

Summary of the process of closing the position of an insolvent Clearing House Member

In connection with the notification of insolvency of a Clearing House Member submitted on 18 March 2020, Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT", "Clearing House") hereby reports that, as a result of the default management process applied, all **positions of the insolvent Clearing House Member have been closed** in accordance with the "Rules of conduct in the event of insolvency of an Exchange Clearing House Member," posted on [IRGiT's website](#).

Due to the adverse market conditions between the insolvent Clearing House Member's last payment of collateral margins and the date of complete closing of the insolvent Clearing House Member's positions, the cost of closing such positions was be greater than the funds deposited by this Clearing House Member in the clearing guarantee system. Losses generated due to closing of positions will be settled in accordance with the current settlement schedule, until the end of the period in which the Clearing House Member had open positions, i.e. until the end of 2021. IRGiT has called upon the insolvent Clearing House Member to cover the loss and will seek to enforce this request using formal means.

If the Clearing House Member fails to pay the amount due within the required time limit, IRGiT, acting pursuant to § 54(2)(2) of the Regulations of the Exchange Clearing House (Commodity Market) will use resources of the Guarantee Fund to clear the transactions of the insolvent Clearing House Member.

The loss generated by the insolvent Clearing House Member accounts for approximately 2.76% of the total value of the Guarantee Fund.¹ This percentage, multiplied by the value of contributions made by the other Clearing House Members to the Guarantee Fund, will form the basis for calculation of the potential replacement payments.

¹ Value obtained after reducing the balance of the Guarantee Fund by the depleted contribution of the insolvent Clearing House Member.



The Clearing House will keep informing you about further significant actions taken in this matter.

Should you have any questions, do not hesitate to contact us:

Tomasz Wieczorek, Director of the IRGiT Risk Management Department
tomasz.wieczorek@irgit.pl, 696-880-400

Łukasz Grządka, Deputy Director of the IRGiT Risk Management Department
lukasz.grzadka@irgit.pl, 665-650-757