

SCP /ZW/32/2018
RT/ZW/352/2018
CCP/ZW/753/2018

Warsaw, 02 November 2018

To: KDPW Participants
KDPW_CCP Participants

Re.: Operating activity of KDPW and KDPW_CCP on 12 November 2018

Dear Sir or Madam,

In connection with the plans to establish a bank holiday on 12 November 2018 pursuant to the Act of 24 October 2018 establishing the National Day on the Centenary of Regaining Independence by the Republic of Poland, and in view of Resolution No. 1104/2018 of the Warsaw Stock Exchange Management Board dated 31 October 2018 cancelling the exchange trading session and trading in the alternative trading system on 12 November 2018, please find below details of the planned activity of the KDPW S.A. Group.

I. Depository system

In view of the fact that, as communicated by the National Bank of Poland, 12 November 2018 will be a business day in SORBNET2 and TARGET2-NBP, please be advised that the depository system will operate within the regular working hours. However, given the cancellation of the exchange trading session and trading in the alternative trading system, the accounting day timetable will be modified accordingly on 12 November 2018. The modification implies that 12 November 2018 will be excluded from the calculation of time limits applicable in the depository system to the extent of the settlement cycle of transactions concluded on the regulated market and in the alternative trading system (T+2). Consequently, the accounting day timetable effective on 12 November 2018 is the timetable defined in Appendix 2 to Resolution no. 791/17 of the KDPW S.A. Management Board dated 20 November 2017.

<http://www.kdpw.pl/en/participants/Pages/Holidays-2018.aspx>

In practice, on 12 November 2018, KDPW will not operate the settlement of transactions concluded in organised trading or the post-trade settlement of such transactions.

Furthermore, the following will apply:

- a/ cash settlement will be processed only in PLN;
- b/ DvP transaction settlement will be processed only in the sessions opening at 10:30 a.m. and 1:00 p.m. and only between 8:00 and 15:00 in RTGS;
- c/ the cut-off time of the processing of crossborder transfers will be 3:00 p.m.;
- d/ participants who maintain securities registers will not be required to prepare daily reports for 12 November 2018 or to provide reports as at 9 November 2018 to KDPW on 12 November 2018.

Furthermore, payments of benefits from securities will be processed on 12 November 2018. However, the decision to provide cash available to KDPW for corporate actions will be at the issuer's discretion.

II. Trade Repository

According to the Trade Repository Rules, the additional bank holiday implies that the day will be excluded from the calculation of time limits under the TR Rules, in particular the time limits when trade reports become overdue.

III. Clearing system

If 12 November 2018 is a bank holiday, then the KDPW depository system will not process the settlement of transactions concluded in organised trading on that day and, consequently, the KDPW_CCP clearing system will process only the clearing of OTC transactions in PLN and EUR, as well as updates and payments of contributions to the OTC guarantee fund and margins. The decision is based on available information to the effect that KDPW_CCP Participants will conclude OTC transactions cleared by KDPW_CCP on 12 November 2018. NBP will operate SORBNET2 as well as settlement in TARGET2-NBP on 12 November 2018.

If 12 November 2018 is a bank holiday under the Act, we will immediately distribute the relevant resolution of the KDPW_CCP S.A. Management Board concerning 12 November as an additional day to be included in the calculation of time limits for the clearing of OTC transactions in PLN and EUR and updates and payments of contributions to the OTC guarantee fund and margins.

Yours sincerely,

Sławomir Panasiuk
Vice President of the Management Board
KDPW S.A.

Michał Stępniewski
Vice President of the Management Board
KDPW S.A.