1. The settlement instructions, described in § 33 point 4, shall be sent by KDPW_CCP to the relevant settlement institution within the proper deadline to enable the settlement processing
of the transaction on the day on which the settlement should take place in accordance with the rules of such institution.

1. The settlement instructions, described in § 33 point 4, shall be sent by KDPW_CCP to the relevant settlement institution within the proper deadline to enable the settlement processing of the transaction on which the settlement should take place in accordance with the rules of that system.

2. In instances where the relevant settlement institution is the Central Securities Depository of Poland, KDPW_CCP shall send the settlement instructions, described in § 33 point 4:
   1/ in instances of the settlement of transactions executed in the regulated market, or alternative trading system, for settlement in the multibatch system, on the first settlement session on which on the day, described in subpara. 1, settlement is processed for transactions executed in the regulated market or the alternative trading system,
   2/ in instances of the settlement of on-demand loans concluded in the negotiated lending system – immediately for settlement in the multibatch system, on the settlement session on which on the day, described in subpara. 1 in the document described in § 38 subpara. 1, settlement is processed for such loans.

3. KDPW_CCP shall send settlement instructions referred to in § 33 subpara. 4 in such a way that the Central Securities Depository of Poland can settle such transactions on the side of KDPW_CCP (as a settlement counterparty) using the partial transaction settlement mechanism within the meaning of the Rules of the Central Securities Depository of Poland referred to in Art. 50 of the Law on trading in financial instruments, unless KDPW_CCP decides otherwise in the instruction due to an event of default of the participant which is a clearing counterparty of the transaction concerned by the sent settlement instruction in connection with the rules of operation of the system managed by the Central Securities Depository of Poland or for other reasons justified by proper operation of the clearing system referred to in § 1 subpara. 1.

4. Immediately upon the settlement of a transaction performed by the relevant settlement institution on the basis of a settlement instruction sent by KDPW_CCP and on transaction settlement suspension by such institution, KDPW_CCP shall register the outcome of such settlement or suspension in clearing accounts."

14/ after § 41, § 41a shall be added as follows:

   “§ 41a

   1. Cash payments in respect of participation in the clearing system in a given currency which are not executed according to an instruction sent to the relevant settlement institution shall be executed in the cash account indicated according to § 20 subpara. 2 point 3 managed in the clearing bank or in TARGET 2 respectively.

   2. If payments referred to in subpara. 1 are executed in EUR in TARGET2, KDPW_CCP shall submit settlement instructions in TARGET2 on the basis of an agreement concluded by KDPW_CCP or the Central Securities Depository of Poland, respectively, and the National Bank of Poland.”;

15/ § 42a subpara. 1 shall be replaced by the following:
“1. If KDPW_CCP is responsible for the submission of transaction reports to a trade repository, such reports shall be submitted without limitation as a result of the registration of positions in clearing accounts, as well as their deletion in such accounts. KDPW_CCP shall submit transaction reports within the scope arising from documents specifying the terms and conditions of transactions, referred to in § 38 subpara. 1, actions taken in the clearing system, as well as information received from the participant, referred to in subpara. 2, taking into account the definition of accounts in the clearing system.”;

16/ after § 42a, the heading: “Section Ia “Transfers on Demand of Participants Holding the Status of Clearing Member”” and § 42b - § 42c shall be added as follows:

“§ 42b
1. Subject to subpara. 2 – 3 and subpara. 10, a participant holding the status of clearing member may request:
1/ the transfer of positions arising from transactions concluded on the derivatives market, registered in the clearing account indicated by it, to the clearing account managed for another clearing member (“transfer of positions”), or
2/ the transfer of all positions registered in the clearing account indicated by it together with assets deposited as initial margin for such positions, registered in the collateral account assigned to the clearing account, to the clearing account or the collateral account linked to it, respectively, managed for another clearing member (“transfer of positions and collateral”).
2. A transfer of positions and a transfer of positions and collateral may only take place on the basis of matching instructions delivered, in form and in content as defined by the Management Board of KDPW_CCP in a resolution, by:
1/ the participant holding the status of clearing member in whose accounts such positions are registered, and
2/ the participant which acquires the status of clearing member for such positions.
3. The submission of an instruction by the participant referred to in subpara. 2 point 2 shall be tantamount with that participant’ consent for the performance of all liabilities related to the clearing of transactions arising from the positions referred to in subpara. 1, subject to subpara. 8.
4. A transfer of positions and collateral may take place if the clearing accounts indicated in the instructions referred to in subpara. 2 are marked with the same client identification number.
5. At the instant that KDPW_CCP registers a transfer of positions or a transfer of positions and collateral, respectively, in the account system:
1/ the participant referred to in subpara. 2 point 1 shall cease to have credits or debits, respectively, towards the entities referred to in § 43c subpara. 3,
2/ the participant which acquires the status of clearing member for the positions referred to in subpara. 1 point 1 or 2, respectively, shall have credits or debits, respectively, towards the entities referred to in § 43c subpara. 3,
3/ KDPW_CCP shall cease to have credits or debits, respectively, towards the participant referred to in subpara. 1 point 1 and shall have credits or debits, respectively, towards the participant which acquires the status of clearing member for the positions referred to in subpara. 1 point 1 or 2, respectively.

6. A transfer of positions and a transfer of positions and collateral shall require the consent of KDPW_CCP acting on its own behalf and on the basis of a power of attorney referred to in subpara. 12. Such consent shall be granted on the condition precedent whereby each of the participants referred to in subpara. 2 fulfils the requirements set out in subpara. 10 point 4. A declaration of will granting such conditional consent shall be provided by KDPW_CCP to the participant referred to in subpara. 2 point 2 together with confirmation that the submitted instructions referred to in subpara. 2 match.

7. At the instant of the submission of the declaration of will referred to in subpara. 7, KDPW_CCP acting on its own behalf and on the basis of a power of attorney referred to in subpara. 12 and the participant referred to in subpara. 2 point 2 enter into an agreement concerning the transfer of rights and obligations to the extent of:
   1/ for a transfer of positions – the positions referred to in subpara. 1 point 1, or
   2/ for a transfer of positions and collateral – the positions and assets referred to in subpara. 1 point 2.

8. The participant referred to in subpara. 1 point 1 and 2, respectively, shall provide the instruction referred to in subpara. 2 after it has ascertained that it has executed the relevant legal transactions as necessary for an effective transfer of:
   1/ for a transfer of positions – the positions referred to in subpara. 1 point 1,
   2/ for a transfer of positions and collateral – the positions and assets referred to in subpara. 1 point 2.

By providing such instruction, the participant shall confirm that such legal transactions have been executed.

9. KDPW_CCP shall:
   1/ execute the instructions entered into the clearing system within the time limit set by the Management Board of KDPW_CCP in a resolution,
   2/ check that the content of the instructions referred to in subpara. 2 matches within the time limit set by the Management Board of KDPW_CCP in a resolution.

10. KDPW_CCP may refuse to execute a transfer of positions or a transfer of positions and collateral, respectively, where:
    1/ it has identified an event of default on the part of either of the participants referred to in subpara. 2, or
    2/ prior to concluding that the instructions referred to in subpara. 2 match, a relevant instruction has been sent to the clearing bank or to the relevant payment system, including a system which is a part of TARGET 2, to clear cash for positions and assets being transferred and it cannot be effectively recalled from such system, or
    3/ prior to concluding that the instructions referred to in subpara. 2 match, a transaction settlement instruction has been sent to the relevant settlement institution for the positions being transferred, or
4/ as a result of their execution, the balance of liabilities of either participant submitting the instructions referred to in subpara. 2 would exceed the transaction limit.

11. At the instant of a transfer of positions and collateral in the system:
1/ claims for the return of financial collateral established by the participant referred to in subpara. 2 point 1 as an initial margin in assets referred to in subpara. 1 point 2 shall expire,
2/ financial collateral shall be established by the participant referred to in subpara. 2 point 2 as an initial margin in assets referred to in subpara. 1 point 2,
3/ KDPW_CCP shall provide the participant referred to in subpara. 2 point 2, on the terms defined in the rules, with revenue earned as of such time from the management of such cash assets which constitute the initial margin as well as entitlements from securities posted as such initial margin where the attached rights have been recorded until such time.

12. KDPW_CCP shall execute a transfer of positions or a transfer of positions and collateral, respectively, provided that the participants referred to in subpara. 2 prior to such transfer granted to it irrevocable powers of attorney under which it is authorised to receive on behalf of each of the participants declarations of will in matters concerning the conclusion of agreements concerning transfer of rights and obligations towards KDPW_CCP for positions or assets concerned by such instructions in this procedure.

§ 42c

1. Subject to subpara. 2 and subpara. 6, a participant holding the status of clearing member may request the transfer of positions registered in the clearing account indicated by it to another clearing account managed for it ("transfer in participant accounts")
2. A transfer in participant accounts may only take place on the basis of an instruction delivered, in form and in content as defined by the Management Board of KDPW_CCP in a resolution, by the participant holding the status of clearing member in whose accounts the transfer is to be executed.
3. KDPW_CCP shall execute a transfer in participant accounts within the time limit set by the Management Board of KDPW_CCP in a resolution.
4. The participant holding the status of clearing member shall provide the instruction referred to in subpara. 2 after it has ascertained that it has executed the relevant legal transactions as necessary for an effective transfer of the positions referred to in subpara. 1 to an own position account managed for it.
5. By providing the instruction referred to in subpara. 2, the participant holding the status of clearing member shall confirm that:
1/ it is authorised to make a transfer in own accounts,
2/ the transactions referred to in subpara. 4 have been executed.
6. KDPW_CCP shall not execute a transfer in participant accounts where:
1/ it has identified an event of default on the part of the participant submitting the instruction referred to in subpara. 2, or
2/ the balance of liabilities of the participant submitting the instruction referred to in subpara. 2 exceeds its transaction limit.
7. If the positions being transferred, referred to in subpara. 1, have been registered in the
clearing system for transactions concluded by a non-clearing member, KDPW_CCP shall no longer be obliged towards the participant holding the status of clearing member to perform the actions referred to in § 69a - § 69c.”;

17/ § 43 shall be replaced by the following:

“§ 43

1. To perform a transfer of positions or a transfer of positions and collateral or a transfer in participant accounts, respectively, KDPW_CCP shall, immediately after concluding that the instructions referred to in § 42b subpara. 2 match or receiving an instruction referred to in § 42c subpara. 2, send to the relevant settlement institution an instruction to transfer the relevant positions registered in accounts managed in the settlement institution:
1/ for a transfer of positions or a transfer of positions and collateral – for the participants or for their settlement agents;
2/ for a transfer in participant accounts - for that same participant holding the status of clearing member, or for the same settlement agent.

2. The transfer of positions shall be registered in KDPW_CCP at the instant that confirmation is received of the transfer in the relevant settlement institution. At the instant of its registration, the transfer shall take effect, including the transfer of the status of clearing member for positions or assets which secure such positions being transferred.

3. Instructions referred to § 42b subpara. 2 may be cancelled:
1/ before they are found to match – by the participant who sent the instruction to KDPW_CCP, at any time,
2/ after they are found to match – only on the basis of matching declarations of participants who sent the instructions, delivered to KDPW_CCP before the time set by the Management Board of KDPW_CCP in a resolution.

4. An instruction referred to in § 42c subpara. 2 may be cancelled by the participant who sent the instruction to KDPW_CCP before the time set by the Management Board of KDPW_CCP in a resolution.”;

18/ § 43a shall be replaced by the following:

“§ 43a

1. Subject to subpara. 2, novation shall apply to transactions made:
1/ on the regulated exchange market organised by the Warsaw Stock Exchange excluding transactions outside trading sessions,
2/ on the regulated non-exchange market organised by BondSpot S.A. excluding transactions made outside the regular trading session,
3/ in the alternative trading system operated by the Warsaw Stock Exchange excluding transactions made outside the standard trading systems,
4/ in the alternative trading system operated by BondSpot S.A. excluding transactions made outside the standard trading system,
5/ on other regulated markets and in other alternative trading systems operated by entities which have concluded agreements with KDPW_CCP concerning performance of clearing of transactions made therein.

2. Novation shall not apply to transactions made on regulated markets or in alternative trading systems operating outside the territory of the Republic of Poland to which novation may not apply under the foreign law governing such transactions.”;

19/ the existing § 43k shall be repealed, and § 43l shall become § 43k;

20/ § 43m subpara. 4 shall be replaced by the following:
“4. KDPW_CCP shall maintain registration devices in the account system (aggregate accounts), opened on request of a participant holding the status of clearing member, which are not clearing accounts, used to reflect records made in clearing accounts maintained for such participant, which are designated by it. KDPW_CCP shall open a collateral account assigned to every aggregate account.”;

21/ § 43m subpara. 6 shall be replaced by the following:
“6. Where KDPW_CCP opens a collateral account referred to in subpara. 4 assigned to an aggregate account, such account only:
1/ shall be used to register the initial margin for positions registered in designated clearing accounts linked to such aggregate account,
2/ shall be linked to clearing accounts designated by the participant and shall have the legal effect defined in the rules to the extent of assets deposited as margins referred to in subpara. 1.”;

22/ § 43o shall be replaced by the following:
“§ 43o
1. KDPW_CCP shall assign attributes to each clearing account as determined in a resolution of the Management Board of KDPW_CCP, subject to subpara. 2.
2. A participant holding the status of clearing member shall define the attributes of clearing accounts maintained for it, in particular the client identification number. The client identification number shall be assigned to a client or group of clients of such participant on the basis of an instruction submitted by the participant which intends to open a clearing account, subject to subpara. 3. If a participant's client already has an appropriate identifier in the depository system operated by the Central Securities Depository of Poland or in the clearing system operated by KDPW_CCP under the rules referred to in § 1 subpara. 5, the participant shall define in the clearing system the same attribute of the clearing account in which transactions executed by the client or on the client's account will be registered, unless it is seeking the assignment of a client identification number to a group of clients which includes such client.
3. If an aggregate account has been opened at the request of a participant and it is assigned to clearing accounts indicated by it, KDPW_CCP shall assign a client identification number which
is an attribute of the aggregate account to a group of clients previously identified by such clearing accounts. In this case, it is assumed that the clearing system identifies only a group of clients with the client identification number which is an attribute of the aggregate account.

4. Clearing accounts and collateral accounts linked to them which are defined by the participant according to subpara. 2 exclusively for a given client or group of clients of the participant shall be maintained separately from other accounts in the account system.

5. Clearing accounts to be used in order to register positions arising from transactions executed in the derivatives market shall be defined by a participant according to subpara. 2 exclusively for a given client of the participant, subject to subpara. 3.

23/ § 43r and § 43s shall be replaced by the following:

“§ 43r

1. A clearing account shall be opened on the basis of an instruction of a participant holding the status of clearing member. KDPW_CCP shall open a collateral account assigned to every clearing account and where the relevant collateral account has previously been opened – it shall assign such account to the clearing account being opened.

2. If a participant holding the status of clearing member is to clear transactions on its clients’ account, it shall open the relevant client position account.

3. If clearing accounts being opened are to be used to register positions arising from transactions executed in the derivatives market, KDPW_CCP shall simultaneously request the relevant settlement institution to open relevant accounts in the system operated by the settlement institution in which derivative instruments cleared by KDPW_CCP will be registered.

§ 43s

1. Records in an aggregate account shall be made at the same time that records are made in an assigned clearing account.

2. A participant shall indicate the relevant clearing accounts to be assigned to the aggregate account. The provisions of § 43o subpara. 1 and 2 and § 43r subpara. 1 shall apply accordingly to the opening of aggregate accounts.

3. Aggregate accounts shall not be used to perform actions in the account system on the basis of a document referred to in § 38 subpara. 1.”;

24/ Section IV “Transaction Clearing Liquidity Guarantee System” shall be replaced by the following:

“SECTION IV

TRANSACTION CLEARING LIQUIDITY GUARANTEE SYSTEM

§ 44

1. Subject to the provisions of § 1 subpara. 2 and 3, the transaction clearing liquidity guarantee system operated by KDPW_CCP covers the following:

1/ transactions created as a result of novation,
transactions referred to in § 43a subpara. 1 points 1-5, to which novation does not apply, subject to subpara. 2.

2. The Management Board of KDPW_CCP may define in a resolution the types of transactions executed in the regulated markets or alternative trading systems, described in subpara. 1 point 2, which are not covered by the transaction clearing liquidity guarantee system operated by KDPW_CCP. The resolution of the Management Board of KDPW_CCP adopted in this matter may only indicate those types of transactions which meet at least one of the following criteria:
1/ the significant details of these transaction are determined between entities that send execution offers in a given market prior to these offers being made,
2/ these transactions are executed outside standard listing systems in a given market.

§ 44a
1. Coverage of transactions referred to in § 44 subpara. 1 point 2 to which novation does not apply by the transaction clearing liquidity guarantee system organised by KDPW_CCP shall mean that KDPW_CCP undertakes to perform, at the expense of its own capital, the actions referred to in § 58 subpara. 1, § 59 subpara. 4, § 60 subpara. 2, § 61 subpara. 1 and 3, § 64 subpara. 6, § 65 subpara. 1 and 4, § 67 subpara. 1, in cases referred to in the rules. The provisions of § 43b, § 43g subpara. 1, § 43i subpara. 1, § 43j and § 43l subpara. 2 shall apply accordingly to such transactions.
2. For transactions other than transactions referred to in § 44 subpara. 1, KDPW_CCP shall only send settlement orders referred to in § 33 subpara. 4 to the relevant settlement institution, subject to the provisions of Section V “Negotiated Lending Clearing Liquidity Guarantee System”.

§ 45
1. To the extent to which they impose particular obligations on clearing members in relation to their responsibility for the correct performance of obligations arising from the clearing of transactions, the provisions of this Section shall not apply to participants who in the scope of these transactions, do not hold the status of clearing member.
2. The provisions of this Section shall in no way apply to transactions which are secured using the transaction clearing liquidity system managed by KDPW_CCP. Whenever the provisions of this Section refer to transactions, this shall mean only those transactions secured by this system.

§ 46
1. As part of the transaction clearing liquidity guarantee system, KDPW_CCP:
1/ collects and manages assets that form margins,
2/ collects and manages assets that form the clearing guarantee fund or the relevant guarantee fund,
3/ performs mark to market between parties to the transaction, executed in the derivatives market and on the basis of the outcome, sends orders to the relevant settlement institution to
perform updated settlement between participants who are parties to the clearing of these transactions,
4/ together with the Central Securities Depository of Poland, organises an automatic securities lending and borrowing system and the negotiated lending system.

§ 46a
1. KDPW_CCP shall be entitled to designate a bank account of the Central Securities Depository of Poland in order to execute cash flows in a given currency within the transaction clearing liquidity guarantee system.
2. Designation of the bank account referred to in subpara. 1 by KDPW_CCP shall mean that:
1/ the Central Securities Depository of Poland is authorised by KDPW_CCP to receive payments due to KDPW_CCP in a given currency,
2/ KDPW_CCP may make its cash payments executed in a given currency within the transaction clearing liquidity guarantee system through the agency of the Central Securities Depository of Poland,
3/ cash payments of a clearing counterparty to KDPW_CCP executed in a given currency within the transaction clearing liquidity guarantee system are made on the credititing of the bank account referred to in subpara. 1.

§ 46b
1. Assets of the transaction clearing liquidity guarantee system may be used on the occurrence of an event of default and in cases referred to in the provisions of this Chapter, provided that such assets shall be first used to meet liabilities arising from transactions. Assets of the transaction clearing liquidity guarantee system shall be understood as all assets which according to the applicable legal regulations and the provisions of the rules may be used to meet liabilities in respect of participation in the clearing system referred to in § 1 subpara. 1.
2. In case of the occurrence of an event of default and the need to take actions set out in this Section, KDPW_CCP shall notify the defaulting participant of such actions being taken in electronic form or, if this is not possible, in any form.

§ 46c
1. KDPW_CCP shall be authorised to manage the resources contributed to the transaction clearing liquidity guarantee system, including the resources of the clearing guarantee fund or the relevant guarantee fund, performing actions within such scope personally or with the assistance of the Central Securities Depository of Poland.
2. Revenue earned from the management of cash constituting margins, other than revenue earned from the management of cash contributed in EUR, shall be transferred to participants holding the status of clearing member on a quarterly basis unless the Management Board of KDPW_CCP defines another time limit by way of a resolution, less of taxes due. If, however, a participant is in arrears with the performance of any obligations towards KDPW_CCP arising from its participation in the clearing system, referred to in § 1 subpara. 1 or subpara. 5,
respectively, KDPW_CCP may credit it towards such obligations instead of transferring it to the participant.

§ 47

1. Margins take the form of initial margin, initial deposit and additional margin. Such margins shall cover liabilities arising from transactions and arising from non-execution or undue execution of such transactions.

2. Margins may consist of:
   1/ for initial margins and initial deposits - cash or securities accepted by KDPW_CCP,
   2/ for additional margins - only cash accepted by KDPW_CCP.

2a. Cash accepted by KDPW_CCP within the meaning of subpara. 2 shall be only cash posted as margins according to the terms laid down in the provisions of this Chapter and resolutions of the Management Board of KDPW_CCP adopted under the rules, in the following currencies:
   1/ PLN and EUR – in the case referred to in subpara. 2 point 1,
   2/ PLN – in the case referred to in subpara. 2 point 2.

3. Securities authorised by KDPW_CCP within the meaning of subpara. 2 point 1, shall be limited to:
   1/ Treasury bonds traded in the territory of the Republic of Poland,
   2/ shares of companies that make up the WIG20 stock exchange index, and
   3/ Treasury bills,
   4/ debt securities denominated in EUR, issued by European Union Member States other than the Republic of Poland,

on condition that these have been indicated in the list of securities described in § 47a subpara. 4.

4. When indicating securities in the list, KDPW_CCP shall take into account, without limitation, the issuer’s credit risk level, the expected dispersion of ownership of such securities, the volatility of the price of such securities, and their liquidity, subject to subpara. 4.

4. KDPW_CCP may indicate securities referred to in subpara. 3 point 4 in the list of securities described in § 47a subpara. 4 provided that:
   1/ the provisions of the rules to the extent of the conclusion of the agreement referred to in § 71 subpara. 1, establishment of collateral on such securities, expiration of such collateral and enforcement of such collateral by KDPW_CCP are in compliance with the applicable legal provisions referred to in § 71 subpara. 2 point 1,
   2/ under the applicable legal provisions referred to in § 71 subpara. 2 point 1, KDPW_CCP shall have the priority to enforce financial collateral on such securities from the moment it is established in favour of KDPW_CCP,

5. Each margin:
1/ shall be established on the day it is deposited and expire at the time set according to the provisions of this Chapter and the resolution of the Management Board of KDPW_CCP adopted under the rules, subject to § 42b and § 69b,

2/ shall constitute financial collateral referred to in Art. 1 in conjunction with Art. 5 subpara. 1 point 1 of the Law on certain financial collateral of 2 April 2004 (consolidated text: Dziennik Ustaw – Journal of Laws from 2012, item 942, as amended).

6. A margin shall be deposited in cash on the terms defined by the Management Board of KDPW_CCP in a resolution and by means of debiting the relevant bank account designated by the participant.

7. A participant depositing a margin in cash shall ensure that cash in the relevant bank account is sufficient to perform the obligations towards KDPW_CCP thereunder including its other obligations related to participation no later than 15 minutes before the opening of the exchange trading session on the day following transaction clearing.

8. If there is a shortage of cash in the relevant bank account maintained in the clearing bank after the lapse of the time limit referred to in subpara. 5, the amount of the initial deposit deposited by the participant shall be reduced by such shortage.

9. Collateral deposited in cash shall be returned by means of crediting the bank account from which the collateral was drawn. In the case of:
   1/ cash in EUR or in the Polish currency posted as an initial deposit, and
   2/ cash in EUR posted as an initial margin,
   they shall be returned on the basis of a cash return instruction submitted by the participant by means of crediting the bank account designated according to § 20 subpara. 2 point 3 of the rules.

10. The amount of the initial margin requirement shall be determined by KDPW_CCP at a level not lower than the level resulting from calculations based on estimated volatility in the historical lookback period of 10 years.

11. Margins shall be calculated by KDPW_CCP in the Polish currency. The Management Board of KDPW_CCP shall define in a resolution the detailed rules of calculating margins.

§ 47a

1. The value of securities and cash in EUR that form a margin shall be equal to their market value less the market value multiplied by the haircut, published by KDPW_CCP.

2. The value of the haircut shall be updated daily by KDPW_CCP, on the days when KDPW_CCP performs the clearing of transactions. Changes to the value of the haircut performed as part of the update shall also have a bearing on securities posted as margins prior to the update.

3. KDPW_CCP may update on an on-going basis during the exchange trading session the value of securities and cash in EUR which constitute a margin and the haircut rate.

4. The list of securities that may form margins, including their corresponding haircuts, shall be provided to participants for information purposes in the form of a resolution by the KDPW_CCP Management Board.

5. Haircuts for specific securities may be set at 100% level.
6. KDPW_CCP shall inform participants holding the status of clearing member of any change of haircut rates immediately following an update.

§ 47b

1. The value of Treasury bonds ceases to be recognised in any form when calculating the value of margins, starting on the second day prior to the record date used to determine those entitled to receive payments following the redemption of these bonds.

2. The value of Treasury bills ceases to be recognised in any form when calculating the value of margins, starting on the second day prior to the redemption of these bills.

2a. The provisions of subpara. 1 shall apply to securities referred to in § 47 subpara. 3 point 4 provided that subpara. 2 shall apply accordingly where the persons eligible to receive entitlements in respect of redemption are identified on the redemption date of such securities.

3. The value of shares ceases to be recognised in any form when calculating the value of margins, starting on the day that the issuing company ceases to become a constituent member of the WIG20 stock exchange index.

4. The value of securities issued by a participant holding the status of clearing member or by an entity of the participant's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994 (consolidated text: Dziennik Ustaw - Journal of Laws from 2013, item 330, as amended), or securities for which the participant or such entity has granted a guarantee or surety to perform obligations arising thereunder shall not be recognised to any degree when calculating the value of margins posted by the participant. If a merger, split or take-over of the participant or another entity which has issued securities posted by the participant as margins or the acquisition of a significant block of shares of the participant or such entity or another event causes an effect through which securities become securities issued by the participant that has posted them as margins or by an entity of the participant's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994, the value of such securities shall cease to be recognised to any degree when calculating the value of posted margins as of the second day after it comes to the attention of KDPW_CCP.

5. In the event referred to in the second sentence of subpara. 4, KDPW_CCP may cease to recognise to any degree the value of securities posted by the participant before the event as a result of which such securities become securities issued by the participant that has posted them as margins or by an entity of the participant's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994, provided that it has previously informed the participant thereof and indicated the time limit as of which such effect occurs, which shall be not less than two days.

6. A participant holding the status of clearing member shall be obliged to notify KDPW_CCP immediately of any obstacles in determining the value of margins posted by the participant, referred to in subpara. 4.

7. In the event that securities have been issued by:

1/ an entity of KDPW_CCP's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994, or
2/ another entity which provides to KDPW_CCP services which have a significant impact on the activity of KDPW_CCP, other than services provided by the National Bank of Poland, the value of such securities shall not be included in the calculation of margins posted by the participant. The provisions of subpara. 4 and 5 shall apply accordingly.

8. The provisions of subpara. 4-7 shall apply accordingly to the recognition of the value of financial instruments posted by a clearing member as a contribution to the clearing guarantee fund or the relevant guarantee fund, respectively.

§ 47c
[repealed]

§ 48
1. The initial margin shall be posted by participants holding the status of clearing member for transactions executed in securities trading, or for transactions executed in the derivatives market.

2. An initial margin may only be used to meet obligations arising from positions registered in clearing accounts which have been assigned by the participant to a collateral account in which the margin is registered unless assets posted as the margin are registered in a collateral account linked to an own position account.

3. The value of the initial margin required from a participant shall be calculated according to the participant's transaction obligations, allowing for the reduction in risk as a result of the relevant correlation between financial instruments.

4. The initial margin posted by a participant holding the status of clearing member both for transactions executed in securities trading, as well as for transactions executed in the derivatives market, consists of two parts, which are calculated separately from the value of that clearing member’s liabilities arising from both types of aforementioned transactions.

5. The provisions of subpara. 4 shall not prevent the use by KDPW_CCP of that portion of the initial margin posted by the clearing member, which was calculated according to the value of that clearing member's liabilities arising from transactions of one type, in order to enforce that clearing member's obligations arising from the clearing of transactions of another type, provided that they are registered in a clearing account assigned to the collateral account designated according to subpara. 1.

6. In the event a participant's non-performance of undue performance of its obligations arising from a participation agreement, the Management Board of KDPW_CCP may, upon giving prior notification to the participant, adopt a resolution increasing, for a fixed period of time, but no longer than three months, the value of its obligations in respect of initial margins calculated on the basis of a factor set in the resolution, but no more than 100% of their existing value. The time limit for which the value of obligations in respect of margins calculated for the participant is increased may be extended for another fixed period of time, but no longer than three months, if the situation referred to in the preceding sentence continues.

7. Securities may be posted as part of the initial margin, up to 60% of its required value. Cash deposited in EUR may be credited as part of the initial margin up to 100% of its required value.
In certain circumstances, justified in order to protect the safety of transaction clearing, the KDPW_CCP Management Board may lower these ratios for a limited period by means of a resolution.

§ 48a
Where assets posted as an initial margin are registered in a collateral account linked to a clearing account maintained in order to register positions arising from transactions executed by an entity acting with the participation type of non-clearing member, that entity shall be entitled to receive such assets or to have them transferred to another participant holding the status of clearing member together with positions registered in such clearing account in the events described in § 69a - § 69c within the scope defined therein. KDPW_CCP shall be authorised under the power of attorney referred to in § 15 subpara. 1 point 4 item (b) to perform actions defined therein in order to exercise such right.

§ 49
1. The initial deposit is posted by a participant holding the status of clearing member for all transactions cleared by that participant.
2. An initial deposit is first posted by a participant before starting operation in the clearing system in the amount set by the Management Board of KDPW_CCP in a resolution (minimum amount of initial deposit). After the clearing member starts operation in the system, the amount of the required initial deposit is determined according to the provisions of this Chapter and resolutions of the Management Board of KDPW_CCP adopted under the rules, and shall not be lower than the minimum amount of initial deposit.
3. Securities and cash in EUR may form part of an initial deposit up to the level of 100% of its value. In certain circumstances, justified in order to protect the safety of transaction clearing, the KDPW_CCP Management Board may lower these ratios for a limited period by means of a resolution.

§ 50
1. Additional margin is posted by a participant described in subpara. 2 in instances described in those same provisions.
2. In instances where, following transactions guaranteed using the assets of the clearing guarantee fund, or the assets of the relevant guarantee fund, executed in the period between subsequent deadlines in which KDPW_CCP performs the update of contributions to the fund, the level of non-covered risk calculated for a given participant, holding the status of clearing member for these transactions, is higher than the total value of contributions paid into that fund, this participant shall then be obliged to post additional margin up to an amount that will allow the difference between these values to be covered. The additional margin will need to be maintained by the participant until the next deadline for the update of contributions to the relevant fund, as described in the previous sentence, or the date on which the value of the non-covered risk calculated for the participant shall fall at least to the level equal to the total value.
of contributions paid into that fund, inclusively, depending on which of these events takes place earlier.

3. The non-covered risk, described in subpara. 2, shall be understood to mean the difference between the value of the estimated loss on closing out the position of the participant holding the status of clearing member in the event of the most adverse stress-test scenario and the value of the initial margin required on the previous day, taking into account marking-to-market, calculated for each participant holding the status of clearing member on each day in which KDPW_CCP performs transaction clearing.

4. KDPW_CCP shall notify a participant holding the status of clearing member immediately of the need to post an additional margin no later than 15 minutes before the opening of the exchange trading session on the day following the day when the value of uncovered risk calculated for the participant exceeds the total value of contributions to the clearing guarantee fund or the relevant guarantee fund.

5. An additional margin shall be returned respectively upon the earlier of the following events:
   1/ contributions to the clearing guarantee fund or the relevant guarantee fund, respectively, are updated, or
   2/ the value of uncovered risk calculated for a participant holding the status of clearing member decreases at least to a level equal to the total value of contributions to that fund.

KDPW_CCP shall notify the participant immediately that such obligation has ceased.

6. An additional margin shall be returned by KDPW_CCP to a participant holding the status of clearing member on the day following the day when the participant has been notified according to subpara. 5.

§ 50a

1. If the concentration of positions calculated for:
   1/ the number of positions in derivative instruments of a given type, cleared within the same class of derivative instruments, which are registered in client position accounts defined by a participant by means of the same client identification number, or
   2/ the number of positions in derivative instruments of a given series (other than options, referred to in Article 2 subpara. 1 point 2 item (c), (d), (e) or (i) of the Law on trading in financial instruments) cleared within the same class of derivative instruments, whose maturity is before the maturity of other derivative instruments, exceeds a value defined in a resolution of the Management Board of KDPW_CCP for, respectively, point 1 or 2, hereinafter “position concentration limit”, KDPW_CCP may call the participant or participants holding the status of clearing member for such positions to eliminate the breach immediately, however, no later than within the time limit set in the call, not shorter than 5 days. After the ineffective lapse of the time limit, KDPW_CCP may close out some positions in derivative instruments registered in a given clearing account after calling the participant holding the status of clearing member within that scope to close them out.

2. Concentration of positions, referred to in subpara. 1, shall be understood to mean:
   1/ in the event described in subpara. 1 point 1 - the number of positions in derivative instruments of a given type resulting from taking a short or long position, respectively (for
options, a long position is the sum total of long positions in call options and short positions in put options while a short position is the sum total of long positions in put options and short positions in call options) cleared within the same class of derivative instruments, registered in client position accounts defined by the participant by means of the same client identification number, to the number of positions in such derivative instruments registered in all accounts in the account system,

2/ in the event described in subpara. 1 point 2 - the number of positions in derivative instruments of a given series (other than options referred to in Article 2 subpara. 1 point 2 item (c), (d), (e) or (i) of the Law on trading in financial instruments) resulting from taking a short or long position, respectively, whose maturity is before the maturity of other derivative instruments, cleared within the same class of derivative instruments, registered in client position accounts defined by the participant by means of the same client identification number, to the number of positions in such derivative instruments registered in all accounts in the account system.

3. The position concentration levels referred to in subpara. 1 shall be set by the Management Board of KDPW_CCP in a resolution at a level no less than 10%.

4. Closing out of positions referred to in point subpara. 1 shall use resources posted by the participant as initial deposit and, if insufficient, resources posted by the participant as initial margin and, subsequently, resources posted as additional margin.

5. A derivative instrument of a given type, referred to in subpara. 1 point 1 and subpara. 2 point 1, shall be understood to mean, respectively, options referred to in Article 2 subpara. 1 point 2 item (c), (d), (e) or (i) of the Law on trading in financial instruments or a futures contract referred to in Article 2 subpara. 1 point 2 item (c), (d), (e) or (i).

6. The Management Board of KDPW_CCP shall define, by way of a resolution, the detailed rules of calculating the concentration of positions referred to in subpara. 1 and 2.

§ 50b

1. Securities posted by a participant holding the status of clearing member in respect of margins or contributions to the clearing guarantee fund or the relevant guarantee fund shall be included in the calculation of the value of margins or contributions to the clearing guarantee fund or the relevant guarantee fund posted by the participant provided that the levels referred to in subpara. 6, 8, 11 and 12 do not breach the values set by the Management Board of KDPW_CCP, hereinafter “concentration limits”.

2. Concentration limits shall be defined by KDPW_CCP for all securities credited towards margins and contributions to the clearing guarantee fund or the relevant guarantee fund. When defining such limits, other resources available to KDPW_CCP shall be taken into account, which have been posted in bank accounts operated by third parties, excluding the bank accounts maintained by the National Bank of Poland for KDPW_CCP or the Central Securities Depository of Poland, invested in financial instruments and forward financial transactions, on-demand or term cash deposits, or otherwise invested.
3. KDPW_CCP undertakes to ensure that the concentration limits set on a given day are not breached due to investments referred to in subpara. 2 made on that day by KDPW_CCP or the Central Securities Depository of Poland.

4. KDPW_CCP shall define the following types of concentration limits:
   1/ concentration limit for an individual issuer,
   2/ concentration limit for a type of issuer,
   3/ concentration limit for a type of asset,
   4/ concentration limit for a type of collateral.

5. If securities posted by a participant holding the status of clearing member in respect of margins or contributions to the clearing guarantee fund or the relevant guarantee fund should cause a breach of a concentration limit referred to in subpara. 4 point 1-4, respectively, such securities shall be credited towards such collateral up to the limit.

6. The concentration level for an individual issuer shall be understood to mean the value determined by calculating the ratio of the value of securities, designated in the list of securities referred to in § 47a subpara. 4, issued by a given issuer or by an entity of the issuer’s group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994, credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of other resources available to KDPW_CCP, deposited in bank accounts maintained by the issuer, invested in financial instruments issued by the issuer or forward financial transactions to which the issuer is a party, deposited with the issuer as on-demand or term cash deposits, or otherwise invested for the issuer, to the value of all securities credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of all resources available to KDPW_CCP, deposited in bank accounts, invested in financial instruments or forward financial transactions, on-demand or term cash deposits, or otherwise invested. The concentration level for an individual issuer may be defined separately for each issuer of securities.

7. KDPW_CCP shall define a concentration limit for a type of issuer separately for the following groups of entities, other than the State Treasury, the National Bank of Poland and the European Union Member States which issue securities referred to in § 47 subpara. 3 point 4:
   1/ banks and credit institutions which have issued securities designated in the list of securities referred to in § 47a subpara. 4, included in the WIG20 index,
   2/ banks and credit institutions other than those described in point 1,
   3/ entities other than those described in point 1-3 which have issued securities designated in the list of securities referred to in § 47a subpara. 4, included in the WIG20 index, broken down by the entities’ type of activity and place of establishment or management.

8. The concentration level for a type of issuer shall be understood to mean the value determined for a group of entities, referred to in subpara. 7 point 1-3, by calculating the ratio of the value of securities, designated in the list of securities referred to in § 47a subpara. 4, issued by the entities of the group, credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of other resources available to KDPW_CCP, deposited in bank accounts maintained by the entities, invested in
financial instruments issued by the entities or forward financial transactions to which any of the entities of the group is a party, deposited with the entities as on-demand or term cash deposits, or otherwise invested for any of the entities, to the value of all securities credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of all resources available to KDPW_CCP, deposited in bank accounts, invested in financial instruments or forward financial transactions, on-demand or term cash deposits, or otherwise invested.

9. The concentration limits referred to in subpara. 4 point 1, 2 and 3 shall not apply to securities issued by the State Treasury, the National Bank of Poland and securities referred to in § 47 subpara. 3 point 4 issued by the European Union Member States.

10. The concentration limit for a type of asset shall be defined for shares included in the WIG20 index, designated in the list of securities referred to in § 47a subpara. 4.

11. The concentration level for a type of asset shall be understood to mean the value determined by calculating the ratio of the value of securities referred to in subpara. 10, credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of other resources available to KDPW_CCP, invested in securities referred to in subpara. 10, to the value of all securities credited at the day towards margins or contributions to the clearing guarantee fund or the relevant guarantee fund, and the value of other resources available to KDPW_CCP, invested in securities.

12. The concentration level for a type of collateral shall be understood as the value determined by calculating the ratio of the value of securities deposited as margins and contributions to the clearing guarantee fund and the relevant guarantee fund to the value of margin requirements and required contributions to the clearing guarantee fund and the relevant guarantee fund.

13. KDPW_CCP shall set the concentration limit for a type of collateral only for securities indicated in the list of securities referred to in § 47a subpara. 4 in the manner defined in § 48 subpara. 7, § 49 subpara 3 and in the rules of the clearing guarantee fund and the relevant guarantee fund.

14. The concentration limits referred to in subpara. 4 point 1-3 shall be set by the Management Board of KDPW_CCP by way of a resolution.

15. Whenever securities issued by an entity referred to in subpara. 6 are referred to in subpara. 6, this shall be understood to mean also securities which have not been issued by that entity if that entity has granted a guarantee or surety to perform obligations arising from such securities.

§ 50c

1. A participant holding the status of clearing member, that intends to post assets as margins, a contribution to the clearing guarantee fund or the relevant guarantee fund on a given day, shall be entitled to request KDPW_CCP for information whether or not such assets will be credited towards such margins, contributions to the clearing guarantee fund or the relevant guarantee fund on that day but no later than within 30 minutes from the delivery of such information to the participant.
2. KDPW_CCP shall immediately provide information to the participant that has made a request referred to in subpara. 1.

§ 51

1. Based on the information provided by the operator of the market, KDPW_CCP shall calculate the updated value of liabilities arising from transactions executed in that market, the realisation of which is the responsibility of each participant.

2. The total value of the initial deposit and the initial margin posted by the participant determines the maximum value of the position which may be registered in the clearing system as a result of acceptance into the system of transactions concluded by the participant or by entities represented by it to such extent in clearing performed by KDPW_CCP (transaction limit). The value of positions referred to in the preceding sentence shall be understood to mean the sum of the currently determined value of assets due from the participant holding the status of clearing member:

1/ as an initial margin, determined on the basis of positions registered in the clearing system as a result of acceptance into the system of transactions concluded on the derivatives market and transactions in securities, and

2/ as marking-to-market of transactions concluded on the derivatives market less the value of credits due to the participant in respect of the marking-to-market of transactions concluded by it on its own account on the market.

3. In the event that the value of positions referred to in subpara. 2 exceeds the transaction limit, KDPW_CCP shall call the participant to eliminate the breach by adjusting the initial deposit or initial margin immediately, no later than within 30 minutes after the participant becomes aware of the limit being exceeded. If the participant fails to eliminate the breach within such time limit, the provisions of subpara. 5 and 6 shall apply. In that event, KDPW_CCP may also refuse further acceptance for clearing of transactions to which the participant is a clearing counterparty, and take actions described in § 35 subpara. 2.

4. The participant may be obliged to ensure that the total number of positions in derivatives of a given series, or derivatives of all series based on the same underlying instrument, opened following transactions executed in the derivatives market, for which the participant holds the status of clearing member, shall not exceed the level known as the engagement limit, which may be determined by the KDPW_CCP Management Board by means of a resolution.

5. Exceeding the transaction limit, or the engagement limit, shall be sufficient to justify the closing of positions by KDPW_CCP to the extent necessary to return levels to the proper limits. If the exceeding of the engagement limit is the result of circumstances outside the control of the participant, then KDPW_CCP will prepare to close the positions, if the participant does not take measures to eliminate this situation without delay.

6. KDPW_CCP may close certain derivatives positions opened on the account of a given entity, after issuing a demand to close these positions to the participant holding the status of clearing member, if the total value or number of derivatives positions of a given series or, in derivatives instruments of all series based on the same underlying instrument of that entity, exceeds the level determined by the KDPW_CCP Management Board by means of a resolution, known as the
investor's engagement limit. This limit may not be set at a level higher than the engagement limit, described in subpara. 4.

7. The closing of the positions, described in subpara. 5 and 6, shall take place using the assets posted by the participant for initial deposit, and if these should prove insufficient, then the assets posted by that participant for initial margin shall be used for this purpose, and next in line, assets posted for additional margin.

§ 52
[repealed]

§ 53
As part of the mark to market activities, described in § 46 point 3, KDPW_CCP shall determine the party to the transaction, which on a given day, in accordance with the conditions of this transaction, respectively, holds a financial advantage or is obliged to provide such advantage, as well as the value of this advantage.

§ 53a
1. In case of a lack of coverage in the bank account designated by a participant holding the status of clearing member or other event which causes the inability to perform the cash obligations of that participant in the relevant bank account, that participant shall immediately take actions necessary to restore the ability to perform its cash obligations arising from the clearing of transactions including without limitation by ensuring coverage in the relevant bank account.
2. A participant shall immediately notify KDPW_CCP of the effect of taken actions referred to in subpara. 1.
3. Until the receipt of reliable information from the participant, suggesting the ability of performing its obligations, KDPW_CCP shall be entitled to:
   1/ refrain from sending settlement instructions concerning obligations of KDPW_CCP towards the participant referred to in subpara. 1 arising from transactions created as a result of novation,
   2/ cancel settlement instructions, if they have been sent previously.

§ 53b
1. If assets deposited as margins or contributions to the clearing guarantee fund or the relevant guarantee fund in a currency other than the currency required for the settlement of transactions need to be used in accordance with the provisions of this Section, KDPW_CCP may convert such currency at the market rate on the day of the conversion.
2. If any assets which have been converted remain to be returned after the actions referred to in the provisions of this Section, KDPW_CCP may return such assets in the converted currency which was required for the settlement of transactions.
3. In the event of sale of securities which form financial collateral referred to in this Section by KDPW_CCP in accordance with the purpose of such collateral, redemption or cancellation
of such securities by the issuer, the provisions of subpara. 1 and 2 shall apply accordingly
to assets received as a result of such sale, redemption or cancellation, respectively.

§ 54
1. The automatic securities lending and borrowing system is organised by KDPW_CCP together
with the Central Securities Depository of Poland in order to prevent the suspension, or to
eliminate the suspension of transaction settlement performed by the Central Securities
Depository of Poland.
2. Securities lending agreements as part of the automatic securities lending system shall be
concluded through the Central Securities Depository of Poland. The terms and conditions of
securities lending agreements within the system, the obligations arising from these
agreements, the method of collateralisation and the return of the securities loans to the lender,
as well as the rules for compensating the securities lender using the loan collateral and using
the collateral to cover other liabilities, shall be defined in the Rules of the Central Securities
Depository of Poland, described in Article 50 of the Law on trading in financial instruments,
and rules adopted by the Management Board of the Central Securities Depository of Poland on
the basis of provisions of this Law.
3. A participant who joins the automatic securities lending system or whose settlement agent
joins the system shall ensure that a securities lending agreement concluded by it or by its
settlement agent acting on its behalf is taken only in instances where:
1/ the Central Securities Depository of Poland determines that a transaction settlement
instruction submitted by KDPW_CCP cannot be executed owing to a shortage of securities, or
2/ the Central Securities Depository of Poland suspends the settlement of a transaction,
performed according to a settlement instruction submitted by KDPW_CCP, owing to a shortage
of securities.
4. The transfer of securities in order to execute a securities lending agreement concluded as
part of the automatic securities lending system between persons on whose behalf the
participant is acting, as well as between such persons and the participant, or between the
participant and that participant's settlement agent, shall take place within the transaction
clearing liquidity guarantee system.
5. In instances where the settlement of transactions for which participants holds the status of
clearing member is processed by a settlement institution other than the Central Securities
Depository of Poland, KDPW_CCP may organise an automatic securities lending system in co-
operation with such institution after having informed the participants thereof. In that case, the
terms laid down in subpara. 1-3 shall apply accordingly to such system.

§ 54a
1. The negotiated lending system is organised by KDPW_CCP together with the Central
Securities Depository of Poland in order to prevent the suspension or to eliminate the
suspension of settlement of transactions guaranteed by the transaction clearing liquidity
guarantee system and to secure the return of loans concluded in the automatic securities
lending system.
2. Participation in the negotiated lending system shall be voluntary.
3. Subject to subpara. 4, KDPW_CCP shall accept on-demand loans concluded in the negotiated securities lending system into the clearing system if its counterparties are entities which:
   1/ fulfil the conditions set out in the Rules of the Central Securities Depository of Poland described in Article 50 of the Law on trading in financial instruments, and
   2/ hold the status of clearing member within such scope and have performed the obligations described in § 15 subpara. 1, or have a clearing member which holds such status and has agreed to clear such transactions and has performed the obligations described in § 15 subpara. 1, subject to subpara. 5.
4. On-demand securities loans shall be concluded as part of the negotiated securities lending system through the Central Securities Depository of Poland. The detailed terms and conditions of concluding negotiated securities lending agreements within the system, the obligations arising from such agreements and the method of their performance shall be defined in the Rules of the Central Securities Depository of Poland, described in Article 50 of the Law on trading in financial instruments, and rules adopted by the Management Board of the Central Securities Depository of Poland on the basis of provisions of this Law.
4. A participant who joins the system or whose settlement agent joins the system shall ensure that the conclusion of a loan in the system by it or by the settlement agent acting on its behalf only takes place in instances where:
   1/ it determines that there is a shortage of securities in the relevant account which prevents the execution of a settlement instruction sent by KDPW_CCP for transactions guaranteed by the transaction clearing liquidity guarantee system or which prevents the settlement of the return of a loan concluded in the automatic securities lending system, or
   2/ owing to a shortage of securities, the Central Securities Depository of Poland suspends:
      a/ the settlement of transactions guaranteed by the transaction clearing liquidity guarantee system performed according to a settlement instruction sent by KDPW_CCP, or
      b/ the settlement of the return of a loan concluded in the automatic securities lending system.
6. A participant holding the status of clearing member may consent to participation in clearing of on-demand loans concluded on the lender’s side by another entity if it has designated, according to § 20 subpara. 2 point 2-4, respectively:
   1/ the lender as the entity to perform the function of settlement agent to the extent of on-demand loans concluded by such entity in the negotiated securities lending system and
   2/ the payment agent for the settlement of transactions for the lender as the entity to perform the function of payment agent to the extent of contractual collateral.
7. The transfer of securities in order to execute an on-demand securities lending agreement concluded as part of the negotiated securities lending system between persons on whose behalf the participant is acting, as well as between such persons and the participant, or between the participant and that participant’s settlement agent, shall take place within the transaction clearing liquidity guarantee system.
8. KDPW_CCP shall send to the Central Securities Depository of Poland a settlement instruction concerning the return of a loan, referred to in § 33 subpara. 4, upon the receipt from the
Central Securities Depository of Poland of a document concerning the termination of a loan, referred to in § 38 subpara. 1 point 3. If the participant fails to adjust the margins referred to in § 72c subpara. 2, or a contribution to the relevant guarantee fund, referred to in Appendix 3 to the rules, KDPW_CCP shall send to the Central Securities Depository of Poland, prior to receiving the document referred to in § 38 subpara. 1 point 3, an early termination order for an on-demand loan.

9. In instances of suspension of settlement related to the return of an on-demand loan concluded in of the negotiated securities lending system due to a shortage of securities on the borrower's side, the participant obliged to clear the on-demand loan on the lender's side shall transfer to the bank account indicated by KDPW_CCP cash in the required amount of the contractual collateral determined according to the provisions of the rules of the Central Securities Depository of Poland, referred to in § 50 of the Law on trading in financial instruments, in order for KDPW_CCP to take measures in the negotiated lending clearing liquidity guarantee system, referred to in § 72b subpara. 1. From the instant that KDPW_CCP takes over such assets, they shall constitute collateral in the transaction clearing liquidity guarantee system managed by KDPW_CCP.

10. In instances where a participant is a clearing counterparty to an on-demand loan concluded in the negotiated securities lending system by another entity, KDPW_CCP shall accept from the participant and send to the Central Securities Depository of Poland an instruction to block in the system the option of such entity concluding on-demand loans for which the participant holds the status of clearing member.

§ 55
1. A participant with the participation type described in § 11 subpara. 1 point 2, used for activities described in § 11 subpara. 3 point 1, holding a depository account managed in the settlement institution that processes the settlement of transactions executed by that participant, shall be obliged to enable that settlement institution to transfer securities from that participant's proprietary account onto the account of the participant's clients to the extent necessary to perform obligations arising from the clearing of transactions executed by that participant on the order of the client.
2. The obligation, described in subpara. 1, shall arise on condition that the relevant settlement institution shall apply the measures described in subpara. 1.

§ 56
1. KDPW_CCP shall organise and manage a clearing guarantee fund to ensure the proper performance of obligations arising from transactions executed in the regulated market.
2. Contributions to the clearing guarantee fund shall be paid in by participants holding the status of clearing member for transactions executed in the regulated market.
3. Contributions to the clearing guarantee fund shall be calculated by KDPW_CCP in the Polish currency.
4. The rules that describe the creation and operation of the clearing guarantee fund in matters not regulated herein, shall be defined in the rules of the clearing guarantee fund.
§ 57
1. KDPW_CCP manages the relevant guarantee fund for each alternative trading system where transactions cleared by KDPW_CCP are executed, under an agreement concluded by KDPW_CCP with an entity or entities which organise such alternative trading systems.
2. Contributions to the relevant guarantee fund are paid in by participants holding the status of clearing member for transactions guaranteed using such fund.
3. Contributions to the relevant clearing fund shall be calculated by KDPW_CCP in the Polish currency.
4. The rules that describe the creation and operation of the relevant guarantee fund managed for alternative trading systems in matters not regulated herein, shall be defined in the rules of the fund agreed in an agreement concluded by KDPW_CCP and the entity or entities which organise the alternative trading systems.

§ 58
The assets of the clearing guarantee fund, as well as the assets of the relevant guarantee fund, shall secure the obligations arising from transactions covered by the clearing guarantee fund or the relevant guarantee fund, respectively, and arising from the non-execution or undue execution of such transactions.

§ 58b
1. KDPW_CCP shall cover losses in the case of default in respect of obligations arising from transactions cleared by KDPW_CCP, which it is obliged to perform with its own assets, prior to using resources contributed to the clearing guarantee fund or the relevant guarantee fund, respectively, excluding the contribution of the participant on whose part the event of default has occurred, with resources constituting own capital of KDPW_CCP, dedicated to that purpose according to subpara. 2, in the amount calculated according to subpara. 3 (dedicated resources).
2. KDPW_CCP shall dedicate for the purpose referred to in subpara. 1 own funds in an amount representing at least 25% of the KDPW_CCP capital requirement, subject to subpara. 3.
3. The amount of the funds referred to in subpara. 2 shall be calculated taking into account the allocation of such funds in relation to the value of the clearing guarantee fund, the relevant guarantee fund or other guarantee fund organised under the rules referred to in § 1 subpara. 5.
4. If assets constituting dedicated resources are used according to the provisions of the rules, KDPW_CCP shall immediately take actions necessary to replenish the dedicated resources up to the amount referred to in subpara. 2 within one month of the day when such resources are used.
5. KDPW_CCP shall inform participants holding the status of clearing member:
   1/ of the amount of assets constituting dedicated resources – immediately after calculating it, but at least once per year,
   2/ of the allocation of assets constituting dedicated resources referred to in subpara. 3 – immediately after updating contributions to the funds referred to in subpara. 3,
3/ of any change of the amount of assets constituting dedicated resources due to their use according to the rules and of replenishing such resources up to the amount referred to in subpara. 2,
4/ of the amount of all own funds of KDPW_CCP and the amount of the KDPW_CCP capital requirement – immediately after receiving a written request of a participant holding the status of clearing member.
6. Subject to subpara. 4 and subpara. 5 point 3, any change of the amount of assets constituting dedicated resources due to their recalculation shall require giving prior notification to participants holding the status of clearing member.
7. KDPW_CCP shall inform participants holding the status of clearing member of the detailed rules of calculating the KDPW_CCP capital requirement and the dedicated resources.

§ 59
1. In instances where the settlement of a transaction executed as part of securities trading, performed in the relevant settlement institution on the basis of an instruction from KDPW_CCP, has been suspended owing to a shortage of cash on the participant’s bank account, or the bank account of a payment agent indicated by the participant, managed in the relevant clearing bank or in TARGET2, KDPW_CCP shall send to a settlement institution the settlement instructions relating to other transactions whose settlement is performed after the suspension in such a manner that the debits of that participant which have not been met may be realised using the cash credits arising from these transactions. In such instances, the credits shall be netted with the as yet unrealised debits of the participant.
2. In instances where the credits of the participant, described in subpara. 1, shall prove insufficient to eliminate the suspension of transaction settlement caused by that participant, KDPW_CCP shall, immediately after the receipt of information on suspension of transaction settlement from the settlement institution, cancel the settlement instruction on the behalf of that participant, sent to the relevant settlement institution, and then initiate measures intended to sell the securities that form the transaction, in order to perform settlement on behalf of the clearing counterparty. At the moment of the cancellation of the instruction to settle the transaction on behalf of the participant, described in subpara. 1, it may not require KDPW_CCP to perform a payment arising from the content of such instruction.
3. In instances, described in subpara. 2, the costs of executing a securities sale transaction shall be covered using the margins posted by the participant, described in subpara. 1, and if these should prove insufficient, also from the assets of the respective clearing guarantee fund, or the relevant guarantee fund, in the order and in the amount laid down in subpara. 4 and § 58b subpara. 1.
4. Subject to subpara. 5, any potential differences in the price of securities between the sale transaction executed according to the provisions of subpara. 2, and the transaction for which settlement was suspended, shall be transferred to KDPW_CCP if the price difference reflects a profit, however, if the price difference incurs a loss, then the difference shall be covered from margins posted by the participant, described in subpara. 1, and then in sequence
1/ from the contribution of that participant to the clearing guarantee fund or the relevant guarantee fund,
2/ from the dedicated resources of KDPW_CCP in the amount calculated according to § 58b subpara. 2 and 3, and after the resources have been used,
3/ from other resources of the clearing guarantee fund or the relevant guarantee fund.
5. Where the costs of the execution of the securities sales transaction were covered using the assets of the clearing guarantee fund, or the relevant guarantee fund, any potential profit from the price difference between the securities, described in subpara. 4, shall be added to the assets of the fund.
6. In the case of the necessity to use margins posted by the participant, described in subpara. 1, according to the principles described in subpara. 3 or 4, these margins shall be used in the following order, where KDPW_CCP reserves the option of using the assets in another order:
1/ initial deposit.
2/ initial margin,
3/ additional margin,
7. The shortage of cash on the bank account of a payment agent shall also apply in circumstances where the cash liabilities of the participant cannot be fully realised using cash on that account as a result of these liabilities exceeding the relevant debit limits determined by the payment agent, or as a result of other actions taken by the clearing bank or the central bank which operates a payment system in TARGET2, the payment agent or the competent authority resulting in the inability to use these cash assets to realise the cash obligations of the participant in full.

§ 60
1. In the event that it shall not be possible to cancel the instruction to perform transaction settlement on behalf of participant, described in § 59 subpara. 1, the cash liabilities of that participant shall be met using the margins posted by that participant. In such instances, the provisions of § 59 subpara. 3 – 5 shall not apply; however, the provisions of § 59 subpara. 6 shall apply accordingly.
2. If the margins posted by the participant, described in § 59 subpara. 1, shall prove insufficient, the cash liabilities of that participant shall be met in the following order:
1/ from the contribution of that participant to the clearing guarantee fund or the relevant guarantee fund,
2/ from the dedicated resources of KDPW_CCP in the amount calculated according to § 58b subpara. 2 and 3, and after the resources have been used,
3/ from other resources of the clearing guarantee fund or the relevant guarantee fund.
3. KDPW_CCP shall have no obligations in connection with a transaction whose settlement has been suspended to the extent that the cash obligations of the participant referred to in § 59 subpara. 1 arising from such transaction have been met with the resources of the clearing guarantee fund or the relevant guarantee fund.
4. Securities that form the transaction whose settlement was performed using the assets of the clearing guarantee fund, or the assets of the relevant guarantee fund, become part of the
pool of assets of that fund. KDPW_CCP may sell these securities. In such instances, the credit payment from the sale transaction shall become part of the pool of assets of the fund whose assets were used. These securities may be used for other purposes, in particular in order to meet liabilities arising from transaction clearing, however on condition that cash assets of equal value will be added to the fund of which they became part.

§ 61
1. In instances where the actions of KDPW_CCP referred to in § 59 subpara. 2 prove insufficient to ensure that the cash liabilities of that participant arising from transaction clearing may be met in full, or where the actions initiated by KDPW_CCP in accordance with the provisions of the first sentence of § 59 subpara. 2 do not result in the sale of all the securities that form the transaction whose settlement has been suspended, within two days of the initiation of these actions, or if such actions cannot be initiated within such period for reasons beyond the control of KDPW_CCP, then the Management Board of KDPW_CCP guided by the safety and liquidity of clearing shall determine, by means of a resolution, respectively, not to perform, or to cease the further performance of these actions, or not to meet the cash liabilities of the participant in the manner described in the provisions of § 60 subpara. 1 and 2, and to meet on behalf of the participant being the clearing counterparty the cash payment of an amount being the difference between 120% of the value of these securities which have not been sold, arising from the transaction, whose settlement was suspended, and their market value according to the price on the day that KDPW_CCP has executed this payment. A replacement entitlement shall be paid in the currency of transaction settlement.

2. If the resolution, described in subpara. 1, forms the basis to cease the further performance of the actions, described in the first sentence of § 59 subpara. 2, the amount of the cash payment, described in subpara. 1, shall be determined in relation to the number of securities, which following these actions, it did not prove possible to sell.

3. In order to execute the cash payment, described in subpara. 1, KDPW_CCP shall use margins, contributions to the clearing guarantee fund or the relevant guarantee fund and own funds of KDPW_CCP, in the order and in the amount referred to in § 59 subpara. 4 and 6 and § 58b subpara. 1.

4. Meeting the cash payment, described in subpara. 1, shall release KDPW_CCP from all obligations towards participants that are parties to the clearing of transactions, whose settlement has been suspended on account of the participant, described in § 59 subpara. 1, where these obligations arise from the execution of the transaction, or its acceptance for clearing.

§ 62
Participants who are clearing counterparties to short sale transactions shall be obliged to take necessary action to ensure the immediate acquisition of securities that form part of such transactions in order to prevent the suspension of their settlement owing to a shortage of securities, or the fastest possible elimination of such suspension. Such action may involve the
conclusion of framework securities lending agreements, on the basis of which the participant will be able immediately to take out a securities loan for the outstanding securities.

§ 63

1. Participants shall be obliged to ensure that the settlement of a transaction to which they are a clearing counterparty is not suspended. In particular, a clearing member shall be obliged to purchase securities as part of a securities lending agreement concluded as part of the relevant securities lending system organised by the relevant settlement system in order to prevent the suspension of the settlement of a transaction owing to a shortage of securities, unless the prevention of suspension of transaction settlement is possible by other means.

2. A participant shall be responsible for suspension of settlement of a transaction to which it is a clearing counterparty due to circumstances which have arisen on its side or on the side of its settlement agent or its payment agent through which it settles transactions or whom it uses in such settlement if due to such circumstances the settlement institution has taken the action referred to in Art. 45f subpara. 1 of the Law on trading in financial instruments. At the instant of receipt from the settlement institution of information which suggests that such obligations have not been met timely and the settlement institution has taken the action referred to in Art. 45f subpara. 1 of the Law on trading in financial instruments, KDPW_CCP shall identify suspension of transaction settlement due to the circumstances for which such participant is responsible. Such participant shall be obliged to take immediate actions in order to eliminate the suspension of transaction suspension as soon as possible.

3. The participant referred to in subpara. 2 shall be liable to KDPW_CCP for any loss caused in connection with the suspension of transaction settlement. In the event that such loss is repaired using assets of the clearing guarantee fund or the relevant guarantee fund, KDPW_CCP shall be authorised to claim their reimbursement and any assets received under such claims shall become a part of the assets of the fund whose assets were used to repair the loss.

4. If the settlement of transactions for which the participant holds the status of clearing member is performed using a settlement agent or payment agent, actions taken to ensure that transaction settlement is not suspended or to eliminate suspension of such settlement, described in subpara. 1 and 2, shall be performed by the participant through such settlement agent or such payment agent.

§ 64

1. In the event that a participant responsible for the suspension of transaction settlement caused by a shortage of securities does not carry out measures to ensure the elimination of suspension of such transaction settlement, or that despite the measures undertaken by the participant, settlement suspension is maintained owing to a shortage of securities, on the fourth day after the day the settlement of the transaction should have taken place in the settlement institution, KDPW_CCP shall undertake measures aimed at purchasing securities on the account of such a participant. In certain justifiable circumstances, in particular for reasons of clearing safety, KDPW_CCP may also undertake such measures at an earlier date.
2. The cost of actions described in subpara. 1 shall be paid by the participant responsible for the suspension of transaction settlement caused by a shortage of securities.

3. If the participant, described in subpara. 1 does not ensure the availability of cash assets enabling the purchase by KDPW_CCP of securities necessary to eliminate the suspension of transaction settlement, KDPW_CCP shall send to the settlement system institution instructions, described in § 33 point 4, relating to other transactions whose settlement is performed in that institution after this suspension, in such a way as to ensure that this purchase shall be financed from the cash credit positions of that participant arising from these transactions. In such instances, these cash credit positions shall be netted with the debits of the participant to cover the costs of the securities purchase.

4. In instances where the cash credit position of the participant, described in subpara. 1 is insufficient to purchase the securities necessary to eliminate settlement suspension, the purchase of these securities shall be financed from margins posted by that participant. The provisions of § 59 subpara. 6 shall apply accordingly.

5. If the cash credit position of the participant, described in subpara. 1, and the margins are insufficient to ensure the purchase of securities up to the amount necessary to eliminate the suspension of transaction settlement, KDPW_CCP shall cancel the settlement instruction on behalf of that participant, sent to the relevant settlement institution. At the moment of the cancellation of the instruction to settle the transaction on behalf of the participant, described in subpara. 1, it may not require KDPW_CCP to perform a payment arising from the content of such instruction.

6. In instances described in subpara. 5, the purchase of securities that form a transaction whose settlement has been suspended, shall be funded also from the assets of the clearing guarantee fund or the relevant guarantee fund, in the order and in the amount referred to in § 59 subpara. 4 and 6 and § 58b subpara. 1.

7. In instances where the purchase of securities took place using the assets of the clearing guarantee fund or the relevant guarantee fund, the cash received as payment from the participant on whose behalf the purchase took place, becomes part of the assets of the fund, whose assets were utilised.

7a. KDPW_CCP shall have no obligations in connection with a transaction whose settlement has been suspended to the extent that the obligations of the participant referred to in subpara. 1 arising from such transaction have been met with the resources of the relevant fund referred to in § 58.

8. Any potential profit from price increases of the securities between the transaction, whose settlement was suspended and the purchase transaction performed in accordance with the provisions of the preceding subparagraphs shall be transferred to KDPW_CCP. However, in instances where the payment of the securities purchase transaction was carried out using the assets of the clearing guarantee fund or the relevant guarantee fund, any potential profit from the price difference between the securities, described in the previous sentence, shall be added to the assets of the fund.

§ 65
1. If it should not prove possible to cancel the settlement instruction for a transaction whose clearing counterparty is the participant, described in § 64 subpara. 1, and in addition if actions of KDPW_CCP referred to in § 64 subpara. 1 prove insufficient to purchase the amount of securities necessary to eliminate the suspension of transaction settlement, or if the actions initiated by KDPW_CCP in accordance with the provisions of § 64 do not lead to the purchase of the necessary amount within 5 days of the initiation of such actions, or if such actions cannot be initiated within such period for reasons beyond the control of KDPW_CCP, then the Management Board of KDPW_CCP guided by the safety and liquidity of clearing shall determine, by means of a resolution, respectively, not to perform, or to cease the further performance of these actions, and to meet on behalf of the participant being the clearing counterparty the cash payment of an amount being the difference between 120% of the market value of these securities which have not been purchased according to their value on the day that KDPW_CCP has executed this payment, and their value arising from the transaction, whose settlement was suspended. A replacement entitlement shall be paid in the currency of transaction settlement.

2. The resolution, described in subpara. 1, shall also be adopted where there exists no possibility, or there is a severely limited possibility, of the purchase of securities, whose shortage had led to the suspension of transaction settlement. The phrase “no possibility, or severely limited possibility of the purchase of securities” shall mean in particular the situation where the rights from securities were extinguished, or were amended after the intended settlement date, as well as the situation where securities were excluded from trading in the regulated market, or alternative trading system, on which transactions cleared by KDPW_CCP are executed, or their trading has been suspended, or the situation where securities were withdrawn from the central securities depository managed by the Central Securities Depository of Poland.

3. If the resolution, described in subpara. 1, forms the basis to cease the further performance of the actions, aimed at purchasing securities necessary to eliminate the suspension of transaction settlement, the amount of the cash payment, described in subpara. 1, shall be determined in relation to the number of securities, which following these actions, it did not prove possible to sell.

4. In order to execute the cash payment, described in subpara. 1, KDPW_CCP shall use the margins posted by the participant, described in § 63 subpara. 2, contributions to the clearing guarantee fund or the relevant guarantee fund and own funds of KDPW_CCP, in the order and in the amount referred to in § 59 subpara. 4 and 6 and § 58b subpara. 1.

5. Meeting the cash payment, described in subpara. 1, shall release KDPW_CCP from all obligations towards participants that are parties to the clearing of transactions, whose settlement has been suspended on account of the participant, described in § 64 subpara. 1, where these obligations arise from the execution of the transaction, or its acceptance for clearing.

6. The provisions of subpara. 1-5 shall apply accordingly where KDPW_CCP is obliged to make a delivery of the underlying instrument in connection with novation of a transaction in
derivative instruments or to pay the difference of amounts one of which involves the underlying instrument, and the amount of the replacement payment shall be equal to, respectively:
1/ the difference between 120% of the market value of the underlying instrument as at the date of such payment made by KDPW_CCP and the cash payment arising from the transaction whose settlement has been suspended due in place of delivery of the underlying instrument, or
2/ 120% of the market value of the underlying instrument as at the date of such payment made by KDPW_CCP if the derivative instrument is executed exclusively by means of delivery of the underlying instrument.

§ 66

1. In the event that, due to actions of KDPW_CCP taken in order to cause the performance of an obligation arising from the clearing of a transaction accepted to the clearing system referred to in § 1 subpara. 1 or subpara. 5, respectively, the amount of own funds of KDPW_CCP decreases to 110% of the set KDPW_CCP capital requirement, KDPW_CCP shall immediately notify participants holding the status of clearing member thereof. In that event, prior to using other own funds, KDPW_CCP shall call such participants to make additional contributions to the clearing guarantee fund or the relevant guarantee fund, not greater than 50% of the maximum existing contributions according to their latest update, provided that the obligation arising from the transaction, which should be performed, is secured by that fund.
2. Immediately after making additional contributions referred to in subpara. 1 to the clearing guarantee fund or the relevant guarantee fund, respectively, KDPW_CCP shall use such assets to ensure the performance of an obligation arising from the clearing of a transaction covered by the transaction clearing liquidity guarantee system.
3. In the event that the amount of own funds of KDPW_CCP decreases below 110% of the set KDPW_CCP capital requirement, the Management Board of KDPW_CCP shall immediately notify participants holding the status of clearing member:
   1/ of the amount of own funds of KDPW_CCP and
   2/ of the fact that the situation has been restored where the amount of own funds of KDPW_CCP is 110% of the set KDPW_CCP capital requirement.

§ 66a

The obligation of KDPW_CCP arising as a result of novation of a transaction or coverage of a transaction by the transaction clearing liquidity guarantee system shall expire to the extent that it is performed with the participant's margins, resources of the clearing guarantee fund or the relevant guarantee fund. KDPW_CCP shall not be required to return such amounts.

§ 67

1. In instances where the actions, described in § 59 subpara. 4 or 5, § 60 subpara. 2, § 61 subpara. 1, § 64 subpara. 6, § 65 subpara. 1 or § 69 subpara. 2 cannot be fully performed using the assets described therein, then KDPW_CCP shall assume the obligation for the performance of these actions using its own proprietary assets, to the extent that the actions have not been completely performed despite the use of these assets, subject to § 66.
2. The creditors of KDPW_CCP as regards the obligations, described in subpara. 1 and in § 58b subpara. 1, are exclusively participants holding the status of clearing member.

3. The obligations of KDPW_CCP, described in subpara. 1 and § 58b subpara. 1, shall not apply to any indirect payments, in particular payment of interest for delay in meeting a cash payment, or restitution following the suspension of transaction settlement.

§ 68
In instances of the performance of the actions, described in § 59 subpara. 4 or 5, in § 60 subpara. 2, in § 61 subpara. 1, in § 64 subpara. 6, or in § 65 subpara. 1, using the assets deriving from the proprietary assets of KDPW_CCP:
1/ If these assets were used in order to perform the actions described in § 59 subpara. 4 or 5, then KDPW_CCP shall have the right to demand a refund of these resources from the participant, described in § 59 subpara. 1,
2/ If these assets were used in order to perform the actions described in § 60 subpara. 2, then the ownership of the securities purchased for these assets shall be acquired by KDPW_CCP,
3/ If these assets were used in order to execute the cash payment, described in § 61 subpara. 1, or § 65 subpara. 1, KDPW_CCP shall have the right to demand a refund of these assets from the participant, described in § 59 subpara. 1, or in § 64 subpara. 1,
4/ If these assets were used in order to perform the actions described in § 64 subpara. 6, KDPW_CCP shall have the right to receive the cash payment from the transaction, whose settlement has been suspended, to the extent that the elimination of the suspension took place using the securities purchased using these assets,
5/ KDPW_CCP shall not be obliged to settle with the member, described in § 59 subpara 1, or § 64 subpara. 1, or any other member being the counterparty to clearing, any profits arising from potential differences between the prices of securities purchased using these assets between the date of the transaction, whose settlement has been suspended, and the date of their purchase by KDPW_CCP,
6/ KDPW_CCP shall have the right to demand a refund of these assets from the participant described in § 59 subpara 1, or § 64 subpara. 1, to cover any losses arising from the differences in prices described in point 5.

§ 69
1. In instances where the participant, who in relation to holding the status of clearing member for transactions executed in the derivatives market is obliged to supplement or post initial deposit, initial margin, additional margin, contributions to the clearing guarantee fund, or the relevant guarantee fund, or payment following marking to market, does not perform this obligation, or does not perform it properly, KDPW_CCP shall initiate the process of closing positions registered in the clearing system that are the result of the acceptance into the system of transactions executed on the account of this participant, using the initial deposit, initial margin and additional margin, corresponding to these positions, for this purpose. Other positions for which the participant holds the status of clearing member, will also be closed using these assets, if these positions were not secured using initial margin.
2. If the assets, described in subpara. 1, shall prove insufficient, contributions to the clearing guarantee fund or the relevant guarantee fund and own funds of KDPW_CCP, in the order and in the amount referred to in § 59 subpara. 4 and 6 and § 58b subpara. 1, shall be used to close these positions. In instances where these assets are still insufficient, the provisions of § 67 subpara. 1-3 shall apply to close these positions.

3. In instances where the closing of positions took place using the own capital of KDPW_CCP, KDPW_CCP shall have the right to demand the repayment of the used capital from the participant, described in subpara. 1.

4. In the event of an order by the Polish Financial Supervision Authority, described in Article 89 subpara. 4 of the Law on trading in financial instruments, KDPW_CCP shall send the relevant settlement institution an instruction for the transfer of client positions secured using initial margins onto the accounts of a participant holding the status of clearing member, indicated in that order, and shall retain these margins as initial margins posted by that participant.

§ 69a

1. In the event that, following the performance of the actions referred to in § 59 subpara. 6, § 60 subpara. 1, § 64 subpara. 4 or § 69 subpara. 1, assets posted as initial margin remain in a collateral account opened for a participant on whose part an event of default has occurred in order to secure positions arising from transactions executed by a participant acting with the participation type of non-clearing member, registered in the clearing system in a way enabling clear identification by KDPW_CCP as transactions executed by the non-clearing member, KDPW_CCP shall transfer such assets to the entity acting with the participation type of non-clearing member and, should this prove impossible or excessively onerous, to the participant holding the status of clearing member on whose part the event of default has occurred.

2. In the event referred to in subpara. 1, the participant on whose part an event of default has occurred shall not be entitled to raise claims against KDPW_CCP for return of assets referred to in subpara. 1.

§ 69b

1. Subject to subpara. 2, 3 and 13, in the event of default on the part of a participant in whose accounts positions are registered which arise from transactions executed by an entity acting with the participation type of non-clearing member, whose settlement has not been suspended, and which have been registered in the clearing system in a way enabling clear identification by KDPW_CCP as transactions executed by the non-clearing member, and assets posted as initial margin to secure such positions, such entity may request that such positions be transferred together with such collateral to the designated clearing account and the linked collateral account opened by the participant that has committed to perform obligations arising from the clearing of such transactions.

2. The transfer of positions and assets referred to in subpara. 1 may take place after the identification of an event of default, on the basis of matching instructions for the transfer of positions and assets referred to in subpara. 1, to the designated clearing account and the
linked collateral account opened by the participant assuming the status of clearing member for such positions, submitted within a time limit set by KDPW_CCP, but not shorter than 60 minutes after its publication according to subpara. 12:

1/ by the participant acting with the participation type of non-clearing member, referred to in subpara. 1, and
2/ by the participant assuming the status of clearing member for such positions.

3. The submission of an instruction by a participant referred to in subpara. 2 point 2 shall simultaneously imply its consent for the performance of all obligations related to the clearing of transactions referred to in subpara. 1, subject to subpara. 10.

4. On the basis of matching instructions, referred to in subpara. 2, KDPW_CCP shall recall from the system operated by the relevant settlement institution the settlement instruction for transferred positions arising from transactions accepted to the clearing system and submit a new settlement instruction for such positions. KDPW_CCP shall register the transfer of such positions and assets securing such positions referred to in subpara. 1 in the account system provided that the instruction submitted as a result of the transfer of such positions and assets is accepted in the system operated by the relevant settlement institution.

5. KDPW_CCP shall be entitled to refuse the execution of instructions referred to in subpara. 2 if, due to their execution, the obligations of the participant intending to assume the status of clearing member for positions referred to in subpara. 1 should exceed the amount of initial deposit posted by the participant and the amount of assets posted as initial margin referred to in subpara. 1.

6. In the event of execution of a request referred to in subpara. 1, the participant on whose part an event of default has occurred shall not be entitled to raise any claims against KDPW_CCP arising from the positions concerned by the request or any claim for the return of assets referred to in subpara. 1.

7. On the registration of the transfer of positions and assets, referred to in subpara. 1, by KDPW_CCP in the account system:

1/ the participant on whose part an event of default has occurred shall no longer be the creditor or debtor, respectively, with respect to the entities designated in § 43c subpara. 3,
2/ the participant assuming the status of clearing member for positions referred to in subpara. 1 shall become the creditor or debtor, respectively, with respect to the entities designated in § 43c subpara. 3,
3/ KDPW_CCP shall no longer be the creditor or debtor, respectively, with respect to the participant on whose part an event of default has occurred and shall become the creditor or debtor, respectively, with respect to the participant assuming the status of clearing member for the positions referred to in subpara. 1.

8. The transfer of positions and assets, referred to in subpara. 1, shall require the consent of KDPW_CCP acting on its own behalf and on the basis of a power of attorney, referred to in § 15 subpara. 1 point 4 item (b). Such consent shall be granted on the condition precedent that the participant referred to in subpara. 2 point 2 meets the conditions described in subpara. 5. A declaration of will granting such conditional consent shall be submitted by KDPW_CCP to the participant referred to in subpara. 2 point 2 together with the confirmation
that the submitted instructions referred to in subpara. 2 match.

9. On the submission of the declaration of will referred to in subpara. 8, KDPW_CCP acting on its own behalf and on the basis of a power of attorney, referred to in § 15 subpara. 1 point 4 item (b), shall conclude an agreement to become the creditor or debtor with respect to the positions and assets, referred to in subpara. 1, with the participant referred to in subpara. 2 point 2.

10. The participant intending to assume the status of clearing member for the transactions referred to in subpara. 1 shall submit the instruction referred to in subpara. 2 after it has checked that it and the participant acting with the participation type of non-clearing member have performed relevant legal transactions necessary for an effective transfer of the positions and assets, referred to in subpara. 1. By submitting the instruction referred to in subpara. 2, the participant shall confirm that such legal transactions have been performed.

11. The instructions referred to in subpara. 2 shall be submitted in the form and content defined by the Management Board of KDPW_CCP in a resolution.

12. If KDPW_CCP identifies an event of default on the part of a participant in whose accounts positions are registered which arise from transactions executed by an entity acting with the participation type of non-clearing member or executed on its account, registered in the clearing system in a way enabling clear identification by KDPW_CCP as transactions executed by the entity or executed on its account, as well as assets which secure such positions, posted as initial margin, KDPW_CCP shall immediately publish on its website the time limit for the submission of an instruction for the transfer of the rights and assets, referred to in subpara. 2, and inform the entity holding the status of non-clearing member thereof by fax or by electronic mail over the Internet.

13. KDPW_CCP shall be entitled to refuse the execution of a request referred to in subpara. 1 if:

1/ matching instructions for the transfer of the rights and assets, referred to in subpara. 2, are not submitted within the time limit referred to in subpara. 2, and it has begun to close out positions arising from transactions executed by an entity acting with the participation type of non-clearing member or executed on its account, or

2/ prior to the receipt of instructions for the transfer of the rights and assets, referred to in subpara. 2, a settlement instruction for the transferred positions has been sent to the settlement institution and it cannot be effectively recalled from the system operated by the settlement institution, or

3/ instructions for the transfer of the rights and assets, referred to in subpara. 2, do not indicate all positions registered in the clearing account designated therein from which they are to be transferred,

4/ prior to concluding that instructions for the transfer of the rights and assets, referred to in subpara. 2 match, it identified an event of default of the participant who is to acquire the status of clearing member for the positions being transferred,

5/ prior to concluding that instructions referred to in subpara. 2 match, a relevant instruction was sent to the clearing bank or the relevant payment system, including a
system that is part of TARGET 2, to clear cash payments in relation to the positions or assets being transferred and it cannot be effectively recalled from the system.

14. On the transfer of the positions and assets, referred to in subpara. 2:
1/ claims for return of financial collateral established by the participant referred to in subpara. 2 point 1 as an initial margin on such assets shall expire,
2/ financial collateral shall be established by the clearing member referred to in subpara. 2 point 2 as an initial margin on such assets,
3/ KDPW_CCP shall transfer to the participant referred to in subpara. 2 point 2, on the terms and conditions set out in this Section, revenue earned as of that time from the management of such cash assets constituting initial margin, as well as entitlements from securities posted as initial margin with a record date after that time.

15. In an event of default, referred to in subpara. 1, KDPW_CCP shall be entitled to provide a participant acting with the participation type of non-clearing member with all information concerning transferred positions arising from transactions executed by the participant or executed on its account, as well as assets securing them, posted as initial margin, and from the time of submission by the participant of an instruction for the transfer of the rights and assets, referred to in subpara. 2 point 1, also provide such information to a participant that intends to accept the status of clearing member for the transferred positions.

§ 69c
1. If positions registered in a clearing account arise from transactions which have not been executed by the same entity, the provisions of § 69b shall apply accordingly if:
1/ all entities which have executed transactions registered in the clearing account are participants represented in the clearing system by the same entity holding the status of clearing member for such transactions, and
2/ only positions arising from transactions concluded by participants, referred to in point 1, are registered in the clearing account, and
3/ positions arising from transactions concluded by participants, referred to in point 1, and assets posted as initial margin are registered in a way enabling clear identification by KDPW_CCP as transactions executed by such participants, as well as assets which secure such positions, and
4/ all entities referred to in point 1 submit matching instructions referred to in § 69b subpara. 2, indicating without limitation the same participant which intends to assume the status of clearing member for the transactions referred to in point 1.

2. If a participant on whose part an event of default has occurred represents an entity being a participant with a participation type other than that of non-clearing member, the provisions of subpara. 1 and § 69b shall apply accordingly.

§ 70
1. If in a given market, in accordance with the law in force in the country in whose territory that market is operated and in accordance with the rules in force in that market, the entity performing the clearing of transactions executed in that market becomes the counterparty to
these transactions, without the necessity to submit any form of declaration of the acceptance of the terms of each such transaction, or to express the intention to execute these transactions on the same terms that they are executed, KDPW_CCP may conclude an agreement with the entity organising this market to provide clearing services for transactions executed in this market, on condition that the rules in force in this market require all entities admitted to executing transactions there to conclude a prior participation agreement with KDPW_CCP, as the entity performing clearing on their behalf.

2. The requirement, described in subpara. 1, may be performed by acquiring participation related to the status of clearing member, or by acquiring the participation type of non-clearing member.

3. In instances of the conclusion of an agreement for the clearing of transactions in the market, described in subpara. 1, the terms and conditions of clearing services provided by KDPW_CCP for these transactions, the method used to guarantee the transaction clearing, the rules and methods used by KDPW_CCP to eliminate the suspension of transaction settlement, as well as the terms and conditions and scope of the liability of KDPW_CCP, shall all be exclusively regulated by these rules and the resolutions of the KDPW_CCP Management Board issued on the basis of these rules. The provisions of the preceding sections shall apply to these matters, subject to the provisions of subpara. 4-7.

4. In becoming a counterparty for transactions executed in the market, described in subpara. 1, KDPW_CCP shall assume the responsibility for making the related payment exclusively on behalf of a participant holding the status of clearing member and representing the other party to the transaction in clearing performed by KDPW_CCP.

5. In instances where the settlement in a relevant settlement institution of a transaction (“transaction A”), executed in a market, described in subpara. 1, is suspended because KDPW_CCP did not execute the payment arising from this transaction, which was caused by an identical payment, as regards asset and amount, not being executed on behalf of KDPW_CCP by a participant, described in § 59 subpara. 1, or § 64 subpara. 1, as a result of another transaction (“transaction B”) executed in this market, whose settlement was also suspended, then the payment relating to transaction A shall be processed by KDPW_CCP on the date of the elimination of the suspension of settlement of transaction B, and in the event of cancellation by KDPW_CCP of the instruction to settle, in accordance with the provisions of § 59 subpara. 3, or § 64 subpara. 5 - on the date of the settlement of, respectively, the securities sale or purchase transaction by KDPW_CCP in order to perform settlement on behalf of the participant being the counterparty to the clearing of transaction B.

6. If in the instance, described in subpara. 5, the Management Board of KDPW_CCP shall take advantage of the right to adopt a resolution on the execution of the cash payment, as described in § 61 subpara. 1, or § 65 subpara. 1, on behalf of the participant being the counterparty to the clearing of transaction A, the execution of this payment shall release KDPW_CCP from the obligations arising from transaction A.

7. In the circumstances described in subpara. 5, KDPW_CCP shall not be obliged to process any consequential payments in relation to the main payment arising from transaction A, and in particular KDPW_CCP shall not be obliged to pay any penalty interest for any delay in executing
the cash payment arising from this transaction, or to provide restitution as a result of its suspension.

§ 71

1. In instances where collateral, described in the provisions of this Section, is posted in the form of securities, then KDPW_CCP shall have the right to dispose of these securities according to the purpose for which the collateral served, from the moment when the securities were first posted as collateral. Securities shall be deposited as an initial margin or an initial deposit by means of their transfer, respectively, to:

1/ for securities referred to in § 47 subpara. 3 point 1-3 - the securities account maintained for KDPW_CCP by the Central Securities Depository of Poland,

2/ for securities referred to in § 47 subpara. 3 point 4 – the securities account maintained for KDPW_CCP in the relevant depository system for such securities, indicated by the Management Board of KDPW_CCP in a resolution.

Upon such transfer, KDPW_CCP and the participant holding the status of clearing member posting the margin shall enter into an agreement of transfer of ownership of such instruments to KDPW_CCP in order to secure the performance by the participant of obligations which may be performed by means of the margin according to the rules and to cover the cost of such performance, subject to subpara. 2 and 3.

2. In the event that collateral consists of securities referred to in § 47 subpara. 3 point 4:

1/ the agreement referred to in subpara. 1, the establishment and expiration of collateral in such securities, and the enforcement of such collateral shall be governed by the applicable legal provisions of the state where the securities account referred to in subpara. 1 point 2 is managed. The Management Board of KDPW_CCP shall indicate, in a resolution, the state where such securities account is managed,

2/ each margin consisting in such securities shall be financial collateral established under title transfer financial collateral arrangements referred to in Art. 1 subpara. 1 item (b) of Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements,

3/ KDPW_CCP may make the establishment of such collateral dependent on additional actions to be taken by the participant, as indicated by the Management Board of KDPW_CCP in a resolution, in order to meet the conditions necessary, according to applicable legal provisions, referred to in point 1, to conclude the agreement referred to in subpara. 1, and to make the collateral effective for third parties and to enforce it in cases referred to in the rules. In this case, the conclusion of the agreement referred to in subpara. 1 may take place provided that the participant has performed such actions,

4/ subject to subpara. 3, collateral shall be established in such securities at the instant of their transfer from the securities account managed in the system in which such securities are registered to the account managed in such system for KDPW_CCP, unless the applicable legal provisions, referred to in point 1, require that such agreement should be concluded at a different, later time. In that case, the moment when the collateral is established under such
applicable legal provisions shall be set by the Management Board of KDPW_CCP in a resolution.

3. In instances referred to in § 42b and § 69b, collateral in securities shall be established in the manner defined therein, and the provisions of subpara. 1 point 3 shall apply accordingly.

4. KDPW_CCP shall perform the sale of assets in non-cash form that constitute margins if such a need arises, to use them for purposes described in the provisions of this Section.

5. A participant holding the status of clearing member may demand the release of collateral, either in full, or in part, when the value of that participant’s posted collateral is higher than the collateral required, or in instances where in order to release the collateral, equivalent collateral in alternative form was posted in accordance with the relevant rules.

6. KDPW_CCP shall not dispose of securities posted as margins within the period that such securities are registered in a securities account maintained for KDPW_CCP otherwise than in order to establish collateral referred to in subpara. 4.

7. Subject to subpara. 8, payments received by KDPW_CCP in respect of entitlements from securities posted as margins and in respect of the redemption or cancellation of such securities by the issuer shall be transferred by KDPW_CCP to participants holding the status of clearing member in an amount less of taxes due. If, however, a participant is in arrears with the performance of any cash obligations towards KDPW_CCP arising from its participation in the clearing system, referred to in § 1 subpara. 1 or subpara. 5, respectively, KDPW_CCP may credit them towards such obligations instead of transferring them to the participant.

8. If an issuer redeems or cancels securities posted as margins, KDPW_CCP shall be entitled to use such payments in order to cause the performance of obligations of a participant arising from its status of clearing member, but such payments shall be credited in the first place towards a margin in respect of which the cancelled securities were posted, to the extent that the value of other assets credited towards it is lower than the minimum margin or the margin requirement, respectively.

9. If financial collateral referred to in this Section is formed by securities, KDPW_CCP shall be entitled to request the participant holding the status of clearing member that has posted such securities as initial margin or initial deposit to post, prior to the record date of entitlements from such securities, an equivalent collateral in order to enable the collateral posted in such securities to be released.

§ 72

1. Subject to the second sentence of subpara. 3 and subject to subpara. 4, the market value of securities traded in the organised market, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, shall be calculated according to the following principles:

1/ the market value of securities traded only on one organised market shall be calculated at their price on that market taken as the reference price,

2/ if no price taken as their reference price was determined on the organised market of trading in securities referred to in point 1 on a given day, their market value shall be calculated at the last such price before that day,
3/ the market value of securities traded on more than one organised market shall be calculated at their price on that market, assigned a priority higher than the priorities assigned to the other markets, taken as the reference price,

4/ if no price taken as the reference price was determined on the organised market identified according to point 3 on a given day, the market value of securities referred to in point 3 shall be calculated at the last such price determined on that day on another organised market on which such securities are traded or, if such price was determined on that day on more than one market, at such price determined on the market assigned a priority higher than the priorities assigned to the other markets.

5/ if no price taken as the reference price was determined on the organised markets on which securities referred to in point 3 are traded on a given day, their market value shall be calculated at the last such price on the market on which it was determined last or, if the criterion is met by more than one organised market, at the last such price on the market assigned a priority higher than the priorities assigned to the other markets.

2. The priorities assigned to the organised markets and the prices taken as the reference price for the calculation of the market price of securities are defined in Appendix 2 to the rules.

3. The market value of securities, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, whose price taken as the reference price is calculated as a percentage shall be equal to their current nominal value times the price calculated according to subpara. 1 and the value of incremental interest accrued at the day of calculating their market value if the entity operating the organised market provides KDPW_CCP with information indicating such value. However, it is assumed that the market value of securities on a day other than a trading day or a session day on any organised market on which such securities are traded shall be equal to their market value determined on the last trading day or a session day on such market.

4. If on a given day, due to a change of the nominal value of securities, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, whose price taken as the reference price is not calculated as a percentage, the Central Securities Depository of Poland has exchanged them for securities with a new nominal value, their market value on that day shall be calculated at the price taken as the reference price according to subpara. 1 and 2, however, for the purpose of the calculation, the price shall be multiplied by a ratio where the new nominal value is the numerator and the previous nominal value is the denominator.

5. Subject to subpara. 5a, the market value of securities, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, which are not traded on any organised market shall be calculated as follows:

1/ the market value of Treasury bills shall be calculated according to the rules applied by the National Bank of Poland to determine the market value of Treasury bills loaned in the securities registration system operated by the National Bank of Poland and used as collateral of such loans,

2/ the market value of securities delisted on an organised market or securities whose trading on such market has been terminated for other reasons shall be calculated according to subpara. 1-4, however, if such securities were traded on more than one organised market and
they were delisted on such markets on different days, their market value shall be calculated at the last price on the market on which they were last delisted, taken as the reference price,
3/ for subscription rights not covered by point 2, the market value shall be equal to zero,
4/ the market value of other securities shall be calculated, respectively, at their issue price or at their average issue price weighted by the number of securities registered from different issues in KDPW or, if no issue price can be determined, at their nominal value.
5a. The market value of securities referred to in § 47 subpara. 3 point 4, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, is calculated according to the current market data available from services of information agencies indicated by the Management Board of KDPW_CCP in a resolution.
6. If the market value of securities, deposited as margins or contributions to the clearing guarantee fund or relevant guarantee fund, calculated according to subpara. 1-5 is expressed in a foreign currency, the value shall be calculated in the Polish currency according to the current market value of that currency determined according to rules laid down by the Management Board of KDPW_CCP in a resolution.
7. For the purpose of application of subpara. 1-5, it is assumed that an organised market shall be a regulated market and an alternative trading system if these are operated by an entity or entities that are parties to agreements referred to in § 1 subpara. 2 concluded with KDPW_CCP and binding on the day of calculating the market value of securities, and the electronic market in Treasury securities operated by BondSpot S.A. under an agreement with the Minister of Finance.

§ 72a

1. The market value of the underlying instrument arising from a transaction in derivative instruments to which novation applies shall be calculated according to the following principles:
1/ if the underlying instrument is a security, the value shall be calculated according to § 72 subpara. 1-6,
2/ if the underlying instrument is a foreign currency, the value shall be calculated in the Polish currency according to the current market value of that currency determined according to rules laid down by the Management Board of KDPW_CCP in a resolution.
2. For underlying instruments other than referred to in subpara. 1 points 1 and 2 arising from transactions in derivative instruments to which novation applies, their market value shall be calculated according to the terms of trading for the derivative instruments concerned by the underlying instrument.

25/ §§ 72d-§ 72f shall be replaced by the following:

“§ 72d

1. In the negotiated lending clearing liquidity guarantee system, referred to in § 72b subpara. 1, KDPW_CCP shall maintain the relevant guarantee fund, referred to in Appendix 3 to the rules.
2. The objective of the fund, referred to in subpara. 1, is to secure the meeting of obligations
arising from an on-demand loan concluded in the negotiated lending system to the extent of the return of loaned securities and the return of the required amount of contractual collateral.

3. Contributions to the fund, referred to in subpara. 1, shall be paid in by participants holding the status of clearing member for on-demand loans concluded in the negotiated lending system.

4. Contributions to the fund, referred to in subpara. 1, shall be calculated by KDPW_CCP in the Polish currency.

5. The detailed rules of the formation and use of the fund, referred to in subpara. 1, are set out in the on-demand lending guarantee fund rules, attached in Appendix 3 to the rules.

§ 72e

The resources of the relevant guarantee fund, referred to in Appendix 3 to the rules, shall be used in the event of default and in the events referred to in Chapter IV “Transaction Clearing Liquidity Guarantee System”.

§ 72f

1. To the extent that the cash credits of a participant referred to in § 63 subpara 2 are insufficient to purchase securities necessary to eliminate the suspension of settlement related to the return of an on-demand loan concluded in the negotiated lending system, the purchase of these securities shall be financed in the first place from contractual collateral provided to KDPW_CCP according to § 54a subpara. 9, and if it is insufficient, then in the sequence and the amount determined according to subpara. 3 and § 59 subpara. 4, § 64 subpara. 6, § 72b subpara. 3 point 2.

2. In the event of a replacement payment, referred to in § 65 subpara. 1, KDPW_CCP shall use the assets referred to in subpara. 1, in the sequence and the amount determined according to subparas. 1 and 3 and § 59 subpara. 4, § 65 subpara. 4, § 72b subpara. 3 point 2.

3. If the margins referred to in § 72c subpara. 2 need to be used, such margins shall be used before the assets which constitute the own resources of KDPW_CCP and the assets of the relevant guarantee fund, in the following sequence:

1/ initial deposit for loans,
2/ initial margin for loans, and
3/ additional margin for loans.”;

26/ § 74 and § 74a shall be replaced by the following:

“§ 74

1. At the request of the Management Board, the Supervisory Board of KDPW_CCP may, for a limited time, reduce or waive fees defined in the Table of Fees.

2. KDPW_CCP shall immediately notify the participants of any reduction or waiver of fees defined in the Table of Fees.

§ 74a

Any payment made by a participant who has at least two outstanding debts due to KDPW_CCP
in respect of fees shall be automatically credited to the debt which has been outstanding for the longest period of time.”;

27/ § 76 shall be replaced by the following:

“§ 76
Reduced fees shall be charged from a participant holding the status of clearing member that, under an agreement concluded with the operator of the regulated market or alternative trading system, performs functions consisting in buying or selling specific financial instruments on its own account for purposes related to maintenance of liquidity or organisation of trading on the market, or from a participant that represents in the clearing of transactions performed by KDPW_CCP a person that performs such functions, where the Table of Fees so provides, in the amount laid out therein, provided that the conditions laid down by the Management Board of KDPW_CCP in a resolution are met, subject to § 74.”;

28/ the existing numbers of Chapters: V “Measures for Maintaining Order and Discipline”, VI “Complaint Handling Procedure” and VII “Interim Provisions”, shall become VI, VII and VIII, respectively;

29/ after § 77, Chapter V “Termination of Participation” shall be added as follows:

“CHAPTER V
TERMINATION OF PARTICIPATION

§ 77a
1. A participation agreement may be terminated:
1/ on request of a participant, effective two weeks from the date of the request, subject to subpara. 2,
2/ by agreement of the parties,
3/ according to a unilateral declaration made by KDPW_CCP in the procedure referred to in § 77b (cancellation of participation).
2. If positions or balances arising from the netting of positions are registered in clearing accounts maintained for a participant holding the status of clearing member or the participant is obliged to make payments in respect of participation in the clearing system, a participation agreement may be terminated in the case referred to in subpara. 1 point 1 only following the deletion of such positions from the clearing system and the performance of all obligations arising from participation in the system.

§ 77b
1. If an event of default occurs on the part of a participant holding the status of clearing member, KDPW_CCP may:
1/ terminate the participation agreement concluded with such participant (cancellation of participation) together with transactions accepted for clearing for which the participant is a
clearing counterparty, effective at the time determined according to subpara. 2, and close out positions registered in the clearing accounts managed for such participant and take actions referred to in § 59 et seq.;

2/ refrain from carrying out the participation agreement concluded with the defaulting participant in the procedure defined in § 83,

3/ refuse to accept for clearing any further transactions in whose clearing the defaulting participant would participate unless another participant holds the status of clearing member for such transactions and has been designated to clear them.

2. In the case of cancellation of participation, all liabilities of the clearing member in respect of its participation in the clearing system referred to in § 1 subpara. 1, including liabilities arising from transactions accepted for clearing in the system, as well as all liabilities of KDPW_CCP to such participant thereunder, shall become due at the time defined by KDPW_CCP in the notice of termination of the participation agreement effective immediately, but no later than thirty days after the date of receipt of the notice. If KDPW_CCP fails to indicate such date in the notice, all liabilities referred to in the preceding sentence shall become immediately due on the date of receipt of the notice.

3. KDPW_CCP's notice of termination of the participation agreement effective immediately may be delivered to the participant electronically and, if delivery of the notice in this form is not possible, by fax or by electronic mail over the Internet. If it is not possible to deliver the notice in the manner referred to in the preceding sentence, the notice may be delivered to the participant in any manner.

4. In the case of cancellation of participation, KDPW_CCP shall take the actions referred to in this Chapter and in Chapter III “Transaction Clearing” Section IV “Transaction Clearing Liquidity Guarantee System”, including actions aimed to meet liabilities to a participant with the participant type of non-clearing member referred to in § 69a - § 69c.

5. Credits of KDPW_CCP and the participant whose participation has been cancelled, arising from the clearing of transactions accepted for clearing in the clearing system, to which the participant is a clearing counterparty, as well as in respect of its participation in such system, shall be netted by KDPW_CCP according to the rules and resolutions of the Management Board of KDPW_CCP adopted under the rules. As a result of netting of mutual credits, KDPW_CCP shall have credits or debits, respectively, due to or from the participant in the amount outstanding after the performance of all actions aimed at meeting the liabilities of the participant in the system. Credits shall be cancelled at the instant that KDPW_CCP performs such netting and registers its result in its systems.

6. KDPW_CCP shall perform netting with due diligence justified by market conditions prevailing on the date of netting, on the basis of current market data (in particular foreign exchange rates, reference rates, volatility levels and prices of financial instruments), determined according to the rules, and if such data are unavailable or cannot be obtained – on the basis of current market data available in services of information agencies or obtained from other financial institutions, including quotations (closing prices) received from banks for a transaction with the same parameters as the transaction subject to the valuation.
7. After performing all actions aimed at meeting the liabilities of a participant in respect of
participation in the clearing system referred to in § 1 subpara. 1, KDPW_CCP shall:
1/ provide the participant with the result of netting and information on the date of its
registration by KDPW_CCP in its systems,
2/ at its written request, document all data used by it to perform such actions.
8. The provisions of subpara. 1-7 shall not limit KDPW_CCP's right to claim damages on terms
laid down in legal provisions referred to in § 17 subpara. 2.”;

30/ Chapter VI (new number) “Measures for Maintaining Order and Discipline” shall be
replaced by the following:

“CHAPTER V
MEASURES FOR MAINTAINING ORDER AND DISCIPLINE

§ 78
1. Measures for maintaining order and discipline shall include:
1/ reminders,
2/ the fine referred to in subpara. 2,
3/ the suspension of participation,
4/ special fees.
2. If a participant contravenes the principles of participation by failing to carry out or by
improperly carrying out its obligations under the participation agreement, other than
obligations to pay fees defined in the Table of Fees, the Management Board of KDPW_CCP
shall, on the terms laid down in the provisions of this Chapter, fine the participant:
1/ PLN 50,000 if the participant's breach of the principles of participation poses or posed a
risk to the safety of trading or the proper operation of the clearing system referred to in § 1
subpara. 1, or
2/ PLN 10,000 in the case of other breaches unless a special fee is levied for such breach,
unless the participant's participation in the clearing system has been cancelled for such
reason or its participation in the system has been suspended.

§ 78a
The provisions of this Chapter shall not limit the right of KDPW_CCP to use remedies which may
be used according to applicable legal provisions and provisions of the rules in order to perform
liabilities in respect of participation in the clearing system referred to in § 1 subpara. 1 and to
claim damages on terms laid down in legal provisions referred to in § 17 subpara. 2.

§ 78b
1. Special fees shall be paid by participants holding the status of clearing member to
KDPW_CCP.
2. The provisions of § 74a and § 75 shall apply to special fees.
3. The amount of special fees is laid down in the Table of Fees.
§ 79
1. Subject to subpara. 4, should there be grounds to impose the fine referred to in § 78 subpara. 2, the Management Board of KDPW_CCP shall notify the participant concerned of the breach, specifying precisely how it occurred and specifying a time limit to remedy the condition resulting from the breach or to take a specific action or inaction defined by the Management Board KDPW_CCP in order to prevent any further breach. In case of the participant’s failure to remedy the condition, failure to take or taking inadequate action or inaction, respectively, the Management Board of KDPW_CCP shall fine the participant as referred to in § 78 subpara. 2.
2. In case of the participant's failure to remedy the condition of breach of participation which formed the basis for the levying of the fee, failure to take or taking inadequate action or inaction in order to prevent any further breach, respectively, the Management Board of KDPW_CCP shall specify a time limit for eliminating the said condition or taking the action or inaction prior to each subsequent imposition of a fine.
3. The Management Board of KDPW_CCP may decide not to levy a fee and to caution the participant. The fee referred to in § 78 subpara. 2 shall not be imposed in such cases.
4. If a participant fails to provide the information referred to in § 28 within the time limit defined therein:
   1/ subpara. 1 and 2 shall not apply,
   2/ the Management Board of KDPW_CCP may levy a fee referred to in § 78 subpara. 2 without first performing the actions referred to in subpara. 1.

§ 80
1. The resolution passed by the Management Board of KDPW_CCP concerning the imposition of the fee referred to in § 78 subpara. 2 shall immediately be delivered to the participant concerned.
2. The resolution on imposing the fee shall be carried out within 10 days of its being delivered to the participant.

§ 81
1. The participant levied a fee on the basis of § 78 subpara. 2 may, within 7 days of the receipt of the Management Board's resolution in this matter, submit an appeal to the Supervisory Board of KDPW_CCP. The appeal shall be submitted through the Management Board of KDPW_CCP.
2. Submission of an appeal shall not prevent the enforcement of the resolution.

§ 82
1. The resolution of the Supervisory Board of KDPW_CCP concerning appeals shall be adopted no later than 3 months after its submission. Resolutions adopted by the Supervisory Board of KDPW_CCP shall be final.
2. A change of circumstances occurring after the Management Board of KDPW_CCP has issued its resolution shall not provide grounds for reversing the resolution. In such instances, the participant in question may apply to the Management Board of KDPW_CCP to review the case once again.

§ 83

1. KDPW_CCP may refrain from carrying out the participation agreement (suspension of participation) if:
   1/ the participant threatens the safety of trading or the proper operation of the clearing system, referred to in § 1 subpara. 1,
   2/ the participant is in arrears with the payment of any fees due according to the Table of Fees for at least two full payment periods, where such periods need not be consecutive, and no complaint handling procedure has been opened on the matter or, if opened, it has been closed and the decision made in the procedure is final, or
   3/ despite the levying of the fee referred to in § 78 subpara. 2 point 1, the participant has not remedied the condition of breach or taken an action or inaction defined by the Management Board of KDPW_CCP in order to prevent any further breach or has taken it inadequately, or
   4/ another breach occurs and KDPW_CCP has not terminated the participation agreement effective immediately.

2. A threat referred to in subpara. 1 point 1 occurs, specifically, if the financial situation of a participant raises doubts as to the participant's ability to meet obligations arising from transaction clearing in a timely manner, or if as a result of the improper performance of responsibilities applicable to the status of clearing member, a participant contravenes the legal provisions relating to the system for securing transaction clearing liquidity, or is in persistent breach of reporting obligations defined in these rules.

3. The suspension of participation is for a specified period, no longer than 6 months. The previous participant status shall be restored on the basis of a decision taken by the Management Board of KDPW_CCP, by way of resolution, before or on expiry of the aforementioned period, unless a different decision concerning further participation has been taken before the expiry of that period.

4. Participation may be suspended with regard to all of the participant's activities under the participation agreement or with regard to only some activities.

5. The decision to suspend participation shall specify conditions needing to be met in order for the previous participant status to be restored.

6. In the event of suspension of participation, the rules laid down in § 81 and § 82 shall apply.

§ 83a

In instances described in § 83 subpara. 1, KDPW_CCP shall submit to the Central Securities Depository of Poland an instruction to block in the negotiated lending system the option of concluding on-demand loans by the participant participating in the system who poses a threat to the safety of trading or proper operation of the clearing system, described in § 1 subpara. 1, or by other entities represented by that participant within the scope of such transactions in the
clearing system described in § 1 subpara. 1.

§ 84
Suspension of participation shall not release:
1/ KDPW_CCP from obligations arising from the clearing of transactions to which the suspended participant is a clearing counterparty, accepted in the clearing system until the time of suspension, and
2/ the participant from its obligations arising from its activities in the clearing system referred to in § 1 subpara. 1 until such time. The provisions contained herein shall apply accordingly.”;

31/ § 84a shall be replaced by the following:
“§ 84a
The complaint handling procedure shall be performed in matters concerning non-performance or undue performance by KDPW_CCP of services referred to in the rules, resolutions issued under the rules, the rules of the clearing guarantee fund or the relevant guarantee fund, as well as incorrect calculation of amounts due in respect of fees set out in the Table of Fees, other than the following:
1/ matters concerning seeking, modification or termination of participation in the clearing system,
2/ matters concerning the application of measures for maintaining order and discipline referred to in § 78 subpara. 1 point 1-3.”;

32/ § 84b subpara. 3 shall be replaced by the following:
“3. The Management Board of KDPW_CCP or a person authorised by it shall review a submitted complaint within 14 days of receipt or notify within that time limit the participant who has submitted the complaint of a new time limit for its review which shall be no longer than 30 days.”;

33/ §§ 85-87 shall be replaced by the following:
“§ 85
Participants holding the status of clearing member with the participant type of representative, clearing member – own transactions, clearing member – derivatives accounts shall, as of the effective date of the amendments to the rules approved by the Polish Financial Supervision Authority which form the basis for the modification of the designation of such participant types, conduct activities in the clearing system with the participant type of general clearing member – representative in securities trading, individual clearing member, and general clearing member – representative on the derivatives market, respectively.

§ 86
A participant that is a non-resident within the meaning of the Foreign Exchange Law of 27 July 2002 and did not provide the declaration referred to in § 20 subpara. 1 point 6 when concluding the participation agreement, shall provide such declaration within two weeks of
§ 87
If according to the relevant legal provisions applicable in the state of seat of a participant holding the status of clearing member or where a seat is not required to be established, then its head office, CRR does not apply to its activity, and the participant did not provide the declaration and information referred to in § 20 subpara. 1 point 6 when concluding the participation agreement, it shall provide such declaration and information within two weeks of receipt of KDPW_CCP's notice to such effect.”;

34/ § 88 shall be repealed;

35/ Appendix 1 “Table of Fees” shall be replaced by Appendix 1 to this Resolution;

36/ Appendix 2 “Priorities assigned to markets and prices taken as the reference price for the purpose of calculating the market value of securities” shall be replaced by Appendix 2 to this Resolution;

37/ Appendix 3 “On-demand Lending Guarantee Fund Rules” shall be replaced by Appendix 3 to this Resolution.

§ 2
This Resolution shall enter into force on the first day of the calendar month following by at least two weeks the publication by the Management Board of the resolution approved by the Polish Financial Supervision Authority.

Karol Półtorak
Chairman of the Supervisory Board
Table of Fees - Appendix 1 to the Rules of Transaction Clearing (organised trading).

<table>
<thead>
<tr>
<th>Fees charged from participants</th>
<th>Fee types and amount</th>
<th>Rules for calculating and charging fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation fees</td>
<td>Annual fee charged in advance:</td>
<td>1/ in the full amount for participants with clearing member status, irrespective of the number of participation types the status relates to, 2/ at one half of the fee – for participants holding participation type of non-clearing member where the fee is charged separately for the economic activity carried out by the participant in its place of seat, head office or separated and organised part of such activity for which is has concluded a participation agreement. If the conclusion of a participation agreement of a type that relates to the holding of status as a clearing member or participation type of non-clearing member with an entity that at the time of the conclusion of this agreement did not hold this status in any scope took place in the first half of the calendar year, then the fee for that year is charged in the full amount referred to in point 1 or 2, respectively; if however the conclusion of the agreement took place in the second half of the calendar year, then the fee for that year is charged at ½ of the amount referred to in point 1 or 2, respectively. In the event of termination of participation in all types relating to the status of clearing member held by a participant in a given calendar year in the first half of the calendar year, ½ of the amount of the fee charged for the year is refunded; however, in the event of termination of the participation agreement in the second half of the calendar year, the fee for the year is not refunded in any portion.</td>
</tr>
<tr>
<td>Participation fee – 20 000 PLN</td>
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### 2. Clearing fees

#### 2.1. Fee for transaction clearing – 0.0035 % of the value of the transaction, however, not less than 0.2 PLN and not more than 2.0 PLN for the clearing of one transaction however:

- **2.1.1.** Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific securities on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW CCP: for the clearing of one transaction executed as part of these activities – 0.00053% of the transaction value, however, not less than 0.03 PLN and not more than 0.38 PLN.

#### 2.2. [repealed]

### 3. Derivatives fees

Fees charged on a monthly basis. If the provisions herein do not specify otherwise, the fees described in Point 3 are charged for participants who are, respectively, parties to clearing, or entities sending instructions relating to position transfers.

The transfer of positions between accounts marked with separate individual identification numbers is also understood as a transfer in participant accounts marked with different individual identification numbers.

#### 3.1. Fees for the registration of transactions or the transfer of positions between accounts marked with separate individual identification numbers
3.1.1. Futures transactions or position transfers

3.1.1.1. Registration of share futures transactions or position transfers – 0.34 PLN per contract, however, not more than 340 PLN for the registration of each transaction, executed in a number exceeding 1000 (one thousand) contracts however:

3.1.1.1.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions arising as a result of transactions, or that are the subject of a transfer – 0.05 PLN for 1 contract, however, not more than 50 PLN for the registration of each transaction, executed in a number exceeding 1000 (one thousand) contracts

3.1.1.2. Registration of currency futures transactions or position transfers – 0.08 PLN per contract however:

3.1.1.2.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions arising as a result of transactions, or that are the subject of a transfer – 0.01 PLN per contract

3.1.1.3. Registration of transactions or position transfers in futures other than those futures contracts described in Points 3.1.1.1 and 3.1.1.2 – 0.80 PLN per contract however:

3.1.1.3.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions arising as a result of transactions, or that are the subject of a transfer – 0.12 PLN per contract

3.1.2. Index participation units transactions or position transfers

3.1.2.1. Registration of index participation unit transactions – 0.0075 % of the transaction value, however, not less than 0.2 PLN and not more than 50 PLN for the clearing of each transaction
however:

3.1.2.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions arising as a result of transactions – 0.001125 % of the transaction value, however, not less than 0.03 PLN and not more than 7.5 PLN for the clearing of each transaction

3.1.2.2. Registration of a position transfer in index participation units – 10 PLN

3.1.3. Options transactions or position transfers

3.1.3.1. Registration of an options transaction – 0.2 % of the value of the option premium, however, not less than 0.2 PLN and not more than 2 PLN for each position

however:

3.1.3.1.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions arising as a result of transactions – 0.03 % of the value of the option premium, however, not less than 0.03 PLN and not more than 0.3 PLN for each position

3.1.3.2. Registration of an options transfer position – 1 PLN for each position

however:

3.1.3.2.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions that are subject to the transfer – 0.15 PLN for each position

3.2 Fee for the registration of position transfers or transfers in participant accounts between accounts marked with the same individual identification number – 10 PLN

however:

3.2.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions subject to transfer.
entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for positions that are subject to the transfer – 1.5 PLN

3.3 Fee for closing a position following expiry:
3.3.1. Share futures – 0.34 PLN for each contract however:
  3.3.1.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for the closed positions – 0.05 PLN per contract
3.3.2. Currency futures – 0.08 PLN per contract however:
  3.3.2.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for the closed positions – 0.01 PLN per contract
3.3.3. Futures other than those described in Points 3.3.1 and 3.3.2 – 0.80 PLN per contract however:
  3.3.3.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of clearing member for the closed positions – 0.12 PLN per contract

3.4 Fee for processing the exercise of an option or index participation units cleared in cash – 0.2 % of the cleared value, however, not less than 0.2 PLN and not more than 2 PLN for each position however:
  3.4.1. Fee charged for participants who on the basis of an agreement concluded with an entity managing a regulated market, or alternative trading system, sell and purchase specific derivatives on their own account in order to maintain liquidity or to organise trading in this market; or charged for participants representing an entity which performs these activities in transaction clearing performed by KDPW_CCP, holding the status of
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5.</td>
<td>Fee for the registration of a position transfer arising from a transaction executed on the basis of a collective order issued by a portfolio manager of broker financial instruments on behalf of clients for which the manager performs an identical investment strategy, from the account of the manager onto the client's account, if this takes place on the date of the execution of the transaction between accounts managed for the same participant – 2 PLN</td>
</tr>
<tr>
<td>3.6.</td>
<td>Fee for the registration of a position transfer arising from a transaction executed on the basis of a collective order issued by a portfolio manager of broker financial instruments on behalf of clients for which the manager performs an identical investment strategy, from the account of the manager onto the client's account, if this takes place on the date of the execution of the transaction between accounts managed for different participants – 10 PLN</td>
</tr>
<tr>
<td>3a.</td>
<td>Fee for maintaining an on-demand loan concluded in the negotiated lending system - 0.005% of the loan value, however no less than 0.1 PLN and no more than 2.5 PLN for each day of maintaining the loan</td>
</tr>
<tr>
<td>4.</td>
<td>Fees for management and administration of assets paid in as contributions to the clearing fund and the relevant guarantee fund, and assets paid in as margins in the transaction clearing liquidity guarantee system or in the negotiated lending clearing liquidity guarantee system (other than assets deposited in securities referred to in § 47 subpara. 3 point 4, and in EUR).</td>
</tr>
<tr>
<td>4.1.</td>
<td>Fee calculated depending on the contributed securities – 0.2 %, however, not less than 500 PLN and not more than: 10 000 PLN where the basis used for the calculation of the fee is less than, or equal to 10 000 000 PLN, 25 000 PLN where the basis used for the calculation of the fee exceeds 10 000 000 PLN, however, is less or equals 50 000 000 PLN,</td>
</tr>
<tr>
<td></td>
<td>Fee charged for participants holding the status of clearing member for position transfers.</td>
</tr>
<tr>
<td></td>
<td>Fee charged exclusively for participants holding the status of clearing member for transactions executed by asset managers.</td>
</tr>
<tr>
<td></td>
<td>Fees charged on a monthly basis from participants which are a clearing counterparty, calculated for a single loan. The fee is calculated for each day of maintaining a loan in the clearing system from the day of settlement of the grant of the loan performed on the basis of a settlement instruction sent by KDPW_CCP until the day of deregistration of the loan from the clearing system, inclusive.</td>
</tr>
<tr>
<td></td>
<td>Fees calculated and charged on a quarterly basis from participants who pay in contributions to the clearing fund, the relevant guarantee fund, or post margins in the transaction clearing liquidity guarantee system or in the negotiated lending clearing liquidity guarantee system.</td>
</tr>
</tbody>
</table>
30 000 PLN where the basis used for the calculation of the fee exceeds 50 000 000 PLN.

4.2. [repealed]

4.3. Fee charged for cash contributions – 0.2%, however not more than 35 % of income generated on behalf of the participant and not less than 300 PLN

<table>
<thead>
<tr>
<th>4a. Fees for registration of a transfer of positions and collateral - 10 PLN per transfer</th>
<th>Fees charged on a monthly basis. Fee charged only for the participant which previously held the status of clearing member for the positions being transferred.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4b. Special fees</td>
<td>Fees charged on a monthly basis.</td>
</tr>
</tbody>
</table>
| 4b.1. Fee for late provision of financial information by the clearing member to KDPW_CCP – 200 PLN for each day of delay, however not more than 10 000 PLN per late provision of each separate financial information referred to in § 28 subpara. 1 point 1-3 and § 29, for a given reporting period. | Fee charged for the participant responsible for the provision of financial information referred to in § 28 subpara. 1 point 1-3 and § 29 to KDPW_CCP, within the time limits defined therein. Fee charged separately for failure to provide KDPW_CCP, within the required time limit, with each financial information referred to in § 28 subpara. 1 point 1, 2 or 3 or § 29, prepared for a given reporting period in which it should be prepared according to the applicable legal provisions, whereas:
1/ the financial information referred to in § 28 subpara. 1 point 3 for a given reporting period is not provided within the time limit if it does not include all data required under § 28 subpara. 2, unless the competent supervisory authority of the participant has waived, according to the applicable provisions of CRR, the application of specific prudential requirements for such participant or such requirements do not apply to such participant according to the provisions of CRR,
2/ the financial information referred to in § 28 subpara. 1 point 1, 2 or 3 for a given reporting period is not provided within the time limit if the participant fails to provide such information on a separate or consolidated basis if so required under § 28 subpara. 4. |
|  | Fee charged starting on the day following the date when the participant is required to provide KDPW_CCP with specific financial information... |
5. Fees for additional services

5.1. Fee for executing securities buy-in procedures for a participant in the event of the circumstances described in § 64 subpara. 1 of the Rules – 1 000 PLN

5.2. Fee for itemised billing – 100 PLN

5.3. Fee for making the clearing system test environment available on a day that is not a business day, or is a Saturday – 7 000 PLN

5.4. Fee for sending a unit message – 0.10 PLN

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information referred to in § 28 subpara. 1 point 1, 2 or 3 or § 29, for a given reporting period, until the day of its provision to KDPW_CCP, inclusive.

Fees charged on a monthly basis.

Fee charged for a participant who has not removed the suspension of transaction clearing owing to a shortage of securities. Fee charged in the event of redemption of securities in whole or in part, affected by a shortage of securities due to suspension of transaction settlement.

Fee charged for providing the participant on request with itemised billing information for each position in the invoice. Fee not charged for itemised billing of special fees referred to in point 4b.

Fee charged for every day on which the system is available for testing purposes on request of the participant. No fee is charged where the test environment is available for testing organised by the Central Securities Depository of Poland, the Warsaw Stock Exchange or BondSpot S.A.

Fee charged for:
- sending a participant a message containing the terms of one transaction made in organised trading by an entity which is not a clearing member,
- accepting from a participant and delivering to the operator of an exchange or non-exchange regulated market or the organiser of an alternative trading system a message containing the instruction to block the option of making transactions by an entity which is not a clearing member or a message containing the instruction to unblock that option.
Appendix 2 to Resolution No. 35/158/14.
of the Supervisory Board of KDPW_CCP S.A.
dated 5 November 2014

Appendix 2 to the Rules of Transaction Clearing (organised trading) – Priorities assigned to markets and prices taken as the reference price for the purpose of calculating the market value of securities

<table>
<thead>
<tr>
<th>Type of securities</th>
<th>Priority assigned to the market</th>
<th>Market code</th>
<th>Reference price for the purpose of calculating the market value of securities on day X</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Treasury bonds</td>
<td>1</td>
<td>TBSP</td>
<td>fixing price at the last fixing session before day X</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>BondSpot RNM</td>
<td>closing price on the last trading day before day X</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>WSE REM</td>
<td>price used to determine the opening price at the session on day X</td>
</tr>
<tr>
<td>2 Securities other than: 1/ Treasury bonds, and 2/ debt securities, denominated in EUR and issued by European Union Member States other than the Republic of Poland</td>
<td>1</td>
<td>WSE REM</td>
<td>price used to determine the opening price at the session on day X</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>WSE ATS</td>
<td>closing price on the last trading day before day X</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>BondSpot RNM</td>
<td>closing price on the last trading day before day X</td>
</tr>
</tbody>
</table>

1 The priorities are assigned as follows: the lower the digit which stands for a market’s priority, the higher the priority.
2 The market codes are as follows:
   - TBSP – electronic Treasury securities market operated by BondSpot S.A. under an agreement with the Minister of Finance,
   - WSE REM – regulated exchange market operated by the Warsaw Stock Exchange,
   - BondSpot RNM – regulated non-exchange market operated by BondSpot S.A.,
   - WSE ATS – alternative trading system organised by the Warsaw Stock Exchange.
Appendix 3 to Resolution No. 35/158/14.
of the Supervisory Board of KDPW CCP S.A.
dated 5 November 2014

Appendix 3 to the Rules of Transaction Clearing (organised trading)

ON-DEMAND LENDING GUARANTEE FUND RULES

SECTION 1
GENERAL PROVISIONS

§ 1
1. These rules, hereinafter referred to as the “Rules”, define the procedures for the formation and use of the fund which guarantees the proper performance of obligations concerning the return of on-demand loans concluded in the negotiated lending system (“Fund”).
2. KDPW CCP may manage the assets of the Fund.
3. Specific deadlines described in these Rules shall be used according to their definition in the Rules of Transaction Clearing (organised trading).
4. The provisions of § 6 of the Rules of Transaction Clearing (organised trading) shall be used to determine and calculate the deadlines set in the Rules.

§ 2
1. The Fund guarantees the performance of obligations arising from an on-demand loan concluded with the intermediation of the Central Securities Depository of Poland in the negotiated lending system within the scope of the return of loaned securities and the return of the required amount of collateral provided by the counterparties to the loan according to the provisions of the Rules of the Central Securities Depository of Poland described in Article 50 of the Law on trading in financial instruments and the performance of obligations arising from non-execution or undue execution of transactions to such extent.
2. The Fund is formed from contributions of participants holding clearing member status within the scope of on-demand loans referred to in subpara. 1.
3. The Fund consists of the basic resource and the reserve resource.
4. The Fund shall secure the performance of obligations arising from the return of on-demand loans concluded in the negotiated lending system under extreme but plausible market conditions, according to Appendix 1 to the rules.
5. KDPW CCP shall conduct stress testing in order to monitor the ability of performing obligations arising from transactions for which participants holding the status of clearing member are a clearing counterparty.
6. KDPW CCP shall determine, on the basis of the weighted average value of the Fund in the last four update periods, the minimum value below which the value of the Fund must not fall. The minimum value shall be equal to half the weighted average value of the Fund rounded off.
to PLN 10,000 (ten thousand zlotys), however, not less than the value of the minimum contribution determined according to § 8, subpara. 2 times the number of Fund participants.

7. KDPW_CCP shall determine, on the basis of the weighted average value of the Fund in the last four update periods, the maximum value; once it is exceeded, KDPW_CCP shall no longer accept contributions of participants to the basic resource of the Fund until the next update begins. The maximum value shall be equal to twice the weighted average value of the Fund rounded off to PLN 10,000 (ten thousand zlotys), however, not less than four times the value of the minimum contribution determined according to § 8, subpara. 2 times the number of Fund participants.

8. The minimum value and the maximum value referred to in subparas. 6 and 7, respectively, shall be updated on each last day of a calendar month in which contributions to the basic resource of the Fund are updated.

§ 3

1. The Fund shall be used for the following purposes:
   1/ to cover the differences between the price of securities, if any, between a loan guaranteed by the fund whose settlement has been suspended and their purchase or sale, as well as the costs incurred to perform that purchase or sale, in instances where, in order to eliminate the settlement suspension of a transaction, securities are purchased or sold in order that the participant being the other clearing counterparty who has not caused the settlement to be suspended may receive payment,
   2/ to meet the cash payment owed by the participant holding clearing member status which has not fulfilled the cash payment obligations arising from the return of a loan guaranteed by the fund,
   3/ to meet the cash payment towards the participant which has not caused the settlement of the transaction guaranteed by the fund to be suspended in the amount set out in the Rules of Transaction Clearing replacing the cash or non-cash payment arising from the transaction,
   4/ in other cases defined in the Rules.

2. The provisions of the Rules of Transaction Clearing shall apply to any matters relating to the principles of the use of the Fund that are not regulated herein.

SECTION 2
PAYMENTS, UPDATES AND ADJUSTMENT OF THE CONTRIBUTIONS TO THE FUND

§ 4

1. Participants make payments to the Fund through contributions consisting of:
   1/ cash accepted by KDPW_CCP, or
   2/ securities accepted by KDPW_CCP, which are Treasury securities, or
   3/ accepted debt securities, which are denominated in EUR and issued by European Union Member States other than the Republic of Poland,

where the types of accepted securities, referred to in points 2 and 3, which may constitute contributions to the Fund, as well as the conditions that such securities need to meet to be
accepted as contributions, shall be defined in a resolution of the KDPW_CCP Management Board.

1a. Cash accepted by KDPW_CCP within the meaning of subpara. 1 is only cash deposited according to the terms defined in the provisions or the Rules and a resolution of the KDPW_CCP Management Board adopted under the Rules, in the following currencies:
1/ PLN,
2/ EUR.

2. Subject to the provisions of subparas. 3 and 4, as well as the provisions of § 5, subpara. 3, § 6, subpara. 1, § 8, subpara. 3, and § 21, subpara. 3, securities paid in by a participant shall count towards the participant’s contribution before any cash assets paid in. For participants making separate contributions, described in § 6, subpara. 5, first sentence, the cash assets and securities paid in by the participants shall be counted separately for each of these contributions.

3. Securities paid into the Fund shall count towards the contribution only in part determined by the KDPW_CCP Management Board by means of a resolution. However, two days prior to the record date used to determine the owners of securities entitled to payments following their redemption, these securities shall cease to count as a valid means of contribution.

4. The amount of the contribution paid in using securities shall be equal to the difference between their market value and the product of such market value multiplied by the haircut rate assigned to them, published by KDPW_CCP according to a procedure defined in a resolution of the KDPW_CCP Management Board. KDPW_CCP shall determine the haircut rate of a security taking into account its type, the risk of change of its market value, and its liquidity.

5. The market value of securities shall be determined according to the provisions of § 72 of the Rules of Transaction Clearing.

6. The updated market value of securities, referred to in subpara. 1, points 2 and 3, and cash in EUR paid in as contributions by each participant shall be calculated each day in which KDPW_CCP performs transaction clearing.

7. KDPW_CCP shall determine the haircut rate of a security and cash in EUR taking into account its type, the risk of change of its market value, and its liquidity.

8. The value of the haircut shall be updated daily by KDPW_CCP, on the days when KDPW_CCP performs the clearing of transactions. Changes to the value of the haircut performed as part of the update shall also have a bearing on securities and cash in EUR contributed to the Fund prior to the update.

9. Haircuts for specific securities may be set at 100% level.

§ 4a

1. The rights arising from the registration of securities referred to in § 4, subpara. 1, point 3, on the securities account referred to in § 5, subpara. 1, point 2 shall be governed by the applicable legal provisions of the state where the securities account is managed. The KDPW_CCP Management Board shall indicate, in a resolution, the state where such securities account, on which securities referred to in subpara. 1, point 3, is managed.

2/ KDPW_CCP shall accept securities referred to in § 4, subpara. 1, point 3 if:
1/ the applicable legal provisions of the state referred to in subpara. 1 ensure effective payment of such securities as contributions into the Fund and enable their use with priority over third parties in cases referred to in the Rules and the Rules of Transaction Clearing (organised trading) and in accordance with the provisions of such Rules,

2/ the provisions of the Rules and the Rules of Transaction Clearing (organised trading) concerning the payment of such securities as contributions into the Fund and their use in cases referred to in the Rules are consistent with the applicable legal provisions referred to in subpara. 1.

3. KDPW_CCP may make the acceptability of payments in securities referred to in § 4, subpara. 1, point 3, dependent on additional actions to be taken by the participant, as indicated by the Management Board of KDPW_CCP in a resolution, in order to ensure that the payment of such securities as contributions to the Fund is effective and to enable their use with priority over third parties in cases referred to in the Rules and the Rules of Transaction Clearing (organised trading) and in accordance with the provisions of such Rules.

§ 5

1. The securities referred to in § 4, subpara. 1, points 2 and 3, paid into the Fund by participants shall be registered, respectively:
   1/ for securities referred to in § 4, subpara. 1, point 2 – on the securities account managed by the Central Securities Depository of Poland for KDPW_CCP,
   2/ for securities referred to in § 4, subpara. 1, point 3 – on the securities account managed for KDPW_CCP in the relevant depository system for such securities, indicated by the KDPW_CCP Management Board in a resolution.

2. Contributions to the Fund shall be paid in as follows:
   1/ for cash assets - by means of a debit of the bank account in the relevant clearing bank or in TARGET2 managed for the participant or its payment agent, subject to subpara. 6,
   2/ for securities referred to in § 4, subpara. 1, point 2 - by means of the transfer of securities onto the securities account referred to in subpara. 1, point 1, according to the principles described in the rules issued by the Central Securities Depository of Poland, defining the rules for the management of the securities depository and for processing of transaction settlement,
   3/ for securities referred to in § 4, subpara. 1, point 3 - by means of the transfer of such securities onto the securities account referred to in subpara. 1, point 2, according to the principles described in the rules issued by the entity indicated by the KDPW_CCP Management Board in a resolution, which define the terms of operation of the relevant depository system for such instruments and of the clearing of transactions.

3. Instructions sent to the Central Securities Depository of Poland in order to transfer securities referred to in § 4, subpara. 1, point 2 paid into the Fund directly by a clearing member making contributions or paid into it via its settlement agent, onto the securities account managed by the Central Securities Depository of Poland for KDPW_CCP, shall indicate that the transferred securities shall count towards a contribution to the Fund and shall be sent according to the regulations referred to in § 2, subpara. 2.
4. Instructions sent in order to transfer securities referred to in § 4, subpara. 1, point 2 paid into the Fund directly by a clearing member making contributions or paid into it via its settlement agent, onto the securities account managed for KDPW_CCP in the relevant depository system for such instruments, indicated by the KDPW_CCP Management Board in a resolution, shall indicate that the transferred securities shall count towards a contribution to the Fund and shall be sent according to the regulations referred to in § 2, subpara. 3.

5. Securities indicated as referred to in subparas. 3 and 4 shall not count towards other contributions made by the participant to the basic resource of the Fund referred to in § 1, subpara. 1.

6. Cash in EUR shall be paid as contributions into the Fund and returned on the basis of instructions sent by the participant, in the bank account indicated according to § 20, subpara. 2, point 3 of the Rules of Transaction Clearing.

§ 6

1. A participant shall join the Fund upon the performance of the obligations referred to in subpara. 1-6.

2. A participant shall make the first contribution to the basic resource of the Fund exclusively in the form of cash. The first contribution should be paid in not later than the day of joining the negotiated lending system by the participant or the entity which the participant shall represent as a clearing member in the clearing system but not later than two days prior to the day of the commencement of the activities of the participant or entity in the system.

3. A participant intending to hold the status of clearing member for transactions guaranteed by the Fund, executed by another entity following a change of participant holding such status, shall be obliged to make the first contribution to the basic resource of the Fund not later than two days prior to the date when the participant intends to acquire the status of clearing member to such extent.

4. The amount of the first contribution paid shall equal the minimum contribution determined according to the provisions of § 8, subpara. 2.

5. A participant holding the status of clearing member to the extent of transactions guaranteed by the Fund, however for more than one type of activity determined according to § 11, subpara. 3, points 1-4 of the Rules of Transaction Clearing, shall make separate contributions for each type of activity. The provisions of subparas. 1, 2 and 4 shall apply accordingly to each of such separate contributions.

6. Before making the first separate contribution referred to in the first sentence of subpara. 5 into the basic resource of the Fund, the participant shall indicate to KDPW_CCP in writing the type of activity determined according to § 11, subpara. 3, points 1-4 of the Rules of Transaction Clearing for which it intends to make the contribution.

§ 7

1. Subject to the provisions of subpara. 3, contributions to the basic resource of the Fund shall be updated on the last day of each calendar month, and if this date should fall on a day on
which KDPW_CCP does not process transaction clearing – on the last day, preceding that day, in which clearing is performed by KDPW_CCP.

2. KDPW_CCP performs the update by calculating the required amount of the contribution.

3. The update of the contribution is performed for the first time, respectively, on the date on which the participant or the entity which the participant shall represent as a clearing member in the clearing system will commence conclusion of loans in the negotiated lending system or on the date that the participant acquires the status of clearing member for loans concluded in the system by another entity following a change of participant holding this status.

4. Separate contributions made by the participant according to § 6, subpara. 5, first sentence shall be updated separately.

§ 8

1. The update of the contributions shall be performed according to the principles described in Appendix 1 to the Rules.

2. The amount of the contribution to the basic resource of the Fund, including the amount of the separate contribution referred to in § 6, subpara. 5, first sentence, shall not be lower than PLN 20,000 (minimum contribution). The KDPW_CCP Management Board may determine another amount for the minimum contribution in a resolution.

3. In cases specially justified by reasons of safety of trading and transaction clearing, the KDPW_CCP Management Board in a resolution may oblige all or some participants holding the status of clearing member for loans guaranteed by the Fund to pay in contributions in a specific amount other than the amount determined according to subparas. 1 and 2 and decide that such contributions may be paid in in a form other than provided for in the Rules.

§ 9

1. Subject to the provisions of subpara. 2, the contribution shall be adjusted in the following instances:

1/ when the updated amount of the participant’s contribution is higher or lower than the value of the contribution paid in by the participant to the basic resource of the Fund, or

2/ when the updated value of the securities paid in as part of the participant’s contribution is higher or lower than the market price of the securities at the time of the last payment of the participant’s contribution.

2. If the assets of the Fund were sold below their purchase price, following their use in accordance with the provisions of § 3 subpara. 1, the level forming the basis for the update adjustment of the contributions shall be defined by the KDPW_CCP Management Board by means of a resolution.

3. The debits and credits of the participant making separate contributions to the basic resource of the Fund according to § 6, subpara. 5, first sentence, resulting from the adjustment of contributions, shall be determined separately for each contribution made by the participant for each type of activity of the participant determined according to § 11, subpara. 3, points 1-4 of the Rules of Transaction Clearing.
4. The adjustment of the contribution shall be made by participants paying in a supplementary contribution to the basic resource of the Fund, or following a refund of part of the participant's contribution.

5. A refund of part of the participant's contribution shall only be made in the form of cash, through a credit payment onto the bank account, referred in § 5, subpara. 2, point 1. The amount of the refund shall not be higher than the surplus over the limit of the participant's contribution, which according to the provisions of § 4, subpara. 3 must remain in cash form.

6. A participant's debits and credits as a result of the adjustment of contributions to the Fund shall be offset (netted) with the participant's debits and credits arising from participation in the clearing system operated by KDPW_CCP.

§ 10
1. The adjustment of the contribution shall take place on the basis of documents containing the information referred to in subpara. 2 below, issued by KDPW_CCP and made available to participants.

2. On the day of the update, KDPW_CCP shall make available not later than 23:00 hours, to each participant holding the status of clearing member for loans guaranteed by the Fund, information defining the updated amount of the participant's contribution to the basic resource of the Fund, the updated market value of the securities paid in as part of the contribution and the amount of the participant's cash debits and credits that need to be adjusted as part of the next contribution adjustment.

3. The information referred to in subpara. 2 shall also be made available by KDPW_CCP on every day on which KDPW_CCP shall perform transaction clearing, and if the day that the information is made available is not at the same time the date on which the contribution is updated, then this information shall indicate the amount of the contribution that would be required from participants if on the day the information is made available the update had been performed, while the amount of the cash debits and credits shall be determined on the basis of changes in the current market price of securities forming part of the contribution.

4. The information referred to in subparas. 2 and 3 addressed to a participant making separate contributions referred to in § 6, subpara. 5, first sentence, shall be made available separately for each such contribution.

§ 11
1. A participant shall pay the supplementary contribution when this contribution consists of cash assets by 08:30 hours on the day following the day when the information referred to in § 10, subpara. 2 or 3 is made available, indicating that the participant is obliged to make a payment. On the same day, KDPW_CCP shall refund part of the contribution paid in by the participant if this information indicates a credit owed to the participant. In instances justified by reasons of trading or transaction clearing safety, the Management Board of KDPW_CCP may, by means of a resolution, designate separate deadlines for each update.
2. Securities may be used as part of the supplementary contribution on condition that, before 18:00 hours on the day the information referred to in § 10, subpara. 2 or 3 was made available, they were registered, respectively:
1/ for securities referred to in § 4, subpara. 1, point 2 - on the securities account referred to in § 5, subpara. 1, point 1,
2/ for securities referred to in § 4, subpara. 1, point 3 - on the securities account managed for KDPW_CCP in the relevant depository system for such securities, indicated by the KDPW_CCP Management Board in a resolution.

3. An adjustment consisting in a refund of part of the contribution paid in by the participant shall be suspended if a situation arises such that participants are obliged to pay in replacement or additional contributions referred to in § 20, subparas. 1 and 2, and in § 21, subparas. 1-3.

SECTION 3
WITHDRAWAL OF SECURITIES

§ 12
1. Participants may withdraw securities paid in by them to the Fund by means of an instruction sent to KDPW_CCP to this effect.
2. KDPW_CCP shall send an instruction to the depository system operated, respectively, by the Central Securities Depository of Poland or the entity referred to in § 5, subpara. 2, point 3, to transfer securities from the securities account referred to in § 5, subpara. 1, in accordance with the contents of the instruction referred to in subpara. 1, on the day following the day of its receipt, on condition that:
1/ the participant has performed the obligations relating to the adjustment of the contribution,
2/ the withdrawn securities do not need to be used by the Fund, and
3/ the instruction referred to in subpara. 1 was sent to KDPW_CCP prior to 18:00 hours on the day preceding the date of the intended withdrawal.
3. If the instruction, referred to in subpara. 1 is sent to KDPW_CCP, then the documents referred to in § 10, subpara. 2 and 3 shall not include the value of the securities which are to be withdrawn in accordance with the instruction.

§ 13
1. A participant shall be obliged to withdraw securities paid into the Fund two days prior to the record day on which those entitled to receive payments following redemption of these securities are determined. This does not exempt participants from the obligation to adjust the contribution.
2. KDPW_CCP may send an instruction to transfer securities which have not been withdrawn by the participant according to the principle described in subpara. 1 from the securities account referred to in § 5, subpara. 1, point 1 or 2, respectively, onto the account from which the securities were paid into the Fund.
SECTION 4
RESERVE RESOURCE OF THE FUND

§ 14
1. The reserve resource of the Fund consists of:
   1/ revenue from the investment of cash assets paid into the basic resource in the Polish currency, and
   2/ assets described in § 20, subpara. 4, and
   3/ revenue generated by the investment of assets, as referred to in points 1-2 above.
2. Entitlements from securities paid into the Fund shall be transferred by KDPW_CCP to the participant who has paid these securities to the Fund, on the day the entitlements are received, in the amount due, less any relevant taxes withheld before their receipt. However, if prior to the payment of the entitlement, a participant is obliged to make a contribution, described in § 20, subparas. 1 and 2 or § 21, subparas. 1-3, and the participant does not perform this obligation within the necessary deadline, these entitlements shall be reassigned as contribution to the basic resource in an amount equal to the value of the contribution.
3. If a participant does not perform the obligations described in § 13, the payment from the issuer received for the redemption of securities that were paid in by the participant to the Fund shall be added to the basic resource of the Fund, increasing the value of cash assets paid in by that participant as contribution.

§ 15
1. The share of a participant in the revenue generated by the investment of assets from the basic resource and of assets from the reserve resource shall be proportional to the participant's share in the basic resource and the reserve resource, respectively, subject to the provisions of subparas. 2 and 3.
2. The share in the revenue described in subpara. 1 of a participant making separate contributions referred to in § 6, subpara. 5, first sentence, shall be determined separately for each such contribution.
3. The share of a participant in the assets described in § 20, subpara. 4 shall be proportional to that participant's share in the basic resource.

§ 16
The share in the reserve resources of the Fund shall be paid out to participants quarterly, unless there has been an obligation imposed on a participant to make contributions referred to in § 20, subparas. 1 and 2 or § 21, subparas. 1-3. In such instances, participants' shares in the reserve resource shall be applied to contributions to the basic resource.

SECTION 5
USING THE ASSETS OF THE FUND.
REPLACEMENT AND ADDITIONAL CONTRIBUTIONS
§ 17
If the value of the assets required to meet the payment obligation from the assets of the Fund is higher than the total value of the cash assets, paid in as contributions to the basic resource by the participant, who despite the obligation, did not hold the necessary assets to enable the transaction to be settled, KDPW_CCP shall assign to the basic resource of the Fund those securities paid in by that participant, and if necessary, also shall assign to the basic resource of the Fund securities paid in by other participants, recognising the need to ensure the fastest possible sale of these securities at the best available price.

§ 18
1. Immediately upon determining the need to allocate securities to the basic resource of the Fund, KDPW_CCP shall inform participants paying in contributions of this fact.
2. In order to prevent the allocation of securities to the basic resource of the Fund, the participant should provide KDPW_CCP, not later than 20 minutes following the moment KDPW_CCP has made the information referred to in subpara. 1 available, with a declaration relating to the replacement of securities contributed to the Fund with cash assets in an amount equal to the current market value of the securities determined while applying the haircut rate, referred to in § 4, subpara. 4. The declaration should indicate the number of securities that are to be replaced, along with their identifier. The replacement shall take place on condition that the cash available on the bank account referred to in § 5, subpara. 2, point 1 is sufficient to replace the securities indicated in the participant's declaration.

§ 19
1. Disbursement of the assets of the Fund shall be made from the basic resource. If securities form part of the assets of the Fund that are subject to the disbursement, KDPW_CCP shall sell these securities.
2. Securities held by a participant in the Fund, which were not assigned to the basic resource, according to the provisions of § 17, shall not be used and may be withdrawn by the participant, while applying the provisions of § 12.

§ 20
1. Subject to the provisions of subpara. 3, participants whose contributions have been disbursed shall be obliged immediately to replace the used part of the Fund. Replacement contributions shall be made relative to the size of the amounts of contributions made by participants to the basic resource of the Fund. The value of the participant's share in the reserve resource shall be counted as part of the replacement contribution, while applying the principles set out in § 15, subpara. 2.
2. Replacement contributions shall be paid in up to the amount of the difference between the used part of the Fund and the total value of assets paid in as contributions to the basic
resource of the Fund by the participant who despite the obligation, did not hold the necessary
assets to meet the obligations arising from the clearing of the transaction.
3. The obligation to make replacement contributions shall not apply to the participant referred
to in subpara. 2 above.
4. The assets paid into the Fund according to the provisions of § 59, subpara. 5, § 60, subpara.
4, and § 64, subparas 7 and 8 of the Rules of Transaction Clearing (organised trading) shall be
allocated to the reserve resource of the Fund.

§ 21
1. If the own resources of KDPW_CCP fall to 110% of the determined amount of the capital
requirement due to actions of KDPW_CCP taken in order to ensure that an obligation arising
from the clearing of a transaction accepted to the clearing system are met, participants holding
the status of clearing member for loans guaranteed by the Fund shall make additional
contributions in proportion to the amount of their existing contributions to the basic resource
of the Fund resulting from the most recent performed update.
2. The amount of the additional contribution which the participant may be required to make in
the event referred to in subpara. 1, shall be not more than 50% of the total amount of the
participant’s existing aggregate contributions to the basic resource of the Fund, resulting from
the most recent performed update (maximum amount of additional contribution).
3. Additional contributions shall be paid in only in cash within a time limit set by KDPW_CCP,
which shall be no earlier than the day following the day of requiring the payment of such
contributions. The KDPW_CCP Management Board may decide by way of a resolution that
additional contributions shall be made in instalments whose amount shall be set in such
resolution.
4. In the event referred to in subpara. 1, contributions shall be updated taking into account the
additional contribution that the participant has been called to pay. The additional contribution
referred to in subpara. 1 shall be maintained by the participant until the next update after
restoring a situation where the own resources of KDPW_CCP exceed the determined amount of
the capital requirement.

SECTION 6
CONSEQUENCES OF TERMINATION, CHANGE OR SUSPENSION OF PARTICIPATION OR
PARTICIPANT ACQUISITION

§ 22
1. In instances when participant status is terminated or limited to the extent that it involves the
loss of clearing member status for loans guaranteed by the Fund referred to in § 1, subpara. 1,
KDPW_CCP shall refund the participant the securities and cash assets remaining from
contributions made by that participant to the basic resource, as well as the cash assets being
equal to the participant’s share in the reserve resource, as at the day of the refunding of the
assets. The assets refunded to the participant may be subject to a deduction by an amount
necessary to perform the settlement of transactions executed in connection with other
transactions guaranteed by the assets of the Fund, for which the participant held the status of clearing member.

2. The refund shall take place once the obligations of the participant have been met, arising from the participant's status of clearing member for transactions guaranteed by the guarantee fund referred to in § 1, subpara. 1.

3. If the participation status of a participant making separate contributions referred to in § 6, subpara. 5, first sentence, is limited to the extent of contributions made by the participant for an activity of a given type while at the same time the participant's participation status is maintained to the extent of contributions made for an activity of another type, the principle set out in subpara. 1 shall apply only to the amount of the former contributions and the corresponding share in the reserve resource provided that KDPW_CCP shall not refund securities and shall refund cash up to the amount of cash assets assigned to the participant's contribution to be refunded as at the date of the most recent adjustment of the participant's contributions but only to the extent that such assets did not have to be used. In that case, the participant may withdraw securities whose market value is equal to the amount of the participant's contribution to be refunded which was not refunded to the participant in cash as at the date of the most recent adjustment of the participant's contributions, and if used – as at the date of the refund.

4. The provisions of subpara. 1 above shall not apply in instances where:
   1/ termination of participation status takes place as a result of the acquisition of a participant by another entity, which assumes all the rights of the participant being taken over. In such instances, assets paid into the Fund by the participant being taken over and that participant's share in the reserve resource shall be allocated to the acquiring participant, or
   2/ limitation of participation status is caused by the acquisition of a participant by another entity, assuming the participant's rights within a specified scope, and the procedure described in the second sentence of point 1 shall be applied to contributions to the basic resource and to the share of the reserve resource of the participant being taken over.

§ 23

1. Subject to the provisions of subparas. 2 and 3, refunds of the assets referred to in § 22, subpara. 1 shall be made within a period of 7 days following the performance of the obligations referred to in § 22, subpara. 2.

2. The refund of entitlements from securities shall take place on the day these entitlements have been received, subject to § 22, subparas. 1 and 2.

3. In the event referred to in § 22, subpara. 3, second sentence, securities may be withdrawn not earlier than set out in subpara. 1. The provisions of § 12, subparas. 2 and 3 shall apply.

§ 24

The contribution made by a participant to the basic resource of the Fund referred to in § 1, subpara. 1 shall not be subject to updates during the period of the suspension of its participation status, however, it shall be used and replenished, in accordance with general principles, up to the level of contribution on the day of suspension of the participation status.
§ 25
In instances of restitution of a participant’s participation status following a period of suspension, the required amount of the contribution paid in by such a participant to the basic resource of the Fund shall be determined according to the principles described in § 6, subpara. 4.

§ 26
In instances where a participant is acquired by another entity, within a given scope, the amount of contribution to the basic resource of the Fund required to be paid in by the acquiring entity shall be determined at the level of the most recent updated contribution of the participant being acquired, paid in during the period of the takeover, subject to the provisions of § 27.

§ 27
1. The amount of the contribution to the basic resource of the Fund required to be paid in by the acquiring entity, who is at the same time a participant in the Fund, shall be determined in accordance with general principles, however, using data relating to both the acquiring entity and the entity being taken over, as the basis of calculation, subject to the provisions of subpara. 2.
2. When calculating the contribution, described in subpara. 1, data relating to the participant being taken over shall only apply in the scope of the takeover.

§ 28
Extension of the participation status to the type of representative where the participant already acts with this participation status type but to the extent of loans guaranteed by the Fund concluded by another entity shall not require the payment of the contribution referred to in § 6, subpara. 1.

SECTION 7
REPORTING

§ 29
The Management Board of KDPW_CCP shall present participants of the Fund with semi-annual and annual reports on its activities in relation to the management of the assets of the Fund.