



**Detailed Clearing and Settlement Rules
of the Clearing and Settlement House**

These rules come into force on 10th April 2025.

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Definitions

- 1) **Auctions** – auctions within the meaning of the CSH Regulations conducted for the purposes of handling the insolvency of a House Member;
- 2) **House Member’s Payer Bank or CMPB** – bank providing House Members, under an agreement with the House, CHPB and agreements with House Members, with financial services associated with the settlement of Transactions executed by them in trading venues;
- 3) **Clearing Bank, House’s Payer Bank or CHPB** – bank providing the House, under an agreement with the House and agreements with House Members’ Payer Banks, with financial services associated with the settlement of Transactions executed in trading venues;
- 4) **Trading Venue Member** – entity that has entered into a membership agreement with the trading venue;
- 5) **Day N** – day on which the clearing of Transactions is performed by the House. The days preceding or following Day N are denoted as N-1 or N+1, respectively;
- 6) **Trading Day** – day on which a session is held during which Financial Instruments are traded;
- 7) **Exchange** – Towarowa Giełda Energii S.A. (Polish Power Exchange) with its registered office in Warsaw operating trading venues;
- 8) **Schedule** – detailed plan of cash settlement conducted by the House, forming Appendix 1 hereto;
- 9) **Financial Instruments** – financial instruments as defined in the Act on Trading;
- 10) **IRGiT or House** – Izba Rozliczeniowa Giełd Towarowych S.A. with its registered office in Warsaw;
- 11) **KOBIZE** – National Center for Emissions Management, the entity in charge of keeping records of Emission Allowances in the territory of the Republic of Poland, appointed by the minister in charge of environmental matters;
- 12) **SWIFT messages** – messages sent between banks participating in the settlement process consistent with the standards published by the Society for Worldwide Interbank Financial Telecommunication;
- 13) **Recording Account** – recording device used to register Positions in Financial Instruments maintained by IRGiT according to the House Member’s code, the code of the House Member client or/and the Trading Venue Member represented by the House Member, the activity type code;
- 14) **Clearing Account** – recording device used to determine payables and receivables arising from the clearing of Positions and the updating of required collateral margins, maintained by IRGiT according to the House Member’s code, the code of the House

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Member client or/and the Trading Venue Member represented by the House Member, the activity type code;

- 15) **Financial Settlement Account** – recording device used to register the value of payables and receivables of a House Member, based on which the House prepares payment orders forwarded to the Clearing Bank for financial settlement of Transactions cleared by the House;
- 16) **Collateral Account** – recording device used to register the total value of collateral provided by a House Member in the form of cash deposited in sub-accounts of Transaction margin accounts and collateral margins maintained in CHPB as well as in Clearing accounts maintained in CMPB in accordance with the House’s regulations and in the form of non-cash collateral entered in the Register of Non-Cash Collateral;
- 17) **contract** – financial instrument of a specific standard which predefines: subject matter of trade, performance and type of delivery;
- 18) **Forward contracts for RES Property Rights** – forward contracts the underlying instrument of which are property rights under certificates of origin for energy generated from renewable energy sources;
- 19) **Transaction Limit** – maximum total daily value of CO2 Emission Allowance purchase transactions which may be executed on a given Trading Day by a House Member or a Trading Venue Member;
- 20) **OTF_RTPM** – operated by the Exchange organized trading facility (OTF) for trading in Forward contracts for RES Property Rights;
- 21) **Positions** – Financial Instruments registered in Recording Accounts as a result of Transactions, accepted for clearing, of the acquisition or disposal of a given series of Financial Instruments or Transactions executed as part of the clearing guarantee system operated by the House;
- 22) **RES Property Rights** – property rights to certificates of origin for electricity generated using renewable energy sources, as entered in the Certificates of Origin Register kept by the Exchange in the PMOZE_A instrument;
- 23) **Transaction Margin Account** – account kept for the House in CHPB with sub-accounts dedicated to House Members in which funds constituting transaction margins provided by House Members are posted;
- 24) **Collateral Margin Account** – account kept for the House in CHPB with sub-accounts dedicated to House Members in which funds constituting collateral margins for Transactions concluded on OTF_RTPM provided by House Members are posted;
- 25) **House Member’s Clearing Bank Account** – account of a House Member in CMPB used to handle cash settlements for Transactions executed in OTF_RTPM and RIF_EUA and to update collateral margins for Transactions concluded on OTF_RTPM;

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- 26) **House's Clearing Account** – account kept for the House in CHPB, dedicated to handling interbank transfers during cash settlement and updating the required collateral margins;
- 27) **Technical Account** – account kept for the House in CMPB, dedicated to handling cash settlement and updating the required collateral margins;
- 28) **VAT account** – House Member's account in CMPB, connected only to the Clearing account, where as a result of settlements carried out by IRGiT in the split payment mechanism, Member's VAT funds are collected;
- 29) **Control Report** – report sent by the House to CMPB on every business day containing information on payments of individual Members on account of the clearing of Transactions executed in the trading system and updating the required collateral margins;
- 30) **Clearing Report** – report available to a House Member in the Clearing system, containing the values of margins and payments on a given day on account of the clearing of Transactions executed in the trading venue;
- 31) **CSH GF Regulations** – Regulations of the Guarantee Fund of the Clearing and Settlement House;
- 32) **CSH Regulations** – Regulations of the Clearing and Settlement House;
- 33) **Union Registry** – means the CO2 Emission Allowance recording system maintained by KOBiZE in accordance with the applicable laws;
- 34) **Register of Non-Cash Collateral** – a register kept by the Clearing and Settlement House and used to record the non-cash collateral specified by IRGiT securing the payment of liabilities of Clearing and Settlement House Members and their clients, or represented Trading Venue Members on account of collateral margins and transaction margins;;
- 35) **RIF_EUA** - operated by the Exchange Financial Instruments Market for trading in CO2 Emission Allowances;
- 36) **clearing** – process of establishing Positions, including the calculation of net payables, and ensuring that Financial Instruments or cash are available to secure the exposures arising from such Positions, occurring from the moment the House accepts a Transaction for clearing in accordance with the CSH Regulations until the moment the House or another authorized entity performs settlement;
- 37) **settlement** – performance of a Transaction on Financial Instruments cleared by the House, through a transfer of cash or a transfer of Financial Instruments in accordance with the rules laid down in the CSH Regulations;
- 38) **COR** – Certificates of Origin Register maintained by Towarowa Giełda Energii S.A. (Polish Power Exchange)

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- 39) **contract series** – contract of a specific standard and period of performance;
- 40) **trading venue** – regulated markets and organized trading facilities as defined in the Act on Trading, which executed pertinent agreements with the House entrusting the House with the clearing and settlement of Transactions;
- 41) **Clearing system** – collection of devices and software, in particular specialized computer software used for running the Transaction clearing process and preparing Clearing Reports, shared by the House with authorized users of the Clearing system;
- 42) **Transaction** – formation of rights and obligations as a result of the execution or registration of an agreement in the trading venue, the subject matter whereof is Financial Instruments and which may be accepted by the House for clearing under the rules specified in the CSH Regulations;
- 43) **House Member** – entity which has entered into an agreement for membership in the House in accordance with the CSH Regulations;
- 44) **Clearing Member** – House Member held liable towards other House Members and the House for the proper discharge of liabilities arising from the clearing of Transactions performed by the House and participating in the clearing guarantee system in accordance with the CSH Regulations;
- 45) **CO2 Emission Allowances** – emission allowances as defined in the Act on Trading;
- 46) **Act on Trading** – Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws of 2017, Item 1768, as amended);
- 47) **Energy Law** – Act of 10 April 1997 entitled the Energy Law (Journal of Laws of 2019, Item 755, as amended).

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CHAPTER I

General provisions

§ 1

These Detailed Clearing and Settlement Rules of the Clearing and Settlement House ("Detailed Clearing and Settlement Rules") have been approved by the Management Board of IRGiT in order to lay down the detailed rules for conducting the clearing and settlement process of Transactions executed in the trading venues, in accordance with § 7 of the CSH Regulations.

§ 2

The IRGiT Management Board is entitled to amend these Detailed Clearing and Settlement Rules in whole or in part, at any time, provided that the House Members are notified of the wording of such amendments at least 7 days prior to their entry into force.

§ 3

The provisions and definitions set forth in the CSH Regulations are applicable to the terms used in these Detailed Clearing and Settlement Rules.

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CHAPTER II

House membership

§ 4

1. The following entities are eligible for membership in the House:
 - a) companies operating trading venues,
 - b) domestic banks as defined in the Banking Law,
 - c) investment firms,
 - d) foreign investment firms as defined in the Act on Trading,
 - e) other legal entities, in particular utility enterprises as defined in the Energy Law, provided that they are eligible for membership pursuant to relevant laws applicable in the Republic of Poland and the purpose of their membership is to cooperate with the House within the framework of actions performed in the clearing system.
2. House membership is acquired by way of a resolution adopted by the IRGiT Management Board accepting the application of the interested entity for executing a membership agreement.
3. The application referred to in sec. 2 shall be prepared in accordance with the form provided in Appendix 2. The applicant is required to attach to the application for executing a House membership agreement appropriate documents, in accordance with the list provided in application form.
4. The House Member is obliged to conclude an agreement with the House regarding the authorization of the buyer to issue invoices, corrective invoices and duplicate invoices on behalf and on account of the supplier, on the basis of which the House provides self-billing service.
5. In the application referred to in sec. 2, the applicant shall indicate the type of its activity. The following types of activity may be indicated:
 - a) activity on one's own account – when the House Member assumes responsibility for the discharge of liabilities arising from the clearing of Transactions executed by the said House Member on its own account,
 - b) activity on clients' account – when the House Member assumes responsibility for the discharge of liabilities arising from the clearing of Transactions executed by the said House Member on its clients' account,

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- c) representative of a Trading Venue Member – when the House Member assumes responsibility for the discharge of liabilities arising from the clearing of Transactions executed by the Trading Venue Member.

It is permitted to indicate more than one type of activity.

6. A Trading Venue Member represented by a Clearing House Member may not at the same time be a Clearing House Member. A Trading Venue Member may be represented by only a single Clearing House Member.
7. A House Member which intends to act as a representative of a Trading Venue Member is required to attach to the application for executing a House membership agreement a written declaration of the entity which it intends to represent as a party to clearing in which the said entity agrees to the applicant's discharge of the obligations arising from the clearing of Transactions executed by it. The form of the declaration referred to above is provided in Appendix 2.
8. For a House Member which intends to act on its own account and at the same time act on the account of a client or a Trading Venue Member, the House shall create two separate accounts in the Clearing system: one for the activity conducted by the House Member on its own account and the other one for the activity conducted by the House Member on any account other than its own.
9. The Clearing and Settlement House creates the account referred to in § 38:
 - a) for a Clearing and Settlement House Member acting solely on its own account – on the basis of an application for executing a Clearing and Settlement House membership agreement.
 - b) for a Clearing and Settlement House Member representing a Trading Venue Member or acting for the benefit of a client - on the basis of an application received from the Polish Power Exchange or, in instances specified by the Clearing and Settlement House - based on a separate application from a Clearing and Settlement House Member.
10. A House Member which intends to act as a representative of a Trading Venue Member shall indicate in the application referred to in sec. 7 the accounts to which Financial Instruments will be delivered:
 - a) for the purposes of the clearing of Transactions involving CO2 Emission Allowances – the account in KOBiZE,
 - b) for the purposes of the clearing of RES Property Rights– the name of the account in COR.

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All instructions regarding the delivery of Financial Instruments traded in a Transaction executed by a Trading Venue Member shall be submitted to the House by the House Member.

11. The House Member shall indicate in the application for executing a House membership agreement the entity that will act as the House Member's Payer Bank. A House Member which intends to act on its own account and at the same time act on the account of a client or represent a Trading Venue Member is required to open two bank accounts in CMPB: one dedicated for the activity conducted by the House Member on its own account and the other one for the activity conducted by the House Member on any account other than its own.
12. A House Member shall fulfill the financial conditions specified in the CSH Regulations and the material and technical conditions specified in the Detailed Rules of Access to the Clearing system.
13. The House shall clear Transactions for the clearing of which a given House Member is responsible, provided that, at the time of execution of such Transactions, the said Member has the status of a Clearing Member in accordance with the rules provided for in the CSH Regulations. A House Member which intends to act on its own account and at the same time act on the account of a client or represent a Trading Venue Member is required to obtain the status of a Clearing Member for each type of its activity.
14. The membership agreement may be amended by way of an application submitted by the House Member in accordance with the form provided in Appendix 2 hereto and the subsequent approval by the IRGiT Management Board.
15. The membership agreement may be terminated by the House Member only in writing. A House Member may terminate its House membership agreement with fourteen days' notice, effective at the end of the relevant calendar month. A House Member which has unilaterally terminated its House membership agreement shall take actions aimed at closing its Positions in Financial Instruments opened as a result of Transactions executed in the trading venues for the clearing of which it is responsible or shall transfer such Positions to another Clearing Member. Such Positions shall be closed or transferred by the end date of the termination notice period. Unilateral termination of the House membership agreement shall not result in the forfeiture of the Clearing Member status in respect of Transactions executed in a trading venue until the termination of the said agreement or the expiration of other obligations related to this status.

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CHAPTER III

Transaction clearing liquidity guarantee system

§ 5

1. The clearing guarantee system operated by the House consists of:
 - 1) transaction margins comprising a delivery margin and a Transaction Limit,
 - 2) collateral margins for futures Contracts cleared through the physical delivery of the underlying instrument, comprising the initial margin and the additional margin,
 - 3) guarantee fund.
2. The House creates and manages a clearing liquidity guarantee system for Transactions executed in a trading venue based on the cash collected in the sub-accounts of the Transaction Margin Account and the sub-accounts of the Collateral Margin Accounts of the House Members in the House's Payer Bank and based on recognized non-cash collateral entered in the Register of Non-Cash Collateral, subject to the provisions of sec. 3.
3. In the case of House Members who have obtained the consent of the IRGiT Management Board referred to in § 11 sec. 4 of the CSH Regulations, the House may recognize the indicated Clearing Account along with, where applicable, a linked VAT Account, kept in the Clearing Bank, as the Transaction Margin Account or the Collateral Margin Account.
4. Deposits into and withdrawals from the sub-account of the Transaction Margin Account made by the House Member shall directly affect the Transaction Limit. Cash collected in the sub-accounts of the Collateral Margin Account shall be updated automatically, based on payment orders submitted by IRGiT on every business day.

§ 6

1. For each House Member a Collateral Account shall be maintained in the Clearing system reflecting the current status of collateral for Transactions executed by the relevant House Member in the trading venue.
2. On every business day following the completion of clearings by 6:30 p.m., the balance of the Collateral Account shall be updated based on the provided cash and recognized non-cash collateral.
3. Before every Trading Day, the House shall send the current Transaction Limits to the trading venue.

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Transfer of benefits from cash contributed to Transaction clearing liquidity guarantee system

§ 7

1. Benefits in the form of interest on cash contributed by House Members to sub-accounts of the Collateral Margin Account in the House's Payer Bank shall be transferred to such members on the next business day following the date of its receipt during the collateral margin update, by reducing or increasing the amount resulting from the margin update.
2. Until House Members receive the benefits referred to in sec. 1 above, they shall be counted towards the contribution of the collateral margin of a given House Member.
3. Benefits in the form of interest on cash contributed by House Members to sub-accounts of the Transaction Margin Account in the House's Payer Bank shall be counted towards the contribution of the transaction margin of a given House Member.
4. Benefits in the form of interest on cash contributed by House Members to the account of the guarantee fund shall be transferred to House Members on a quarterly basis on the date the contributions to the fund are adjusted in the first month of a given quarter.
5. With respect to House Members for which the IRGIT Management Board has given the consent referred to in § 11 sec. 4 of the CSH Regulations, the benefits in the form of interest on the cash contributed by such Members and held in the Clearing Accounts shall be counted towards payment for the transaction margin and the collateral margin.
6. The value of benefits obtained from interest on cash contributed by House Members to the clearing guarantee system shall be reduced in accordance with the applicable laws by the amount of tax due. Tax on benefits in the form of interest on cash contributed by House Members to sub-accounts of the Collateral Margin Account and to sub-accounts of the Transaction Margin Account shall be withdrawn in the first week of every month for the previous month, while tax on benefits in the form of cash contributed to the guarantee fund shall be withdrawn on a quarterly basis together with the update of contributions to this fund.

Transaction margins

§ 8

1. The transaction margin serves the purpose of collateralizing financial settlements.

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2. The transaction margin consists of the delivery margin and the Transaction Limit, except that the transaction margin for CO2 Emission Allowances is composed exclusively of the Transaction Limit, subject to sec. 3.
3. In the case of a Clearing House Member acting a representative of a Trading Venue Member, the transaction margin also consists of a Transaction Limit dedicated to each Trading Venue Member. The value of this limit is determined on the basis of the Clearing House Member's declaration.
4. The minimum value of the transaction margin is PLN 10,000.

§ 9

1. Cash contributed towards the transaction margin by a House Member is collected separately for activity conducted on the House Member's own account and separately for activity other than that conducted on the House Member's own account, in the sub-account of the Transaction Margin Account dedicated to the said House Member in the House's Payer Bank. .
2. Payments to the sub-account of the Transaction Margin Account are made without the need to obtain the Clearing House's prior approval.
3. Withdrawals of cash contributed towards the transaction margin shall be made on business days at the request of a House Member, subject to prior approval by the House.
4. Approval of an order to withdraw cash contributed towards the transaction margin shall be granted no later than on the business day immediately following the date of submission of the pertinent instruction by the House Member in CHPB's electronic banking system or, in the case referred to in § 11 sec. 4 of the CSH Regulations, in CMPB's electronic banking system along with approval of the instruction by persons authorized by the pertinent House Member.
5. The transfer instruction referred to in sec. 4 above may also be submitted by sending, by e-mail to the address of the Clearing and Settlement Department, or in a hard copy form, to the Clearing House's address, a letter containing a request for the withdrawal of cash and identification of the withdrawal amount, the number of the Clearing Bank Account in the Clearing Bank or, if a consent from the IRGiT Management Board referred to in sec. 6 has been obtained, an alternative account number. The transfer order must be signed by the persons authorized to represent the company, while in the case of a letter sent by e-mail, the Clearing House accepts electronic signature..

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6. The IRGiT Management Board, at the request of the Clearing House Member, may, by way of a resolution, consent to the placement, by such Clearing House Member, of orders to withdraw cash from the transaction margin sub-account to the bank account specified in the request, kept in PLN by a domestic bank established in Poland ("alternative account number").
7. The IRGiT Management Board is entitled to refuse to give consent for the Clearing House Member to use an alternative account number for the withdrawals referred to in sec. 6 or to revoke such consent if any event has occurred that, in IRGiT's opinion, may have an adverse impact on the security of clearings.
8. The House shall verify the payment orders referred to in sec. 3 submitted by House Members, while applying the following rules:

- a) In the case of an order from a House Member acting on its own account, the consent for the withdrawal shall be given if the following condition is fulfilled:

$$W\acute{S}DT - WW + \min(BM; 0) + \min(SM; 0) \geq \max(DD; MWDT)$$

Where:

W^{acute}SDT – value of cash in the sub-account of the Transaction Margin Account in CHPB,

WW – value of the withdrawal in the order submitted by the House Member,

BM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,

SM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the second nearest business day,

DD – required value of the delivery margin referred to in § 12,

MWDT – minimum value of the transaction margin referred to in § 8 sec. 4.

- b) In the case of an order from a House Member acting on the account of its clients or acting as a representative of a Trading Venue Member, the consent for the withdrawal shall be given if the following conditions are fulfilled:

$$W\acute{S}DT - DWLT - WW + \min(BM; 0) + \min(SM; 0) \geq \max(DD; MWDT)$$

$$W\acute{S}DT - WW \geq PLN 0$$

Where:

W^{acute}SDT – value of cash in the sub-account of the Transaction Margin Account in CHPB,

DWLT – sum of the values of declared Transaction Limits for all Trading Venue Members and clients for which the House Member acts as a representative,

WW – value of the withdrawal in the order submitted by the House Member,

BM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,

SM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the second nearest business day,

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DD – required value of the delivery margin referred to in § 12,
MWDT – minimum value of the transaction margin referred to in § 8 sec. 4.

- c) In the case of an order from a House Member acting on the account of its clients or acting as a representative of a Trading Venue Member, which has obtained the consent referred to in §11 sec. 4 of the CSH Regulations, the consent for the withdrawal shall be given if the following conditions are fulfilled:

$$W\acute{S} - WW - W\acute{S}DZ - DWLT + \min(BM; 0) + \min(SM; 0) \geq MWDT$$

$$W\acute{S} - WW \geq 0 \text{ z}\acute{ł}$$

Where:

W\acute{S} – value of cash in the House Member’s Clearing Bank Account in CMPB,
DWLT – sum of the values of declared Transaction Limits for all Trading Venue Members, for which the House Member acts as a representative (gross value),
WW – value of the withdrawal in the order submitted by the House Member,
W\acute{S}DZ – value of cash required for the collateral margins,
BM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,
SM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the second nearest business day,
MWDT – minimum value of the transaction margin referred to in § 8 sec. 4.

9. The consent for withdrawal shall be given if all required signatures are affixed by persons authorized to issue cash transfer instructions from the sub-account of the Transaction Margin Account in CHPB dedicated to the pertinent House Member or, in the case of House Members acting on an account other than their own, from the House Member’s Clearing Bank Account in CMPB referred to in §11 sec. 4 of the CSH Regulations.
10. In the case of an order from a House Member acting on its own account or a House Member acting on an account other than its own which has not obtained the consent referred to in §11 sec. 4 of the CSH Regulations, the transfer of cash from the sub-account of the Transaction Margin Account shall be possible after the fulfillment of the conditions set forth in sec. 8(a) and (b) above and if the indicated account number to which the cash will be transferred is the number of the House Member’s Clearing Bank Account or the alternative account number referred to in sec. 6.
11. In the case of an order from a House Member acting on an account other than its own which has obtained the consent referred to in §11 sec. 4 of the CSH Regulations, the transfer of cash shall be possible after the fulfillment of the conditions set forth in sec.

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- 8(c) above and if the indicated account number to which the cash will be transferred is the number of the bank account dedicated to the submission of cash withdrawal orders from the House Member's Clearing Account.
12. Orders for the withdrawal of cash contributed to the transaction margin shall be approved on business days between 4:00 p.m. and 4:30 p.m., provided that an e-mail is sent by 4:00 p.m. to the dr@irgit.pl address or, in an emergency situation, a text message (SMS) is sent to the telephone of the Operator of the Clearing and Settlement Department (along with telephone confirmation of the need to use an emergency communication channel), containing a notice of submission of the order and provided that the conditions set forth in sec. 4-11 have been fulfilled.
 13. If the execution date defined in the withdrawal order is different from the date of the instruction submitted by the CSH Member in the Settlement Bank's electronic banking system then the Clearing House may refuse its consent for the withdrawal of funds contributed as transaction margin.
 14. In the case referred to in § 5 sec. 3, if the execution date defined in the withdrawal order is different from the date of the instruction submitted by the CSH Member in the Clearing Bank's electronic banking system then the Clearing House may refuse its consent for the withdrawal of funds from the Clearing House Member's clearing bank account in the Clearing Bank referred to in § 11 sec. 4 of the CSH Regulations.
 15. The Clearing House does not execute withdrawals of funds, which would reduce directly the value of the limits declared by the CSH Member. In order to withdraw the funds set aside for the declared Transaction Limit of a Trading Venue Member, the CSH Member is obligated to reduce the declared value of the limit by sending an appropriate instruction to change its amount, and then make a withdrawal order referred to in § 9 sec. 4.
 16. In special cases, where it is justified by the security of clearing operations, the Clearing House may refuse to pay out the funds contributed by a CSH Member as transaction margin.
 17. In case a membership agreement with an entity is terminated, IRGiT will refund the cash contributed by that entity towards a transaction margin within the time limit set by the Clearing and Settlement House, provided that the refund amount may be reduced by the amount of the entity's liabilities to IRGiT.

Disposal of cash accumulated on VAT account

§ 10

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1. The disposal of cash accumulated on VAT account connected to the House Member's Clearing Bank Account in CMBP, referred to in § 11 sec. 4 of the CSH Regulations is limited by law, in particular provisions of article 62b of the Banking Law of 29 August 1997.
2. The House Member who obtained the consent referred to in § 11 sec. 4 of the CSH Regulations, may withdraw the cash from VAT account based on the statement sent to the House or transfer order.
3. Withdrawals of cash from VAT account shall be made on business days between 4:00 p.m. and 4:30 p.m., subject to prior approval by the House.
4. The consent for withdrawal shall be given provided that all required signatures are affixed by persons authorized to represent the House Member and the relevant transfer order is made in the CMPB's electronic banking system along with approval of the instruction by persons authorized by the pertinent House Member.
5. The transfer of cash shall be possible after the fulfillment of the conditions set forth in § 9 sec. 8(c) and provided that the value of the transfer is not greater than the value of cash accumulated in the VAT Account.

Delivery margin

§ 11

1. A House Member shall be required to contribute and maintain the delivery margin for Forward contracts for RES Property Rights in the amount specified by the House in the sub-account dedicated to the said House Member of the Transaction Margin Account in CHPB, subject to § 5 sec. 3. For House Members acting simultaneously on their own account and on an account other than their own, the delivery margin shall be determined separately for each of these types of activity.
2. Cash collected as a House Member's delivery margin ensures the coverage of liabilities in the event that the House Member's Payer Bank restricts a payment order for the cash settlement referred to in § 49 sec. 2 or in the absence of RES Property Rights for a delivery resulting from open Positions in Forward contracts for RES Property Rights.

§ 12

1. The required value of the delivery margin shall be calculated by the House 21 days before the date of execution of a given series of Forward contracts for RES Property Rights and shall be announced to House Members on the same day, subject to sec. 2.

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2. The required value of the delivery margin from the day indicated in sec. 1 to the day of execution of a given series of Forward contracts for RES Property Rights is updated on each Trading Day and will be notified to the Members on the same day.
3. The required delivery margin for Forward contracts for RES Property Rights shall be determined using the following algorithm:
 - a) For House Members holding a buy balance in a given series of Forward contracts for RES Property Rights, the value of the required delivery margin shall be determined as the difference between the value of the buy Transactions and the value of the sell Transactions for this series, including VAT in accordance with the applicable provisions of law. If the difference is negative, the required delivery margin shall be 0.
 - b) For House Members holding a sell balance in a given series of Forward contracts for RES Property Rights, the value of the required delivery margin in cash shall be determined as the difference between the sell volume and the buy volume multiplied by the value published in the IRGiT announcement plus VAT in accordance with the applicable provisions of law.
 - c) The announcement referred to in the previous point is posted on the IRGiT website.
4. The Clearing and Settlement House Members holding a sell balance in a given series of forward contracts are obliged to lock the RES Property Rights in a dedicated account in COR in the amount equal to the sell balance of the Clearing and Settlement House Member, no later than 3 days before the last day of quotation of a given series of forward contracts. When the sell balance changes after this deadline, the number of locked RES Property Rights should be updated accordingly, no later than on the last day of quotation of the given series of forward contracts.
5. If a given House Member holding a sell balance has locked any of its RES Property Rights in the dedicated account in COR, the value of the required delivery margin shall be determined only for the unlocked Positions.
6. Locking any RES Property Rights, as referred to in sec. 4 and 5 takes place on the basis of a locking order sent by a Member. The order template is attached as Annex 3 to this document.

§ 13

1. A House Member acting on the account of its clients or acting as a representative of a Trading Venue Member, which has obtained the consent referred to in §11 sec. 4 of

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the CSH Regulations, shall be required to ensure that in COR, in the dedicated accounts of its clients or Trading Venue Members represented by it, as the case may be, holding a sell balance, RES Property Rights are locked towards the delivery margin.

2. A House Member acting on the account of its clients or acting as a representative of a Trading Venue Member, which has obtained the consent referred to in §11 sec. 4 of the CSH Regulations, shall be exempt from the obligation to contribute the delivery margin on behalf of its clients or Trading Venue Members represented by it, as the case may be, holding a buy balance.

§ 14

1. The date of payment adjustment of the required delivery margin by House Members shall be the nearest Monday following the date of notification of the required value of the margin referred to in § 12 sec. 1 and the next business day following the day of disclosing the required value of the margin referred to in § 12 sec. 2. Contribution of the required value of the delivery margin in cash shall be made, subject to § 5 sec. 3, to the sub-accounts of the Transaction Margin Account in CHPB dedicated to House Members, resulting in a decrease or increase in the Transaction Limit.
2. If, as a result of an update, the cash balance in the sub-account of the Transaction Margin Account is insufficient to cover the updated value of the delivery margin, the House Member shall be requested to make an immediate supplementary contribution of cash in the amount specified by the House. In the event of failure to contribute cash in the required amount, the House Management Board may take the actions referred to in §59 of the CSH Regulations.
3. On the date of the delivery of RES Property Rights in a given series of Forward contracts for RES Property Rights, liabilities on account of the delivery margin for this series shall expire.

Transaction Limit

§ 15

1. The Transaction Limit shall be determined separately for:
 - a) activity conducted on a House Member's own account,
 - b) activity conducted on the account of a House Member's clients,
 - c) each Trading Venue Member for which a given House Member acts as a Representative.

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2. The value of the Transaction Limit of a given House Member acting on its own account shall be determined by the sum of cash contributed to the transaction margin minus the required value of the delivery margin.
3. The value of the Transaction Limit of a given House Member acting on the account of its clients shall be determined by the sum of cash contributed to the transaction margin minus the required value of the delivery margin and minus or plus the balance of liabilities and receivables of the House Member resulting from the executed Transactions.
4. The value of the Transaction Limit of a Trading Venue Member represented by a House Member shall be determined by the value of the declared Transaction Limit for the said Trading Venue Member minus or plus the balance of liabilities and receivables of the Trading Venue Member resulting from the Transactions executed on RIF_EUA.
5. The Transaction Limit for a Trading Venue Member shall be determined based on the value of the Transaction Limit declared to the House by the House Member discharging the function of a Representative of the said Trading Venue Member. Such information shall be sent by e-mail to the addresses of the Clearing and Settlement Department and the Risk Management Department. Information on the value of the declared Transaction Limit shall be provided by the House Member before the end of the session in a given trading venue. A change in the Transaction Limit for a Trading Venue Member shall require IRGIT's approval.
6. The value of the Transaction Limit of a given House Member simultaneously acting on the account of its clients and discharging the function of a Representative of a Trading Venue Member, subject to sec. 7, shall be determined by the balance of liabilities and receivables under the Transactions executed by the Clearing House Member on RIF_EUA, minus or plus the balance of liabilities and receivables under the Transactions executed by the Clearing House Member and the represented Trading Venue Member on OTF_RTPM, minus by the value of the declared Transaction Limit for such Trading Venue Member.
7. In case of House Members who obtained the consent of IRGIT's Management Board referred to in § 11 sec. 4 of the CSH Regulations, the value of their Transaction Limit accounts for cash surplus contributed to the House Member's Clearing Bank Account in the Clearing Bank above the balance of payables or receivables resulting from the clearing of Transactions as scheduled for payment on the nearest business day, the collateral margins and the sum of the dedicated transaction limits of the represented Trading Venue Members, according to the below formula:

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$$LT = W\acute{S} - W\acute{S}DZ - LTD + BM$$

Where:

LT – value of Transaction Limit,

W\acute{S} – value of cash in the House Member’s Clearing Bank Account in CMPB,

BM – value of the balance of payables or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,

W\acute{S}DZ – value of cash required for the collateral margins,

LTD – sum of the dedicated transaction Limits of the represented Trading Venue Members.

Collateral margins

§ 16

1. The value of the collateral margin shall be calculated on a daily basis for each House Member.
2. The values of the collateral margins for a House Member shall be recorded in the sub-accounts of initial and additional margins maintained as part of the Clearing account.
3. If a House Member effects clearings for other entities, the value of the collateral margin shall be calculated separately for each client of the said House Member, for each Trading Venue Member represented by the said House Member and for the said House Member’s own Positions.
4. To determine the values of the collateral margins (initial and variation margins) referred to in §45 of the CSH Regulations, the Positions in the forward contracts for RES Property Rights held by the given Clearing and Settlement House Member, its clients and the Trading Venue Members represented by the Clearing and Settlement House Member shall be placed in the buckets established on the basis of the delivery periods, account being taken of the Position netting within these delivery periods.

§ 17

1. The initial margins for Forward contracts for RES Property Rights shall be calculated in accordance with the following formula:

$$Dw_{pm} = - \sum_{i=1}^N |LK_i - LS_i| * P_i * (1 + VAT_i) * Kr_i$$

Where:

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Dw_{pm} – value of the initial margin [PLN],

LK_i – volume of RES Property Rights resulting from buy contracts for the i th delivery period [MWh],

LS_i – volume of RES Property Rights resulting from sell contracts for the i th delivery period [MWh],

Kr_i – clearing price for the i th delivery period [PLN/MWh],

i – delivery period

P_i – risk parameter for the i th delivery period,

VAT_i – VAT rate for the i th delivery period

N – number of delivery periods of term contracts

2. The last day for which the initial margin for a given delivery period is due shall be the fourth day after the end date of the quotation of the corresponding contract series.

§ 18

1. The additional margins for Forward contracts for RES Property Rights shall be calculated in accordance with the following formula:

$$Du_{pm} = \sum_{i=1}^N (LK_i * (Kr_i - Kk_i) + LS_i * (Ks_i - Kr_i)) * (1 + VAT_i)$$

Where:

Du_{pm} – value of the additional margin [PLN],

LK_i – volume of RES Property Rights resulting from buy contracts for the i th delivery period [MWh],

LS_i – volume of RES Property Rights resulting from sell contracts for the i th delivery period [MWh],

Kr_i – clearing price for the i th delivery period [PLN/MWh],

Kk_i – weighted average price of buy contract Transactions for the i th delivery period [PLN/MWh],

Ks_i – weighted average price of sell contract Transactions for the i th delivery period [PLN/MWh],

i – delivery period,

N – number of delivery periods of forward contracts,

VAT_i – VAT rate for the i th delivery period.

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2. The last day for which the additional margin for a given delivery period is due shall be the fourth day after the end date of the quotation of the corresponding contract series.

§ 19

1. A House Member, a House Member's client or a Trading Venue Member represented by a House Member which holds a sell balance for a given contract series on OTF_RTPM may lock RES Property Rights traded in Transactions in the relevant COR account until the delivery of the underlying instrument. If a House Member, a House Member's client or a Trading Venue Member represented by a House Member holding a sell balance for a given contract series on OTF_RTPM has locked RES Property Rights in the dedicated COR account, the value of the initial margin referred to in § 17 shall be calculated solely for the volume of unlocked RES Property Rights resulting from the sell balance for this contract series. The RES Property Rights locked as collateral for the sell balance are not taken into account when determining the non-cash collateral concentration limits.
2. RES Property Rights are locked on the basis of a locking order sent by the Member, in accordance with the applicable template.
3. RES Property Rights are unlocked on the basis of the instruction sent by the Member after prior payment of funds required by the House for margin deposits.

§ 20

1. For a House Member clearing its own Transactions only, the value of the collateral margin shall be calculated in accordance with the following formula:

$$Dz = \min (Dw_{pm} + Du_{pm}; 0)$$

Where:

Dz – collateral margin,

Dw_{pm} – value of the initial margin [PLN],

Du_{pm} – value of the additional margin [PLN].

2. If a House Member clears Transactions of its clients or Trading Venue Members represented by it, the collateral margin calculated for this House Member shall be equal to the sum of the collateral margins calculated for all such clients and Trading Venue Members and the collateral margins for the House Member's own Positions.
3. The initial and variation margins for forward contracts for RES Property Rights are calculated separately for each delivery period. A delivery period is deemed to be one day corresponding to the exercise date of a given series of the quoted forward contract.

§ 20a

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1. The clearing price for the *i*th delivery period of RES Property Rights shall be calculated on Trading Days as the daily clearing price published by the Polish Power Exchange for the relevant forward contract corresponding to the pertinent delivery period. If a daily clearing price of a forward contract is not quoted then the clearing price for the delivery period shall be 1.
2. The clearing prices determined in order to establish the margins on non-business days shall be the same as the clearing prices set on the Trading Day preceding such days.
3. If the daily clearing price of the forward contract published by the Polish Power Exchange significantly deviates from the price from the previous Trading Day and the situation significantly impacts (or may impact) the clearing price for the delivery periods or compromises the security of clearing, the IRGiT Management Board may adjust the daily clearing price of the forward contract adopted to determine the clearing price on a given day to make it correspond to the market values or adopt the price from the previous Trading Day.
4. If the clearing price for the *i*-th delivery period determined pursuant to item 1 significantly deviates from the market values or compromises the security of clearing, the Management Board of IRGiT may adjust such clearing price.

§ 21

1. The required collateral margin may be covered with cash and with contributed non-cash collateral in accordance with the rules set forth in § 23 - § 30.
2. The values of the required collateral margins shall be updated on business days by 5:00 p.m. and shall be published in the Clearing Report.

§ 22

1. House Members are required to pay their liabilities resulting from the calculated collateral margins on the next business day in the process of execution of payment order batch no. 3 referred to in § 53 sec. 1 item 3, failing which they shall not be permitted to execute Transactions on OTF_RTPM.
2. If a House Member has no cash available to cover its liabilities referred to in sec. 1, it shall be required, at the House's request, to immediately reduce the quantity of its Positions on OTF_RTPM to a level at which the value of the cash deposited by it and the possible credited value of non-cash collateral is sufficient to cover its liabilities.
3. If a House Member, within one business day, fails to replenish the required cash to cover its liabilities or fails to fulfill the House's request referred to in sec. 2, the Rules of Conduct in case of an Event of Default will apply.

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Non-Cash Collateral Register

§ 23

1. The Clearing House, maintains the Non-Cash Collateral Register, in which non-cash collateral contributed by individual House Members is registered.
2. It is only non-cash collateral contributed for covering liabilities of House Members towards contributions to the collateral margins that may be entered in the Non-Cash Collateral Register.
3. The object of collateral provided by House Members in non-cash form to serve the purpose of a collateral margins may be the following:
 - a) RES Property Rights,
 - b) CO2 Emission Allowances,
 - c) bank guarantees.

on condition that the object of the collateral referred to in items a)–c) is accepted by the Clearing House.

4. Any collateral submitted by a Clearing and Settlement House Member shall be registered in the Non-Cash Collateral Register on the respective business day, provided that the condition referred to in sec. 3 has been fulfilled by 2:30 p.m. on such business day. Otherwise, such registration shall be made on the next business day following that day.
5. In extraordinary cases, justified by the security of clearings, IRGIT Management Board may decide to refrain from accepting any further non-cash collateral and request the House Member to supplement the funds in cash within a defined time limit.

§ 24

1. While submitting non-cash collateral, a House Member acting at the same time on its own account and on the account of its clients or a Trading Venue Member is required to:
 - a) indicate the type of activity for which the collateral is lodged (i.e. activity on its own account or activity on the account of its clients or a Trading Venue Member),
 - b) specify the clients or Trading Venue Member for whom the collateral is lodged.
2. In the event of any change in the indicated type of activity referred to in sec. 1(a) for which the collateral is lodged, the Clearing and Settlement House Member is required

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to send an instruction in the form of a message sent to the e-mail address of the Risk Management Department. If the instruction referred to in the preceding sentence is received by 2:30 p.m. on a business day, IRGiT shall delete the collateral covered by the instruction from the Non-Cash Collateral Register on the same day, whereas its entry in the Non-Cash Collateral Register as collateral dedicated to the type of activity indicated in the instruction shall be made on the business day following the date of deletion. Any instructions received after 2:30 p.m. or on a non-business day shall be taken care of on the next business day.

§ 25

1. As non-cash collateral for liabilities on account of collateral margins, the House accepts only RES Property Rights.
2. RES Property Rights are provided as collateral by a House Member and entered in the Non-Cash Collateral Register based on:
 - a) an agreement on the transfer of title to secure the RES Property Rights submitted as security, in accordance with the model specified by the House, and
 - b) an application for locking RES Property Rights to collateralize liabilities on account of collateral margins, submitted to the COR in accordance with the agreement referred to in sec. a).
3. These RES Property Rights provided by a given House Member shall be classified as collateral after the Clearing House's receipt of information from the COR about the quantity of the locked RES Property Rights provided as collateral and under the conditions enumerated in sec. 2 above.
4. Classified as the collateral referred to in sec. 3 shall be a portion of the market value of the RES Property Rights calculated in accordance with the following formula:

$$W_i = Lpm_i * Wr_i * (1 - WR_i)$$

Where:

W_i – value of eligible collateral,

Lpm_i – number of Property Rights of a given type,

Wr_i – market value of RES Property Rights traded on the Exchange market, determined according to the last index for session Transactions,

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WR_i – haircut for the respective type of property rights within the range of (0,1), as communicated in messages from IRGiT’s Risk Management Department.

5. The value of eligible collateral Wi is added to other collaterals provided in a non-cash form by the pertinent House Member.
6. Withdrawal of RES Property Rights from the Non-Cash Collateral Register by a House Member shall be released based on an application submitted to the COR with the Clearing House’s intermediation and consent, however on condition that the value of the remaining funds classified as collateral is equal to at least, as appropriate, the minimum or required value of such collateral or on condition that such a House Member has previously supplemented the collateral to, as appropriate, its minimum or required value.
7. Until the withdrawal referred to in sec. 6, the RES Property Rights the value of which has ceased to be taken into account in determining the value of collateral provided by the relevant House Member shall remain the object of such collateral and may be used in accordance with the purposes for which such collateral has been established.

§ 26

1. The object of the collateral provided by House Members in a non-cash form may be CO2 Emission Allowances defined as follows:

EUAs – allowances for the atmospheric release of greenhouse gases within the meaning of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, deposited in the Union Registry (within the meaning of Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011).
2. CO2 Emission Allowances are provided as collateral by a House Member and entered in the Non-Cash Collateral Register based on:
 - a) an agreement for the transfer of title to secure the CO2 Emission Allowances provided as collateral, in accordance with the draft specified by the House, and
 - b) an instruction for the Union Registry to transfer CO2 Emission Allowances provided as collateral to the account specified by the Clearing House.

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- The CO2 Emission Allowances shall be classified as collateral after all conditions enumerated in sec. 2 have been satisfied and provided that the Clearing House has received the transfer of the collateralized CO2 Emission Allowances on the Clearing House's account in the Union Registry.
- Classified as the collateral referred to in sec. 1 shall be a portion of the market value of the allowances calculated in accordance with the following formula:

$$W_{up} = Cz * I_{up} * F_{ex} * (1 - WR_{EUA})$$

Where:

W_{up} – value of collateral provided in the form of CO2 Emission Allowances;

Cz – clearing price of the day preceding the valuation of collateral, where first price to be applied is the price of EUA emission allowances quoted on the spot market of the European Energy Exchange or, if such price is unavailable, then the price to be applied is the clearing price of the daily EUA futures contract from the Intercontinental Exchange (if on the date in question none of these prices is available, the activities described above shall be performed by applying the prices from the day preceding such date);

I_{up} – number of CO2 Emission Allowances transferred to the Clearing House's bank account in the Union Registry;

F_{ex} – average EUR/PLN exchange rate published by the National Bank of Poland on a given date;

WR_{EUA} – haircut for collateral provided in the form of CO2 Emission Allowances within the range of (0,1), as communicated in messages from IRGiT's Risk Management Department.

- The value W_{up} is added to other collaterals provided in a non-cash form by the pertinent House Member.
- CO2 Emission Allowances are withdrawn from the Non-Cash Collateral Register and released based on a House Member's request to the Clearing House. The application is accepted on condition that the required collateral margin provided by a given House Member is covered with other forms of collateral provided by such entity.
- Until the release of the CO2 Emission Allowances the value of which has ceased to be taken into account in determining the value of the collateral provided by the pertinent House Member, such allowances shall remain the object of collateral and may be used in accordance with the purposes for which such collateral was established.

§ 27

1. In the cases referred to in § 23 sec. 3, the object of collateral provided by House Members in a non-cash form and entered in the Non-Cash Collateral Register may be bank guarantees fulfilling the following conditions:
 - a) guarantees may be issued only by a bank accepted by the Clearing House, provided, in particular, that the bank has no equity ties (is not a member of the same corporate group) with either the entity for which a bank guarantee has been issued or the House Member conducting activity on account of the client for whom the bank guarantee has been issued,
 - b) guarantees may be issued only by a bank with its registered office or branch in the territory of the Republic of Poland or outside the territory of the Republic of Poland, provided that it has appropriate arrangements in place with the Clearing Bank with regard to interbank communication via the SWIFT system,
 - c) guarantees may be issued only by a bank with an appropriate level of credit quality, determined in accordance with the rules described in sec. 2, provided that the entity extending the guarantee may also be a bank acting as the Settlement Bank, which has been assigned no rating, while the total value of valid guarantees issued by that bank for one Clearing and Settlement House Member cannot exceed PLN 13 million (thirteen million Polish zloty);
 - d) the bank guarantee must include the bank's unconditional and irrevocable commitment to make immediate payment, at the Clearing House's first request, of the amount so requested up to the maximum value specified in the guarantee,
 - e) the bank guarantee must comply with the bank guarantee form approved by the Clearing House,
 - f) the amount of the cash benefit for which the bank guarantee has been issued must not be lower than PLN 100,000 (one hundred thousand Polish zloty).
2. An appropriate level of credit quality shall be determined based on the long-term rating awarded by the rating agencies Fitch, Moody's and Standard & Poor's which, in accordance with the table below, is lower than 6.

| S&P | Fitch | Moody's | credit quality | risk level assessment |
|----------------|--------------|----------------|-----------------------|------------------------------|
| score | | | | |
| AAA | AAA | Aaa | 1 | Acceptable |
| AA+ | AA+ | Aa1 | 1 | Acceptable |

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| AA | AA | Aa2 | 2 | Acceptable |
| AA- | AA- | Aa3 | 2 | Acceptable |
| A+ | A+ | A1 | 3 | Acceptable |
| A | A | A2 | 3 | Acceptable |
| A- | A- | A3 | 3 | Acceptable |
| BBB+ | BBB+ | Baa1 | 4 | Acceptable |
| BBB | BBB | Baa2 | 4 | Acceptable |
| BBB- | BBB- | Baa3 | 4 | Acceptable |
| BB+ | BB+ | Ba1 | 5 | Conditional |
| BB | BB | Ba2 | 5 | Conditional |
| BB- | BB- | Ba3 | 5 | Conditional |
| B+ | B+ | B1 | 6 | Unacceptable |
| B | B | B2 | 6 | Unacceptable |
| B- | B- | B3 | 6 | Unacceptable |
| CCC+ | CCC+ | Caa1 | 6 | Unacceptable |
| CCC | CCC | Caa2 | 6 | Unacceptable |
| CCC- | CCC- | Caa3 | 6 | Unacceptable |
| CC | CC | Ca | 6 | Unacceptable |
| C | C | Ca | 6 | Unacceptable |
| RD | DDD | C | 6 | Unacceptable |

Where:

- a) the conditional risk level assessment means that with regard to the banks which have the credit quality level 5, the total value of valid guarantees issued by a given bank for one House Member cannot exceed PLN 13 million (say: thirteen million Polish zloty);
 - b) where a bank has been assigned ratings from different credit rating agencies, the rating to which the highest credit quality level is attributed shall be assumed;
 - c) where a bank has been assigned no rating, its credit quality level is 6.
3. The term "immediate payment" shall be construed as crediting the bank account specified by the Clearing and Settlement House following the procedure described in the form of bank guarantee prevailing in the Clearing House.

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4. A House Member shall be required to provide the Clearing House with up-to-date powers of attorney of persons granting bank guarantees on behalf of the bank and all necessary documents required by the Clearing House in order to conduct the assessment process for the bank issuing the guarantee by the Clearing House. At the request of a House Member, the Clearing House shall provide information concerning the potential approval of the bank indicated by such a Member as the issuer of the bank guarantee to be submitted as collateral.
5. If, during the term of the bank guarantee accepted as collateral, the bank that has issued the guarantee ceases to satisfy the conditions for approval by the Clearing House, a House Member, at the Clearing House request, shall be required to submit promptly, no later than within 14 business days, other collateral accepted by the Clearing House.

§ 28

1. In order to provide collateral in the form of a bank guarantee, a House Member shall be required to provide a draft of the bank guarantee document to the Clearing House. The submission by a Clearing House Member of a bank guarantee issued at the request of the client or Trading Venue Member represented by it shall require that the represented entity first enters into a surety agreement with the Clearing House consistent with the form specified by the Clearing House.
2. The final approval of a bank guarantee as collateral provided in non-cash form requires the approval by IRGiT and entry in the Register of Non-Cash Collateral.
3. The House Member which has provided the collateral in the form of a bank guarantee is required, in order to continue to use this form of contributing collateral, not later than 3 business days before the expiration of the validity term of the guarantee or, if the last day of the warranty coverage falls on a non-business day, 3 business days before the last business day preceding such day, to submit a new bank guarantee document the term of which shall begin no later than one day after the last day of the validity term of the existing bank guarantee or an annex to the existing bank guarantee extending its validity term. If this condition is not fulfilled 2 business days before the end of the validity term of the existing guarantee or, if the last day of the warranty coverage falls on a non-business day, 2 business days before the last business day preceding such day, IRGiT shall be entitled to remove such a guarantee from the Non-Cash Collateral Register, provided that it has not submitted a demand for payment under the guarantee before the end of such term.

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4. If such a new bank guarantee document or an annex to the existing guarantee referred to in sec. 3 is issued for a lower amount than the bank guarantee amount whose validity term is ending, IRGiT shall be entitled to enter such a lower amount in the Non-Cash Collateral Register two business days before the end of term of the existing guarantee or if the last day of the guarantee's term falls due on a holiday, from the second business day before the last working day preceding that date.
5. If the House Member submits a proposal to amend the bank guarantee provided to IRGiT, the provisions of § 27 shall apply accordingly.
6. In case the House Member asks IRGiT to return the bank guarantee before the end of its term, IRGiT has the right to remove the value of this guarantee from the Non-Cash Collateral Register two business days before the date of the guarantee return.
7. If, during the term of the bank guarantee accepted as collateral, the bank that has issued the guarantee ceases to satisfy the conditions for approval by the Clearing House, the Clearing House Member, at the Clearing House request, shall be required to submit promptly, no later than within 14 business days, other collateral accepted by the Clearing House.

Non-cash collateral concentration limits

§ 29

1. The total value of collateral provided in a non-cash form shall be the sum of values of each form of collateral calculated in accordance with the algorithm specified in § 25 sec. 4 for the RES Property Rights, in § 26 sec. 4 for CO2 Emission Allowances and the value of the submitted bank guarantees.
2. The recognized total value of collateral provided in the form of RES Property Rights and CO2 Emission Allowances must not be higher than 65% of the value of the required collateral margins of a given House Member.
3. The recognized total value of collateral provided in a non-cash form must not be higher than 90% of the value of the required collateral margins of a given House Member.
4. If the Clearing House Member, with a view to covering its liabilities on account of collateral margins, has lodged non-cash collateral in more than one of the forms referred to in § 23 sec. 3:
 - a) RES Property Rights and CO₂ Emission Allowances shall be recognized first,
 - b) bank guarantees shall be recognized second.

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and:

- a) the value of non-cash collateral recognized earlier in accordance with the order specified above shall reduce the maximum possible value of recognition of any non-cash collateral recognized subsequently,
 - b) the order in which the Clearing House Member lodges non-cash collateral shall not affect the aforescribed order of recognition of its value. In the event the Clearing House Member lodges non-cash collateral in another form, the recognized value of non-cash collateral lodged previously by such entity shall be determined again in accordance with the aforescribed order of recognition of the value of each such collateral.
5. In the case of Clearing House Members conducting activity both on their own account and activity other than that conducted on their own account, the recognized value of non-cash collateral shall be determined separately for each type of activity, and in the case of activity conducted not on their own account, the recognized value of non-cash collateral shall be calculated separately for each client and Trading Venue Member.
 6. The value of non-cash collateral lodged as collateral margin in each of the forms referred to in § 23 sec. 3 shall be calculated in accordance with the principles defined in sec. 2-3 above, based on the following formula:

$$WUZ_i = \min (WZ_i; DZ * PU_i - WUZ_{<n_i}; DZ - WUZ_{<n_i})$$

where:

- WUZ_i – value of collateral in the form of i recognized as collateral margin,
- WZ_i – value of collateral in the form of i lodged as collateral margin,
- DZ – required value of the collateral margin,
- PU_i – percentage value specified in § 29 sec. 2-3 for each form of collateral i and meaning that the recognized value of collateral in the form of i may not be greater than PU_i of the value of the required collateral margin,
- $WUZ_{<n_i}$ – (where n_i is the indicator of the order of recognition of collateral in the form of i) value of non-cash collateral recognized as collateral margin that has been recognized earlier in accordance with the order specified in sec. 4,

while in the event that the Clearing and Settlement House Member has contributed non-cash collateral simultaneously in the form of RES Property Rights and CO2 Emission Allowances then the value of recognized non-cash collateral for these groups of collateral forms shall be determined on an aggregate basis.

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7. Bearing in mind the security of clearing, the IRGiT SA Management Board may decide to set other maximum values for recognition of particular forms of non-cash collateral at the level of either the respective Clearing House Member or the Clearing House.

§ 30

1. In respect of collateral provided in the form of RES Property Rights and collateral in the form of CO2 Emission Allowances, the Clearing House shall apply concentration limits at the level of the pertinent House Member and a concentration limit at the Clearing House level.
2. The concentration limit at a House Member level is the maximum volume of RES Property Rights or CO2 Emission Allowances that may be provided by any House Member, taking into account the collateral provided both in connection with the activity conducted on its own account and on an account other than its own.
3. The concentration limit at the Clearing House level is the maximum volume of the RES Property Rights or CO2 Emission Allowances that may be provided in total to IRGiT.
4. The value of concentration limits of RES Property Rights and CO2 Emission Allowances are presented in the following table:

| Collateral type | Limit type | Concentration limit |
|-------------------------------|-----------------------------------|----------------------------|
| CO2 Emission Allowances – EUA | Limit at the Clearing House level | 50,000,000 EUA |
| CO2 Emission Allowances – EUA | Limit on the House Member level | 15,000,000 EUA |
| RES Property Rights | Limit at the Clearing House level | 3,000,000 MWh |
| RES Property Rights | Limit on the House Member level | 240,000 MWh |

5. If, as a result of providing collateral in a specified non-cash form, the given concentration limit referred to in sec. 4 is exceeded, the Clearing House shall accept the collateral only up to the amount of the concentration limit.
6. Bearing in mind the security of clearing, the IRGiT SA Management Board may decide to set concentration limits that are different from those defined in sec. 4, for particular forms of non-cash collateral at the level of either the respective Clearing and Settlement House Member or the Clearing and Settlement House.

Guarantee Fund

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§ 31

1. The rules governing the guarantee fund are laid down in the CSH Regulations and the CSH GF Regulations.
2. Payments to the guarantee fund shall be made to IRGiT's bank account maintained by Deutsche Bank Polska S.A., no. 89 1880 0009 0000 0013 0091 1002.

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CHAPTER IV

Rules of Conduct in case of an Event of Default

§ 32

1. If an Event of Default has been identified for a given Clearing and Settlement House Member, the Clearing and Settlement House may take the actions specified in § 40 of the CSH Regulations.
2. Detailed information on the actions to be taken by IRGiT and the rules of conduct in the event of occurrence of grounds for declaring an Event of Default are laid down in the Rules of Conduct in case of an Event of Default adopted by the IRGiT Management Board by way of resolution.
3. If a House Member's CMPB precludes the payment order referred to in § 49 sec. 2 pertaining to such House Member, IRGiT shall have the right to immediately close the Positions of such House Member.
4. For Forward contracts for RES Property Rights, the Positions shall be closed by opening positions opposite to the positions held, in particular on instruments listed in OTF_RTPM or with the use of Auctions held for default management purposes, as referred to in Chapter VII of the CSH Regulations.
5. To secure financial settlements following from Transaction clearings, the Clearing House in the cases specified in § 58 sec. 2 and § 59 sec. 1 of the CSH Regulations, has the right to settle the liabilities and receivables of the Clearing House Member by debiting or crediting, as the case may be, the transaction margin sub-account in the Settlement Bank assigned to such Clearing House Member. The Clearing House shall promptly inform the Clearing House Member of any changes in the settlement method applied to the Transactions for the clearing of which such Clearing House Member is responsible.

Auctions held for default management purposes

§ 33

Auctions held for default management purposes may be organized by the House in order to secure financial settlements arising from the clearing of Transactions executed in OTF_RTPM for a given House Member in respect of which the House has commenced the closing of Positions in accordance with the CSH Regulations.

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§ 34

1. In the event a decision has been made to announce an Auction, the House shall send all or certain House Members involved in OTF_RTPM a message notifying them of the planned Auction. The message referred to in the previous sentence shall be sent by e-mail to the e-mail addresses specified in the "List of persons authorized to represent the House Member in contacts with IRGiT" and shall contain the following information in particular:
 - a) times of the start and end of the Auction and time of announcement of the Auction results,
 - b) distinct batches (portfolios) which the open Positions of the insolvent Clearing Member have been broken into, containing the following information:
 - i. period of delivery of the batch,
 - ii. volume of the batch,
 - iii. type of offer (buy or sell),
 - iv. minimum volume for which an offer may be submitted in a given batch,
 - v. maximum volume for which an offer may be submitted in a given batch,
 - vi. batch ID.
2. In circumstances justified by the security of clearings, the House shall be authorized to reduce the number of entities to which it addresses its proposal to open positions. A decision not to admit an entity to take part in an Auction shall be made by the House on the basis of such entity's relations with the insolvent House Member or on the basis of other factors related to the security of clearings.
3. A House Member which has received a proposal from the House to open a position in an Auction becomes an Auction participant. An Auction participant may only be a House Member which maintains a deposit in the guarantee fund.

§ 35

1. Auction participants are required to submit their bids within the time limit set for the given Auction.
2. Bids shall be submitted in Auctions in a non-public manner.
3. Bids shall be sent via e-mail to dzr@irgit.pl in accordance with the form provided by IRGiT in an attachment to the message referred to in § 34 sec. 1. The submitted bid shall be confirmed by a person included by the Auction participant in "List of persons

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authorized to represent the Clearing Member in contacts with IRGiT” by telephone at +48 22 341 98 20. The time of confirmation over the telephone shall be considered as the time of submission of the bid.

4. A bid shall contain at least the following information:
 - a) batch ID,
 - b) volume of the bid,
 - c) offered price in PLN/MWh,
 - d) name of the Recording Account in which the Transaction should be registered.
5. The sum of volumes of the bids submitted for a given batch by an Auction participant may not be smaller than the minimum or greater than the maximum volume announced in the message referred to in § 34 sec. 1.

§ 36

1. Bids submitted by Auction participants shall be subject to substantive evaluation by the House. The correct submission of a bid is equivalent to the fulfillment of the conditions set forth in § 35.
2. In the event of a bid inconsistent with the rules adopted by the House, a message shall be sent to the Auction participant notifying such participant of the errors and rejection of its bid. In such case, the Auction participant shall be required to resend its offer in compliance with the rules adopted by the House.
3. An Auction participant may resubmit its bid until the end of the Auction. A bid resent to the same Recording Account shall replace the previous bid.
4. Bids submitted after the end of the Auction or out of compliance with the rules adopted by the House shall not be taken into consideration when determining the results of the Auction.

§ 37

1. At the end of the Auction, the House shall determine the results of the Auction, assuming that the criteria for selecting the most favorable bid are the price and time of submission of the bid. If several bids are received with the same price, the order in which the bids were received shall decide on the winning bid(s).
2. The House may reject a bid if it considers the price not to be a market price.

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3. All bids submitted for a given batch, subject to sec. 2, shall be accepted starting from the most favorable bid until the exhaustion of the full volume resulting from the given batch.
4. The House shall send each Auction participant a message containing information about the acceptance or rejection of its bid.

CHAPTER V

Registration of operations related to trading in Financial Instruments

§ 38

1. The House maintains separate Recording Accounts for each House Member.
2. If a House Member acts on the account of its clients or acts as a representative of a Trading Venue Member, the House shall maintain separate Recording Accounts dedicated to each of such clients or Trading Venue Members represented by such House Member.
3. Positions resulting from Transactions executed on RIF_EUA and OTF_RTPM are registered in the same Recording Account maintained for a given House Member or, if it acts on the account of its clients or represents a Trading Venue Member, in the relevant Recording Account maintained for each such client or the Recording Account kept for each Trading Venue Member represented by such Clearing House Member.
4. The Clearing and Settlement House enables Clearing Members to make changes in the Clearing System, which involve editing a description of a Transaction, dividing the Transaction volume, and transferring a Transaction between the Trading Accounts created for the Clearing and Settlement House Member for the relevant type of its activity. The changes referred to above can be made by 2:00 p.m. on the Transaction date.
5. For each Recording Account, the House creates a Clearing Account assigned to it, used to record payables and receivables resulting from the daily clearing of the House Member's Positions and liabilities on account of the calculated collateral margins resulting from the open Positions for the clearing of which such Clearing House Member is responsible.

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6. For each House Member, the House maintains a Financial Settlement Account, with the reservation that for House Members acting on their own account and on an account other than their own, the House maintains two separate Financial Settlement Accounts for these types of activity. Assigned to a Financial Settlement Account is, as appropriate, the House Member's Clearing Bank Account in case the Member acts on its own account or all clearing bank accounts dedicated to its clients and Trading Venue Members represented by it.
7. A Financial Settlement Account is used to register the value of payables and receivables of a House Member, based on which the House prepares payment orders forwarded to the Clearing Bank for financial settlement of Transactions cleared by the House. A Financial Settlement Account is assigned to a respective House Member's Clearing Bank Account in the Payer Bank through which the said member pays its liabilities towards the House.
8. For each Clearing House Member, the Clearing House maintains a Collateral Account separately for each type of activity. If a Clearing House Member represents more than one Trading Venue Member, separate Collateral Accounts shall be additionally kept, dedicated to each of the represented Trading Venue Members.
9. A Collateral Account serves the purpose of registering the value of collateral contributed by the House Member in cash as well as contributed in other forms of non-cash collateral recognized by the House and entered in the Register of Non-Cash Collateral.

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CHAPTER VI

Method and procedure for the clearing of Transactions

General provisions

§ 39

1. The clearing of Transactions executed in a trading venue does not involve the House entering into the rights or obligations of the parties to such Transactions. In the clearing process, the House becomes a party to the clearings for the purposes of financial handling of the executed Transactions.
2. The calculation and settlement of VAT is carried out in accordance with the applicable laws.

§ 40

1. A House Member has at least one Clearing Account in the Clearing system where the clearing of Transactions executed on RIF_EUA and OTF_RTPM is effected.
2. During the clearing process, the receivables and payables of distinct House Members resulting from concluded Transactions are set off against each other, subject to the provisions of sec. 3 and 4.
3. If a House Member acts both on its own account and on an account other than its own, the House shall clear Transactions separately for these types of activity. The House does not set off the receivables and payables of a House Member resulting from activity conducted by such Member on its own account and resulting from activity conducted by such Member on an account other than its own.
4. The balance of liabilities and receivables arising from Transactions the financial settlement of which is subject to the split payment mechanism in accordance with the applicable law shall not be netted with the balance of liabilities and receivables arising from Transactions, the financial settlement of which is not subject to that mechanism.

§ 41

1. The clearing process starts after the House receives from the Exchange the data on all Transactions executed in the trading venue and after the Exchange confirms the final nature of such data. After the Transactions have been confirmed by the Exchange, they become irrevocable for the trading venue and third parties.

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2. Upon completion of the clearing process (by 6:30 p.m.), the Clearing House makes the Clearing Report available in the Clearing System. In exceptional circumstances, the times of provision of a Clearing Report may change.

§ 42

1. A House Member is required to inform the House of its Clearing Bank Account in CMPB, subject to § 5 sec. 3. If a House Member acts both on its own account and on an account other than its own, such House Member is required to inform the House of two separate Clearing Accounts dedicated to these types of activity.
2. A House Member is required to grant CMPB a power-of-attorney to submit instructions to transfer cash from the House Member's Clearing Bank Account to the Technical Account in the given CMPB in the amount specified by the House in the Clearing Report.

Rules for determining the amount of receivables and payables under Transactions executed in OTF_RTPM.

§ 43

1. The House settles Transactions executed in OTF_RTPM in the distinct Clearing Accounts of the House Member on the last business day before the date of performance of the contract specified by the Exchange.
2. Subject to § 40 sec. 3, the sum of clearing balances in all Clearing Accounts to be cleared by the given House Member is determined as the balance of the sell and buy Transactions of the same contract series executed on OTF_RTPM, subject to settlement on Day N. The settlement of VAT is carried out in accordance with the applicable laws.
3. For Foreign Entities, unless otherwise provided by applicable law, the settlement balance is not increased by VAT.
4. The value of Transactions executed in OTF_RTPM is calculated as the product of the volume of contracts, the par value of the Financial Instrument expressed in GWh and the Transaction price expressed in PLN/MWh multiplied by 1,000.

Rules for determining the amount of receivables and payables under Transactions executed in RIF_EUA

§ 44

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1. On each Trading Day after registering the Positions from the Transactions cleared by the given House Member, the House, in individual Clearing Accounts of the House Member and, as the case may be, its clients and/or Trading Venue Members represented by it, effects the clearing of Transactions executed on the Trading Day in RIF_EUA.
2. Subject to § 40 sec. 3, the sum of clearing balances in all Clearing Accounts to be cleared by the given House Member is determined as the balance of the sell and buy Transactions executed in RIF_EUA on the Trading Day. The settlement of VAT is carried out in accordance with the applicable laws.
3. For Foreign Entities, unless the applicable laws stipulate otherwise, the clearing balance is not increased by VAT.
4. The value of Transactions executed in RIF_EUA on the Trading Day is calculated as the product of the volume of Transactions expressed in tons (Mg) and the Transaction price expressed in PLN/Mg.

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CHAPTER VII

Method and procedure of the settlement of Transactions

§ 45

1. The function of the House's Payer Bank for cash settlements of Transactions and updating of collateral margins is discharged by Deutsche Bank Polska S.A.
2. Cash settlement of Transactions executed on RIF_EUA and OTF_RTPM and updating of collateral margins for all House Members are carried out by the House through the intermediation of CHPB and all CMPBs.
3. To ensure the secure and efficient conduct of cash settlements of Transactions and updating of collateral margins, the House cooperates with CHPB and all CMPBs in accordance with the Schedule.

Rules for exchange of information between the House, CHPB and CMPBs

§ 46

1. On each business day during the clearing process, the House prepares data for cash settlement and updating of collateral margins, carried out through the intermediation of the House's Payer Bank in cooperation with all CMPBs. Such data are prepared in the form of Control Reports, provided to each CMPB on the date of their preparation, by 5:30 p.m. Control Reports form the basis for the settlement executed by the House through CHPB and CMPBs.
2. If the clearing date is a non-business day, Control Reports are sent on the next business day following such date.

§ 47

1. Control Reports prepared on Day N being a business day include liabilities and receivables of all Clearing House Members resulting from:
 - a) updating of collateral margins for the Transactions executed on OTF_RTPM,
 - b) Transactions executed on RIF_EUA on Day N, and
 - c) Transactions executed on OTF_RTPM with delivery on the execution day specified by the Exchange.

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2. Control Reports may contain non-compensated payment balances for a given day if they arise at the same time from Transactions subject to the split payment mechanism and ones not subject to such mechanism..
3. If the security of clearings so requires, the Control Reports may be extended by the Clearing House to include the required liabilities or receivables of the Clearing House Members towards or from the Clearing House or the Exchange resulting from their participation in the Clearing House or the trading venue.
4. Control Reports for individual CMPBs constitute confirmation of the information contained in the Clearing Report.
5. On the first business day following the date of sending of the Control Reports, CMPBs shall carry out their operations in accordance with the Schedule and instructions contained in the order batches effected in cooperation with CHPB.

§ 48

1. The exchange of information between CHPB and CMPBs is based on the following SWIFT messages:
 - a) SWIFT MT101 – sent by CHPB, containing all payment orders to be carried out by CMPBs;
 - b) SWIFT MT942 – sent by CMPBs, containing information on all operations performed in the Technical Account prior to its generation;
 - c) SWIFT MT940 – sent by CMPBs, containing information on all operations performed in the Technical Account.
2. CMPB executes the payment instructions received from CHPB in the form of SWIFT MT101 messages. The instructions are consistent with the Control Reports.

§ 49

1. CMPB has the right to limit the execution of a payment order debiting the House Member’s Clearing Bank Account of the selected House Member in accordance with the principles and in the manner specified in CMPB’s agreement with IRGiT.
2. The limiting of payments for cash settlement of the Transactions referred to in § 53 sec. 1 item 1 may take place only if the additional liquidity collateral referred to in § 53 sec. 3 is insufficient to cover the liabilities of the House Member.

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3. The limiting of payments for updating of the collateral margins referred to in § 53 sec. 1 item 3 may take place if the House Member has failed to ensure a sufficient amount of cash in its Clearing Account.
4. In the event any payments are limited by CMPB, the value of the transfer between the Technical Account and the House Member's Clearing Bank Account in the Control Report sent by the House to CMPB and the actual amount of the instruction sent by CHPB by way of a SWIFT MT101 message may be different. In such case, the House sends a correction of the Control Report to the CMPB which limited the payment.
5. In the case of a payment reservation for a cash settlement of the exchange Transactions referred to in § 49 sec. 2, the Clearing House shall first use the cash collected by the Clearing House Member on the Transaction Margin Bank Account. In the event that the cash of the Clearing House Member deposited in the Transaction Margin Bank Account is divided into the Transaction Limit of the Clearing House Member and the dedicated limit of the Trading Venue Member, the Clearing House shall first cover liabilities of the Clearing House Member with the cash making up the Transaction Limit of such Clearing House Member, at the same time decreasing the payment reservation. In the event that the payment reservation is higher than the amount of the Transaction Limit of the Clearing House Member, the Clearing House shall subsequently utilize the cash making up the dedicated limit of the Trading Venue Member in the amount required to cover the payment reservation. If the amount of the payment reservation is higher than the total cash utilized for the Transaction Limits deposited by the Clearing House Member on the Transaction Margin Bank Account, the Clearing House shall cover the missing amount of the payment reservation with cash of such Clearing House Member making up the delivery margin.
6. Where the cash forming the delivery margin referred to in § 11 is used to cover the reserved payment order referred to in § 49 sec. 2, the Clearing House Member shall be required to supplement the value of the delivery margin so as to reach the required level by 4:00 p.m. on the reservation day. If the replacement payment is not made or may not be covered by reducing the Transaction Limit of the Clearing House Member or the dedicated limit of the Trading Venue Member, the Clearing House may take the measures referred to in § 59 of the CSH Regulations.
7. If all cash on the Transaction Margin Sub-Account is insufficient to cover the reserved payment order of the respective Clearing House Member, IRGiT shall use the cash collected on the Collateral Margin Sub-Account of such Clearing House Member for settlement.

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8. Next, the Clearing House shall request the Clearing House Member to reimburse the used cash referred to in sec. 7 and to supplement the collateral margins and the delivery margin and to make the minimum contribution to the transaction margins so as to reach the required values. Moreover, when the cash referred to in sec. 7 has been utilized, the Clearing House Member shall refund the amount of accrued interest or banking fees arising as a result.
9. Where the Clearing House Member fails, within the time limit set by the Clearing House, to reimburse the cash referred to in sec. 8 and to supplement the collateral margins and the delivery margin and to make the minimum contribution to the transaction margins so as to reach the required values, the Clearing House may take the measures referred to in § 59 of the CSH Regulations.

§ 50

1. After executing each of the payment order batches referred to in § 53, each CMPB sends a SWIFT MT942 message for the Technical Account in accordance with the Schedule.
2. After completing the settlement process, CMPB sends a SWIFT MT940 message for the Technical Account in accordance with the Schedule.
3. The CMPB which submitted a written undertaking to send SWIFT MT942 and MT940 messages from the House Member's Clearing Bank Account acting on an account other than its own (which received from the IRGIT Management Board the consent referred to in §11 sec. 4 of the CSH Regulations) carries out its operations in accordance with the Schedule.

Services provided to Clearing Members as part of the cash settlement

§ 51

1. The following bank accounts are dedicated to providing financial services to a House Member:
 - a) Sub-account of the Transaction Margin Account in the House's Payer Bank;
 - b) House Member's Clearing Bank Account in CMPB;
 - c) Sub-account of the Collateral Margin Account in CHPB if the given House Member is admitted to operate in OTF_RTPM.

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2. A account credited or debited in accordance with the clearing of Transactions is the House Member's Clearing Bank Account. The House Member's Clearing Bank Account is also used for the payment of liabilities or the collection of receivables resulting from updating the required collateral margins for Transactions concluded on OTF_RTPM.
3. The sub-accounts of the Transaction Margin Account contain cash forming the delivery margin (in the case of activity in OTF_RTPM) and cash forming the basis for setting the Transaction Limits of House Members (in the case of activity in RIF_EUA).
4. The sub-accounts of the Collateral Margin Account contain cash forming coverage for the collateral margins for Transactions concluded on OTF_RTPM required from House Members. Payments to and from the sub-account of the Collateral Margin Account are made automatically by the Clearing House.
5. To enable the settlement of House Members in CMPBs, IRGiT has a Technical Account in each CMPB and a House's Clearing Account in CHPB.

§ 52

1. If in connection with the clearing of Transactions and updating of collateral margins a House Member has:
 - a) a balance of payables, then the House Member's Clearing Bank Account is debited and the Technical Account is credited;
 - b) a balance of receivables, then the Technical Account is debited and the House Member's Clearing Bank Account is credited.
2. Interbank transfers are executed as balances of payables and receivables of all House Members in CMPB, through the House's Clearing Account in CHPB.

§ 53

1. Payment instructions consistent with the Control Reports are sent by CMPB for execution broken down into four order batches:
 - 1) Payment order batch no. 1 – pertaining to the settlement of Transactions executed in a trading venue, comprising:
 - i) transfer orders debiting the Clearing Accounts in CMPB for House Members holding a balance of payables for the executed Transactions, and crediting the Clearing House's Technical Bank Accounts in each CMPB;
 - ii) transfer orders, under the split-payment mechanism, debiting the Clearing Bank Accounts in CMPB for Clearing House Members holding a balance of liabilities

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under the executed Transactions and orders for interbank transfers crediting the Clearing House's Settlement Bank Account in CHPB in connection with such liabilities.

- 2) Payment order batch no. 2 – pertaining to the settlement of Transactions executed in a trading venue, comprising:
 - i) transfer orders crediting the Clearing Accounts in CMPB for House Members holding a balance of receivables for the executed Transactions and interbank transfer orders through the House's Technical Bank Accounts in CMPB and the House's Clearing Account in the Settlement Bank;
 - ii) transfer orders, under the split-payment mechanism, crediting the Clearing Bank Accounts in CMPB for Clearing House Members holding a balance of receivables under the executed Transactions and orders for interbank transfers debiting the Clearing House's Settlement Bank Account in CHPB in connection with such receivables.
 - 3) Payment order batch no. 3 – pertaining to an update of collateral margins for Transactions concluded on OTF_RTPM, comprising transfer orders debiting the Clearing Accounts in CMPB for House Members holding a balance of payables and crediting the Clearing House's Technical Bank Accounts in each CMPB and debiting the sub-accounts of the Collateral Margin Account for House Members holding a balance of receivables and crediting Clearing House's Settlement Bank Account in the Settlement Bank;
 - 4) Payment order batch no. 4 – pertaining to an update of collateral margins for Transactions concluded on OTF_RTPM, comprising transfer orders crediting the Clearing Accounts in CMPB for House Members holding a balance of receivables and crediting the sub-accounts of the Collateral Margin Account for House Members holding a balance of payables and orders for interbank transfers via the Clearing House's Technical Bank Accounts in CMPB and the Clearing Bank Account in the Settlement Bank.
2. IRGIT sends the payment instructions referred to in sec. 1 for execution in accordance with the Schedule.
 3. House Members, in cooperation with their selected CMPBs, are required to maintain and secure appropriate financial liquidity in their Clearing Accounts in a manner enabling the execution of the payment orders referred to in sec. 1, in accordance with the Schedule.

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Physical settlement of Property Rights

§ 54

1. On the business day following the date of preparation of Control Reports, after the end of the session in a trading venue, the House shall transfer to COR information on balances of payables and receivables of each House Member for a given delivery date expressed in RES Property Rights.
2. The execution of Transactions in OTF_RTPM takes place through a change in the holdings of individual RES Property Rights on the Recording Accounts of House Members in COR within the time limit for the execution specified by the Exchange.
3. If a House Member enters into a Transaction on the account of a client or a Trading Venue Member represented by a House Member, the reposting process of RES Property Rights is carried out using the Recording Account of such client or Trading Venue Member, as the case may be, maintained in COR.

Actions taken by the House in the absence of RES Property Rights in the account of seller in OTF_RTPM on the due date

§ 55

1. The due date of the RES Property Rights resulting from the balance of the Position in a given series of Forward contracts for RES Property Rights executed in OTF_RTPM is the third Thursday of the month of performance of this series of contracts.
2. In the event it is necessary to suspend the clearing of Transactions by the House due to the absence of a sufficient quantity of RES Property Rights in the account in COR held by the Clearing House Member, its client or the Trading Venue Member represented by it, IRGiT undertakes to provide the appropriate quantity of RES Property Rights to the House Member entitled to the RES Property Rights, using for this purpose the cash contributed for the delivery margin of the House Member which failed to provide the RES Property Rights.
3. If the House is unable to obtain RES Property Rights for the purpose described in sec. 2, the House may suspend the settlement of some or all of the Transactions for which the RES Property Rights were intended.

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4. A breach of the obligation of a House Member responsible for the clearing of the Transaction to sell RES Property Rights to provide the appropriate quantity of RES Property Rights in its Recording Account in COR or in the account its client or the Trading Venue Member represented by it, as the case may be, on the due date shall form the basis for the imposition of the penalty provided for in the CSH Regulations by the IRGiT Management Board.

Physical settlement and delivery of Emission Allowances

§ 56

1. Each House Member admitted to participation in RIF_EUA is required to have an account in the Union Registry, which must be properly set up by adding the House's account in the Union Registry to the list of trusted accounts.
2. A House Member is required to notify the House of the number of its account in the Union Registry to enable the House to add such House Member's account to the list of trusted accounts. If a Trading Venue Member represented by a House Member in respect of Transactions executed in RIF_EUA intends to use its own account in the Union Registry, such House Member shall also be required to notify the House of the number of the account maintained in the Union Registry for the Trading Venue Member represented by it.
3. A transfer of CO2 Emission Allowances in the Union Registry between the account of the House and the account of a House Member or the account of a Trading Venue Member represented a House Member is possible if such accounts have been added to the list of trusted accounts.
4. In the event of a change of the account number referred to in sec. 2, the House Member shall be required to provide up-to-date account details to the House to enable the House to add the new account to the list of trusted accounts. Furthermore, such House Member or the Trading Venue Member represented by such House Member shall be required to repeat the activities associated with adding the account of the House in the Union Registry to the list of trusted accounts.

§ 57

1. A House Member, or a Trading Venue Member using its own account in the Union Registry, intending to execute a Transaction to sell CO2 Emission Allowances must first transfer such CO2 Emission Allowances from the specified account in the Union

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Registry to the House’s account in the Union Registry or, as a result of CO2 Emission Allowance buy Transactions executed in the sessions preceding the current Trading Day, become the owner of CO2 Emission Allowances contributed to the House’s account in the Union Registry by another House Member.

2. Only CO2 Emission Allowances which are deposited in the House’s account in the Union Registry may be subject to a sell order.
3. The quantity of CO2 Emission Allowances contributed by House Members and by Trading Venue Members represented by House Members to the House’s account in the Union Registry shall be recorded in separate CO2 Emission Allowance accounts maintained by the House for each House Member or Trading Venue Member.
4. The balance in the CO2 Emission Allowance account kept by the House shall be updated by the House by 4:00 p.m. on the business day preceding the session in RIF_EUA taking place on the next business day. The quantity of CO2 Emission Allowances deposited in the account kept for a given House Member or Trading Venue Member reflects the current holding of CO2 Emission Allowances and reflects the value of collateral for the next RIF_EUA session.

§ 58

1. The House shall settle Transactions on the date of their execution, by 4:00 p.m., by appropriately debiting or crediting the CO2 Emission Allowance account maintained by the House for each House Member or Trading Venue Member being a party to the Transactions.
2. The delivery of CO2 Emission Allowances shall be effected by debiting the House’s account in the Union Registry and crediting the account of the pertinent House Member or the account of the pertinent Trading Venue Member represented by a House Member using its own account maintained in the Union Registry on the basis of a request for a transfer of CO2 Emission Allowances approved by the House and provided by such House Member by e-mail to the address specified by the House.
3. The request referred to in sec. 2 shall be approved if the volume presented in the request is not greater than the quantity of CO2 Emission Allowances deposited in the CO2 Emission Allowance account maintained by the House for such House Member or Trading Venue Member.
4. If the request referred to in sec. 2 is received by the House by 2:30 p.m. on a RIF_EUA Trading Day, the order to transfer CO2 Emission Allowances shall be performed by the House on the same day by 4:00 p.m.

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CHAPTER VIII

Other operations

Transfer of Positions

§ 59

1. A transfer of Positions consists of moving the entries expressing the holdings of the Positions from the Recording Account maintained for a given House Member to the Recording Account maintained for another entity. Such transfer of Positions takes place through a change of the Recording Account assigned to all Transactions which make up the Position specified for the transfer.
2. A transfer is effected by the House based on a written request submitted by the House Member in the accounts of which such Positions are registered, approved by the House Member which assumes the status of a Clearing Member in respect of such Positions. The form of the application referred to in the preceding sentence shall be prepared by the Clearing House.
3. The request referred to in sec. 2 shall specify the names of the Trading Accounts from which and to which such transfer is to be made and shall include information on the name of the instrument, the quantity of contracts, and the number, type and price of the Transaction.
4. The House may request a House Member to provide, within a specified time limit, appropriate explanations and documents confirming the occurrence of a specific event or to take certain action justifying the transfer.
5. A transfer request must be submitted no later than 10 business days prior to the intended transfer date. In justified cases, the House may permit the submission of a request on a date different than that specified in the previous sentence, provided that the security of clearings is maintained.
6. Within 5 business days of receipt of a complete transfer request, the House shall make a decision on making the transfer. The House may refuse to make the transfer at any time in justified cases, in particular if there is a circumstance justified by clearing security considerations.
7. The execution of the Position transfer is conditional on the House carrying out appropriate verification tests aimed at ensuring safe and correct transfer, between the

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trading accounts of the Clearing and Settlement House Members, of the data pertaining to open Positions subject to transfer.

8. If the House gives its consent to the transfer of Positions, such transfer shall be made in the last week of the month, on the date set by the House, after the completion of the clearing process. In justified cases, the House may set, in a given month, a different date for the transfer of Positions than the date referred to in the previous sentence. If the Clearing House gives consent to the transfer of Positions, the Clearing House Member who, as a result of such transfer, assumes the status of a Clearing Member for the transferred Positions shall be required to provide an appropriate value of collateral in respect of such Positions within the time limit specified by the Clearing House.
9. The Clearing House, on the business day preceding the transfer execution day, shall provide the Clearing House Member with information on the required collateral in respect of the transferred Positions and shall specify the time limit for supplementing the required collateral.
10. A transfer request may be canceled no later than 3:00 p.m. two days before the scheduled date of the transfer. The withdrawal of the application referred to in the preceding sentence must be made in writing.