

Attachment no. 1 to Resolution no. 146/29/05/2019 adopted by the Management Board of the Warsaw Commodity Clearing House (Izba Rozliczeniowa Giełd Towarowych S.A.) on 10 May 2019.



BYLAWS OF THE RISK COMMITTEE

§ 1

1. These Bylaws of the Risk Committee ("Bylaws") define tasks and detailed operating rules of the Risk Committee appointed by the Management Board of the Warsaw Commodity Clearing House ("IRGiT), including its composition and the way of appointing and dismissing its members.
2. The Risk Committee fulfills the functions of giving opinions and advice to the IRGiT Management Board in matters related to risk management connected with provision of clearing services by the IRGiT. Works of the Risk Committee aim to exchange information between the IRGiT and market participants.
3. Any amendments the Bylaws shall be in the form resolutions adopted by the IRGiT Management Board.

I. TASKS OF THE COMMITTEE

§ 2

1. The Committee fulfills the functions of giving opinions and advice to the IRGiT Management Board in matters related to regulations or arrangements of the IRGiT which:
 - a) affect the risk management connected with provision of clearing services by the IRGiT,
 - b) concern security and effectiveness of clearing operations, appropriate determination of the type and size of collateral and the forms of its contribution,
 - c) concern risk management mechanisms connected with provision of clearing services by the IRGiT and risk control mechanisms.
2. In particular, the Committee's task is to prepare and present opinions in the following areas:
 - a) risk management by IRGiT with regard to the risks arising in connection with performing clearings, including comprehensive model reviews, methodology and rules adopted for quantifying, grouping and managing the risks as well as managing liquidity risk,
 - b) matters concerning bylaws defining rules and procedure for clearing transactions, bylaws of the guarantee fund and resolutions issued on the basis of these bylaws,
 - c) categories of entities that may apply for the status of a clearing member and the conditions of membership that the entities are to satisfy,
 - d) operating procedures in case of occurrence of default or insolvency or the necessity of using transaction clearing liquidity protection measures,
 - e) internal regulations defining types of extreme market conditions,
 - f) a set of scenarios used for the identification of extreme market conditions,
 - g) internal regulations defining liquidity risk management, including a plan for maintaining liquidity,

- h) stress tests and their analysis.
- 3. The Committee adopts an opinion on discussed matters by acclamation.
- 4. If it is impossible to adopt an opinion in compliance with sec. 3, opinions will be accepted by the absolute majority of votes of all the Committee members present at the meeting.
- 5. An opinion issued by the Committee should contain a justification.

II. COMPOSITION OF THE COMMITTEE AND APPOINTMENT OF ITS MEMBERS

§ 3

- 1. The following persons comprise the Risk Committee ("Committee"):
 - a) one representative of Towarzystwo Obrotu Energią, with its registered office in Warsaw,
 - b) one representative of Polskie Towarzystwo Elektrociepłowni Zawodowych, with its registered office in Warsaw,
 - c) one representative of Towarzystwo Gospodarcze Polskie Elektrownie, with its registered office in Warsaw,
 - d) one representative of Chamber of Brokerage Houses, with its registered office in Warsaw,
 - e) one representative of Commercial Chamber of Gas Industry, with its registered office in Warsaw,
 - f) one representative of Izba Energetyki Przemysłowej i Odbiorców Energii, with its registered office in Warsaw,
 - g) one representative of European Federation of Energy Traders, with its registered office in Amsterdam,
 - h) at most two representatives of other associations or organizations associating members of the Commodity Clearing House or its clients, subject to the condition that one entity may have one representative,
 - i) one representative of Towarowa Giełda Energii S.A. (Polish Power Exchange) with its registered office in Warsaw,
 - j) one representative of IRGiT.
- 2. Members of the IRGiT Management Board and persons invited for a meeting by the Committee Chairperson may also participate in the Committee Meetings without the right to vote.
- 3. Members are appointed to the Committee by resolutions of the IRGiT Management Board from among candidates submitted by the entities referred to in sec. 1. Candidates submitted by the entities should have appropriate knowledge and experience about risk management and operation of markets of stock exchange commodities.
- 4. Candidates are submitted in writing with consent given by them for appearing as candidates for Committee members in the form defined in the attachment to these Bylaws.

5. If no candidate is submitted by any of the entities referred to in sec. 1, this does not affect the proper fulfillment of functions by the Committee.

§ 4

1. A Committee Member may submit their resignation from the membership in the Committee in person to the Committee Chairperson. Resignations are filed in writing.
2. A Committee Member may be dismissed from their function upon a motion of the entity that submitted them as a candidate for a Committee Member. Such a motion must be made in writing and delivered to the Committee Chairperson.
3. Membership in the Committee expires on the date when the IRGiT Management Board adopts a resolution on the Committee Member's resignation from the Committee or their dismissal.
4. The IRGiT Management Board, on the motion of the Committee Chairperson, has the right to dismiss a Committee Member at any time in the form of a resolution, providing a written representation, with a justification of the decision to the entity which submitted the given Committee Member. The dismissal date will be given in the relevant resolution of the IRGiT Management Board.
5. If a Committee Member ceases to perform their function, the entity that submitted their candidacy should immediately name a new candidate on the terms and conditions defined in § 3 sec. 4.

§ 5

1. IRGiT publishes the composition of the Committee and the wording of the Bylaws at IRGiT's website.
2. Committee Members do not receive any remuneration from IRGiT for performing the duties connected with the work of the Committee.

III. ORGANIZATION OF THE COMMITTEE

§ 6

1. The Committee Chairperson is appointed and dismissed by the IRGiT Management Board in the form of a resolution.
2. The work of the Committee shall be managed by the Committee Chairperson. In the absence of the Committee Chairperson, their duties shall be performed by a person named in writing by the IRGiT Management Board.
3. The duties of Committee Chairperson shall include in particular:
 - a) convening meetings, organizing the work and presiding over Committee meetings,
 - b) inviting visitors to Committee meetings,
 - c) ensuring that the Committee observes the Bylaws,
 - d) representing the Committee before IRGiT corporate bodies and third parties,
 - e) signing positions and opinions on behalf of the Committee.

4. IRGiT ensures administrative support for the Committee, in particular by seconding a person responsible for organizational support, including keeping records of works and opinions adopted by the Committee and preparing minutes from the Committee meetings. Such a person does not become a Committee member, in particular they do not have the right to vote.
5. IRGiT ensures substantive support for the Committee, in particular by preparing calculations, presentations and analyses for the Committee meetings.

§ 7

1. Committee Members exercise their rights and perform their obligations in person.
2. Committee Members are obligated to give the Committee Chairperson email addresses to which all the information connected with their membership in the Committee should be sent. Committee Members shall inform the Committee Chairperson about any changes to the addresses provided by them.

§ 8

1. The Committee shall hold meetings with sufficient frequency to allow for the right performance of its tasks but not less frequently than twice a year.
2. A meeting is convened by the Committee Chairperson by sending the Committee members to the email addresses provided by them, at least one week in advance, the information about the location, date and time and agenda of the meeting. A copy of information about convening a meeting, with the meeting agenda, is sent to the IRGiT Management Board. In justified cases, Committee Members may participate in a Committee meeting using means of remote communication.
3. A Committee Meeting convened in accordance with the rules defined in sec. 2 is valid regardless of the number of Committee members present at the meeting.

§ 9

1. Committee meetings shall be minuted.
2. The minutes should state the place and time of the meeting, meeting agenda, names and surnames of the persons present, as well as a summary of matters discussed at the meeting, including the opinions adopted by the Committee.
3. The final version of the minutes is agreed using the following procedure:
 - a) within 7 business days of holding the meeting, Committee Members receive draft minutes by email,
 - b) comments about the draft minutes are sent within next 7 business days of the date they were sent,
 - c) on the basis of the draft version and received comments, a final version is compiled,
 - d) the final version of the minutes, having been signed by the Committee Chairperson, is sent to all the Committee members and the IRGiT Management Board.

§ 10

1. Subject to prevailing rules of law, Committee Members shall maintain confidentiality of the information obtained in connection with membership in the Committee.
2. The Committee Chairperson instructs persons taking part in Committee meeting without the right to vote about the duty to maintain confidentiality of the information received during the Committee meeting.

SUBMISSION OF A CANDIDATE FOR A MEMBER OF THE RISK COMMITTEE AT THE WARSAW COMMODITY CLEARING HOUSE WITH ITS REGISTERED OFFICE IN WARSAW

(company name) hereby submits Mr./Ms. (first and last names) as its Representative at the Risk Committee at the Warsaw Commodity Clearing House.

(company name) hereby undertakes to comply with the Bylaws of the Risk Committee adopted by the Warsaw Commodity Clearing House, in particular to comply with the rules about maintaining confidentiality referred to in the Bylaws.

.....
(date and signatures in accordance with the company's rules of representation)

Full name of the Representative:

Telephone no.:

E-mail:

REPRESENTATION

I hereby give consent to being appointed as Member of the Risk Committee at the Warsaw Commodity Clearing House and undertake to comply with the Bylaws of the Risk Committee, in particular to comply with the rules about maintaining confidentiality of internal documents of the Risk Committee and related information as well as other information obtained during the work of the Risk Committee.

I hereby give my consent to the processing of my personal data by Izba Rozliczeniowa Gield Towarowych S.A. (Warsaw Commodity Clearing House) with its registered office in Warsaw (ul. Książęca 4, 00-498 Warsaw), pursuant to the Personal Data Protection Act of 29 August 1997 (Journal of Laws of 2016, Item 922, as amended) for the purposes organizing and performing the work of the Risk Committee. At the same time, I hereby give my consent to publishing my full name on the website of the Warsaw Commodity Clearing House.

.....
(date and signature of the Representative)

Information clause

The controller of the above personal data is Izba Rozliczeniowa Gield Towarowych S.A. with its registered office in Warsaw, ul. Książęca 4, 00-498 Warsaw, entered in the register of commercial undertakings kept by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, under file number KRS 0000321809, NIP 525-244-16-34, with the share capital of PLN 44,805,000 (paid up in full).

The purpose of collecting the data is the organization and performance of work of the Risk Committee at the Warsaw Commodity Clearing House.

You have the right to access your data and correct them, delete them or restrict their processing as well as the right to object, to request that the data processing and transfer is stopped as well as the right to withdraw consent at any time and the right to file a complaint to the relevant supervisory authority.

Data are provided on a voluntary basis but their provision is necessary for being appointed as a Risk Committee Member.

Personal data will be stored for the period of discharging the function of Risk Committee Member and after the function is terminated to satisfy the legal obligation imposed on the Controller for the period in accordance with the binding regulations.