

**Resolution No. 44/346/18
of the KDPW_CCP S.A. Supervisory Board
dated 21 December 2018**

Pursuant to Article 48(15) of the Act of 29 July 2005 on Trading in Financial Instruments (consolidated text: Journal of Laws of 2018, item 2286) and § 15 sub-paragraph 2 point 13 of the Statute of KDPW_CCP S.A., the Supervisory Board of KDPW_CCP S.A. hereby resolves as follows:

§ 1

In the Rules of transaction clearing (organised trading) attached to Resolution No 9/9/10 of the Supervisory Board of KDPW_CCP S.A. dated 29 November 2010 (as amended), shall be amended as follows:

1/ § 1a subpara. 4 shall be replaced by the following:

„4. For transactions cleared in the way referred to in subpara. 1, KDPW_CCP shall act as a central counterparty within the meaning of the Act on the Finality of Settlement in Payment Systems and Securities Settlement Systems and the Rules of Supervision over those Systems of 24 August 2001 (consolidated text: Dziennik Ustaw – Journal of Laws of 2018, item 145, as amended) between clearing members acting, respectively, on side A (buyer, long position holder or borrower) or on side B (seller, short position holder or lender).”;

2/ § 2 subpara. 1 shall be replaced by the following:

„1. The terms and conditions of operation of the clearing system referred to in § 1 subpara. 1 are laid down in these present rules, the Detailed Rules of Transaction Clearing (organised trading) and other resolutions of the Management Board of KDPW_CCP adopted under these rules. The Management Board of KDPW_CCP may pass resolutions on detailed matters that relate to the operation of the clearing system, with the exception of matters regarding the rights and obligations of participants who define the terms and conditions of obtaining and terminating participation.”;

3/ in § 3:

a/ point 1 shall be replaced by the following:

„1/ the Law on trading in financial instruments, this shall be understood to mean the Law on trading in financial instruments of 29 July, 2005 (consolidated text: Dziennik Ustaw – Journal of Laws of 2017, item 1768, as amended),”;

b/ point 23a shall be replaced by the following:

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

c/ after point 27 full-sop shall be replaced by a comma and points 28-29 be added as follows:

„28/ Detailed Rules of Transaction Clearing (organised trading), this shall be understood to mean the detailed rules of operation of the clearing system referred to in § 1 subpara. 1, defined in a resolution of the Management Board of KDPW_CCP,

29/ SWI, this shall be understood to mean the electronic communication system operating under an agreement with Krajowy Depozyt Papierów Wartościowych S.A., under which information and declarations referred to in these rules, the Detailed Rules of Transaction Clearing (organised trading) and other resolutions adopted under these rules are delivered in electronic format by KDPW_CCP S.A. to a participant or participants of the clearing system or by a participant of the clearing system to KDPW_CCP S.A. with the intermediation of Krajowy Depozyt Papierów Wartościowych S.A. according to the agreement with Krajowy Depozyt Papierów Wartościowych S.A.”;

4/ §§ 4-4a shall be replaced by the following:

„§ 4

1. Unless otherwise allowed under these rules or the Detailed Rules of Transaction Clearing (organised trading), all declarations and information shall be provided by KDPW_CCP to a participant or by a participant to KDPW_CCP in electronic format via SWI.

2. KDPW_CCP represents that it accepts as effective declarations of will submitted and information sent by a participant in electronic format via SWI.

3. Unless otherwise provided for under these rules or the Detailed Rules of Transaction Clearing (organised trading):

1/ any declarations and information sent by:

a/ participants, in accordance with the provisions of § 12 subpara. 1, § 13 and § 22-§ 31, as well as § 40 subpara. 2, or in connection with applications to extend, limit or cancel participation status, or as part of the update process of documents submitted by such participants in order to conclude or amend a participation agreement,

b/ entities applying for the status of participant,

c/ participants that do not hold the status of clearing member for the matters described in § 14 subpara. 2 and § 69a - § 69c, subject to § 69b subpara. 11 and 12,

d/ KDPW_CCP in relations with the entities, described in point 2, and additionally in matters described in § 14 subpara. 2 – in relations with participants, described in point 3, while in matters described in point 1, and in matters relating to the imposition of disciplinary or orderly measures – in relations with other participants,

and

e/ participants or KDPW_CCP in matters relating to the complaints process, described in § 84a - § 84d, will require the delivery to the addressee of the original document containing the declaration or information, prepared at least in the ordinary form in writing or an appropriately certified copy, subject to the provisions of subpara. 5;

2/ official documents shall be submitted in the original counterpart or an appropriately certified copy.

4. The Management Board of KDPW_CCP may, by means of a resolution:

1/ define other instances where the submission of declarations, or information should take place according to the rules described in subpara. 3,

2/ allow participants or entities applying for the conclusion of a participation agreement to submit certain documents, including official documents, in an electronic copy (scan).

5. In relations between KDPW_CCP and participants, documents containing a declaration, or information, described in subpara. 3 or 4 may be sent via facsimile or electronic mail through the internet. However, until the moment when the document is received in the manner described in subpara. 3 only actions requiring an urgent response should be performed on the basis of the contents of a message sent via facsimile, or electronic mail. No action should be performed when a facsimile, or electronic mail transfer has been damaged in such a way as to render its contents impossible to determine.

6. An appropriately certified copy of a document shall mean:

1/ for official documents: a copy certified officially or notarised, stating it is true to the original, and for documents containing information from the National Court Register or other register if appropriate for a participant or entity applying for the conclusion of a participation agreement – also a computer print-out which meets the requirements to consider its effect to be equivalent to that of documents according to the applicable legislation,

2/ for private documents: a notarised copy stating it conforms to the original, while for documents containing personal declarations by the entity submitting the copy of the document, a copy certified as being true to the original according to the corporate representation rules of that entity will also be required.

7. The declarations and information described in subpara. 3 and 4 shall be sent by KDPW_CCP to the address indicated in the documents submitted by the participant to KDPW_CCP. In the event that the declaration or information cannot be delivered to the participant at this address, this shall be understood to mean that on the day that KDPW_CCP has received information that such a delivery was not possible, all consequences pertaining to the delivery to the participant of the declaration or information by KDPW_CCP, have taken place.

§ 4a

1. KDPW_CCP shall make available to participants the rules and resolutions adopted under the rules, as well as their amendments, by publishing their content on the KDPW_CCP website or delivering their content to the participants in writing or in electronic form in the way described in § 4 subpara. 1.

2. KDPW_CCP shall make available to participants model declarations referred to in the rules and resolutions adopted under the rules, as well as all other information it is obliged to deliver under those regulations, in the manner defined in subpara. 1, by fax (at the numbers provided by the participants) or by email over the Internet (at the addresses provided by the participants).”;

5/ § 9 subpara. 2 point 3 shall be replaced by the following:

„3/ referred to in subpara. 1 points 1-3, 5 or 6 and, in the case referred to in subpara. 1 point 4, provided that it is a credit institution or foreign bank within the meaning of the Banking Law – Act of 29 August 1997 (consolidated text: Dziennik Ustaw – Journal of Laws of 2017, item 1876, as amended), or a foreign legal person, referred to in Article 115(1) of the Act on Trading in Financial Instruments.”;

6/ in § 19 after point 4, the full-stop shall be replaced by a comma and added point 5 as follows:

„5/an indication of the applicant’s identifier (LEI or preLEI), which is a global identifier issued by an entity authorised to register identifiers in the Global Legal Entity Identifier System (GLEIS).”;

7/ § 20 subpara. 1 point 6 shall be replaced by the following:

„6/ a declaration concerning establishment or fixed establishment within the meaning of Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (Official Journal of the European Union L 77 of 23 March 2011, p. 1, as amended) for which the participation agreement is to be concluded, where the applicant is a non-resident within the meaning of the Foreign Exchange Law of 27 July 2002 (consolidated text: Dziennik Ustaw – Journal of Laws from 2017, item 679, as amended).”;

8/ § 21a shall be added after § 21 as follows:

„§ 21a

KDPW_CCP shall issue to each participant an identifier in the clearing system (institution code) which identifies the scope or scopes of its activity in the clearing system (taking into account the place of establishment, head office or organised part of the participant’s enterprise within which the given type of activity is performed).”;

9/ in § 24:

a/ the words „of 29 September 1994” appearing in subpara.1 shall be repealed;

b/ subpara. 4 shall be replaced by the following:

„4. Tier I capital which is equivalent to Tier I capital within the meaning of CRR shall be understood to mean capital which is determined and calculated according to the requirements defined in the relevant regulations applicable to the participant considered by the competent authority authorised to exercise supervision in the supervisory system operating in a given European Union Member State to be at least as restrictive as the rules laid down in CRR or Directive of the European Parliament and of the Council 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision

of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Official Journal of the European Union L from 2013, 176, p. 338, as amended) and which meets such rules.”;

10/ the words „(DZ.U. UE L. 176 of 2013, page 338)” appearing in § 25 shall be repealed;

11/ § 28 subpara. 3 shall be replaced by the following:

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

12/ the words „(DZ.U. UE L. 176 of 2013, page 338)” appearing in § 30 shall be repealed;

13/ § 38 subpara. 4 shall be replaced by the following:

„4. The document referred to in subpara. 1 shall be a settlement order within the meaning of the Law on the finality of settlement in payment systems and securities settlement systems and on the terms of supervision over such systems.”;

14/ § 43a subpara. 1 shall be replaced by the following:

„1. Subject to subpara. 2, novation shall apply to transactions made:

1/ on the regulated exchange market organised by the Warsaw Stock Exchange excluding transactions in securities made outside the continuous trading system and the single-price auction system,

2/ on the regulated non-exchange market organised by BondSpot S.A. excluding transactions in securities made outside the continuous trading system,

3/ in the alternative trading system operated by the Warsaw Stock Exchange excluding transactions in securities made outside the continuous trading system,

4/ in the alternative trading system operated by BondSpot S.A. excluding transactions in securities made outside the continuous trading system,

5/ on other regulated markets and in other alternative trading systems operated by entities which have concluded agreements with KDPW_CCP concerning performance of clearing of transactions made therein.”;

15/ in § 47:

a/ subpara. 1-2 shall be replaced by the following:

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

2. Initial margins and initial deposits may consist of cash or securities accepted by KDPW_CCP.”;

b/ subpara. 4-5 shall be replaced by the following:

„4. KDPW_CCP may indicate securities referred to in subpara. 3 point 4 in the list of securities described in § 47a subpara. 4 provided that:

1/ the provisions of the rules to the extent of the conclusion of the agreement referred to in § 71 subpara. 1, establishment of collateral on such securities, expiration of such collateral and enforcement of such collateral by KDPW_CCP are in compliance with the applicable legal provisions referred to in § 71 subpara. 2 point 1,

2/ under the applicable legal provisions referred to in § 71 subpara. 2 point 1, KDPW_CCP shall have the priority to enforce financial collateral on such securities from the moment it is established in favour of KDPW_CCP,

3/ the applicable legal provisions referred to in § 71 subpara. 2 point 1 are in compliance with Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (Official Journal of the European Union L 168 from 2002, p. 43, as amended).

5. Each margin:

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

2/ shall constitute financial collateral referred to in Art. 1 in conjunction with Art. 5 subpara. 1 point 1 of the Law on certain financial collateral of 2 April 2004 (consolidated text: Dziennik Ustaw – Journal of Laws from 2016, item 891, as amended).”;

16/ § 47b subpara. 4-7 shall be replaced by the following:

„4. The value of securities issued by a participant holding the status of clearing member or by an entity of the participant’s group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act of 29 September 1994 (consolidated text: Dziennik Ustaw - Journal of Laws from 2018, item 395, as amended), or securities for which the participant or such entity has granted a guarantee or surety to perform obligations arising thereunder shall not be recognised to any degree when calculating the value of margins posted by the participant. If a merger, split or take-over of the participant or another entity which has issued securities posted by the participant as margins or the acquisition of a significant

block of shares of the participant or such entity or another event causes an effect through which securities become securities issued by the participant that has posted them as margins or by an entity of the participant's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act, the value of such securities shall cease to be recognised to any degree when calculating the value of posted margins as of the second day after it comes to the attention of KDPW_CCP.

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

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

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

1/ an entity of KDPW_CCP's group of companies, within the meaning of Article 3 subpara. 1 point 44 of the Accountancy Act, or

2/ another entity which provides to KDPW_CCP services which have a significant impact on the activity of KDPW_CCP, other than services provided by the National Bank of Poland,

the value of such securities shall not be included in the calculation of margins posted by the participant. The provisions of subpara. 4 and 5 shall apply accordingly.”;

17/ § 50 shall be repealed;

18/ § 50a subpara. 4 shall be replaced by the following:

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

19/ in § 50b subpara.12 the words: „of 29 September 1994” shall be repealed;

20/ § 51 subpara. 7 shall be replaced by the following:

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

21/ § 59 subpara. 6 shall be replaced by the following:

„6. In the case of the necessity to use margins posted by the participant, described in subpara. 1, according to the principles described in subpara. 3 or 4, these margins shall be used in the following order, where KDPW_CCP reserves the option of using the assets in another order:

1/ initial deposit, and then

2/ initial margin.”;

22/ § 69 subpara. 1 shall be replaced by the following:

„1. In instances where the participant, who in relation to holding the status of clearing member for transactions executed in the derivatives market is obliged to supplement or post initial deposit, initial margin, contributions to the clearing guarantee fund, or the relevant guarantee fund, or payment following marking to market, does not perform this obligation, or does not perform it properly, KDPW_CCP shall initiate the process of closing positions registered in the clearing system that are the result of the acceptance into the system of transactions executed on the account of this participant, using the initial deposit and initial margin, corresponding to these positions, for this purpose. Other positions for which the participant holds the status of clearing member, will also be closed using these assets, if these positions were not secured using initial margin.”;

23/ § 72c subpara. 2 shall be replaced by the following:

„2. Margins shall be deposited in the negotiated lending clearing liquidity guarantee system, referred to in § 72b, subpara. 1, and shall include:

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

24/ § 72f subpara. 3 shall be replaced by the following:

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

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

25/ § 77a-77b shall be replaced by the following:

„§ 77a

1. A participation agreement may be terminated:

- 1/ on request of a participant, effective two weeks from the date of the request, subject to subpara. 2 - 4,
- 2/ by agreement of the parties,
- 3/ according to a unilateral declaration made by KDPW_CCP in the procedure of termination effective immediately – in the event of default,
- 4/ subject to subpara. 3, on the basis of a declaration of the clearing member in the procedure of termination of the agreement effective immediately in case of occurrence of any of the following events:
 - a/ KDPW_CCP has not made a payment in accordance with the rules in respect of:
 - making a clearing payment determined as a result of the clearing of a transaction in the clearing system referred to in § 1 subpara. 1, or

- making a replacement payment in order to perform an obligation arising from a transaction cleared in the clearing system referred to in § 1 subpara. 1

within 45 calendar days from the day after the day on which KDPW_CCP becomes obliged to make the payment to the clearing member affected by default, referred to in § 61 subpara. 1, § 60a subpara 2, § 65 subpara. 1, respectively, provided that the obligation to execute such payment has not expired and has not been terminated with the consent of the clearing member that is the creditor, the time limit of such obligation has not changed with the consent of such clearing member, it has not been cancelled and has not expired due to statute of limitation,

b/ bankruptcy of KDPW_CCP has been declared or a motion for bankruptcy has been dismissed because the assets of KDPW_CCP are insufficient to pay the cost of the procedure or are only sufficient to pay such cost,

c/ the Management Board or the liquidator of KDPW_CCP has filed a motion for declaration of bankruptcy of KDPW_CCP;

d/ an entity which is a creditor of KDPW_CCP has filed a motion for declaration of bankruptcy of KDPW_CCP and at least one of the following conditions is met at the same time: the motion has not been withdrawn, dismissed, returned or rejected within 60 calendar days after its submission for reasons other than those listed in Article 13 of the Bankruptcy Law – Act of 28 February 2003 (consolidated text: Dziennik Ustaw – Journal of Laws of 2017, item 2344, as amended),

e/ KDPW_CCP is in liquidation and, at the same time, where the dissolution of KDPW_CCP does not take place on the basis of a legally valid court decision, a resolution of the General Meeting of KDPW_CCP preventing the dissolution, referred to in Article 460 § 1 of the Code of Commercial Companies of 15 September 2000 (consolidated text: Journal of Laws from 2017, item 1577, as amended), is not adopted within 30 calendar days after liquidation is initiated,

f/ the Polish Financial Supervision Authority has decided to cancel the authorisation given to KDPW_CCP for the provision of clearing services as a CCP and the time limit for appeal measures has expired or such measures have been exhausted.

2. If positions or balances arising from the netting of positions are registered in clearing accounts maintained for a participant holding the status of clearing member, or the participant is obliged to make payments in respect of participation in the clearing system, a participation agreement may be terminated in the case referred to in subpara. 1 point 1 only following the deletion of such positions from the clearing system and the performance of all obligations arising from participation in the system.

3. Termination of the participation agreement in the case referred to in subpara. 1 point 1 shall be effective unless KDPW_CCP identifies an event of default of any participant holding the status of clearing member within two weeks after the submission of the request by the participant. If KDPW_CCP identifies an event of default of any participant holding the status of clearing member, the termination of the participation agreement on request of the participant referred to in subpara. 1 item 1 shall be effective once KDPW_CCP completes the actions referred to in § 59 *et seq.* of the Rules of Transaction Clearing and the participant performs all obligations arising from participation in the clearing system, including the obligation to make the required contribution to the clearing fund or the relevant guarantee fund.

4. A clearing member for which KDPW_CCP has identified an event of default and initiated any of the actions described in § 77c subpara. 1 prior to the occurrence of any of the circumstances that justify termination of the participation agreement referred to in subpara. 1 point 4 shall not be entitled to

terminate the participation agreement effective immediately unless it has performed, in accordance with the notice referred to in § 77c subpara. 3, all its obligations arising from transactions accepted for clearing for which the participant is a clearing counterparty and arising from its participation in the transaction clearing liquidity guarantee system.

§ 77b

Termination of a participation agreement effective immediately shall be performed on the basis of a unilateral notice given, respectively, by KDPW_CCP or the participant:

- 1/ in case of occurrence of an event of default on the part of the defaulting participant,
- 2/ in case of occurrence of an event referred to in § 77 subpara. 1 point 4 on the part of KDPW_CCP.”;

26/ after § 77b, §§77c-77e shall be added as follows:

„§ 77c

1. If an event of default occurs on the part of a participant holding the status of clearing member, KDPW_CCP may:

1/ terminate the participation agreement concluded with such participant (cancellation of participation) together with transactions accepted for clearing for which the participant is a clearing counterparty, effective at the time determined according to subpara. 2, and close out positions registered in the clearing accounts managed for such participant and take actions referred to in § 59 et seq.;

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

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

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

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

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

5. Credits of KDPW_CCP and the participant whose participation is being cancelled, arising from the clearing of transactions accepted for clearing in the clearing system, to which the participant is a clearing

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

6. KDPW_CCP shall perform netting with due diligence justified by market conditions prevailing on the date of netting, on the basis of current market data (in particular foreign exchange rates, reference rates, volatility levels and prices of financial instruments), determined according to the rules, and if such data are unavailable or cannot be obtained – on the basis of current market data available in services of information agencies or obtained from other financial institutions, including quotations (closing prices) received from banks for a transaction with the same parameters as the transaction subject to the valuation.

7. After performing all actions aimed at meeting the liabilities of a participant in respect of participation in the clearing system referred to in § 1 subpara. 1, KDPW_CCP shall:

1/ provide the participant with the result of netting and information on the date of its registration by KDPW_CCP in its systems,

2/ at its written request, document all data used by it to perform such actions.

8. The provisions of subpara. 1-7 shall not limit KDPW_CCP's right to claim damages on terms laid down in legal provisions referred to in § 17 subpara. 2.

§ 77d

1. In case of occurrence of any of the circumstances referred to in § 77a subpara. 1 item 4 on the part of KDPW_CCP:

1/ KDPW_CCP shall notify all clearing members thereof immediately but no later than the day following the day of occurrence of such circumstance, and publish such information on its website,

2/ it shall stop accepting transactions to the clearing system referred to in § 1 subpara. 1,

3/ each clearing member shall be entitled to terminate the participation agreement effective immediately, together with transactions accepted to the clearing system for which the participant is a clearing counterparty, effective as of the day described in subpara. 2.

2. If a clearing member terminates the participation agreement effective immediately in case of occurrence of any of the circumstances referred to in § 77 subpara. 1 item 4 on the part of KDPW_CCP, all obligations of KDPW_CCP and obligations of the clearing member arising from transactions accepted for clearing in the clearing system for which the participant is a clearing counterparty, as well as obligations of KDPW_CCP and obligations of the clearing member arising from its participation in the transaction clearing liquidity guarantee system shall become immediately payable on the day following the day of occurrence of any of the circumstances referred to in § 77 subpara. 1 item 4 on the part of KDPW_CCP.

3. On the cancellation of the participation agreement effective immediately by a clearing member referred to in subpara. 1, KDPW_CCP and the participant shall be entitled to refrain from making payments arising from transactions accepted for clearing in the clearing system for which the participant is a clearing counterparty and arising from its participation in the transaction clearing liquidity guarantee system;

however, KDPW_CCP or the participant, respectively, shall be entitled to do so subject to the condition subsequent that it performs all actions referred to in subpara. § 77e according to the provisions thereof.

4. Credits of KDPW_CCP and of the clearing member referred to in subpara. 1 arising from transactions accepted for clearing in the clearing system for which the participant is a clearing counterparty and arising from its participation in the transaction clearing liquidity guarantee system shall be subject to netting performed by the participant according to § 77e unless they are subject to exclusion according to the applicable legal provisions referred to in § 17 subpara. 2. As a result of the netting of mutual debits according to § 77e, the clearing member referred to in subpara. 1 shall be a creditor or debtor towards KDPW_CCP entitled to receive from KDPW_CCP or obliged to pay to KDPW_CCP the closing amount, respectively.

5. The provisions of subpara. 1 – 4 shall not hinder the right of the clearing member referred to in subpara. 1 to claim damages on the terms and conditions laid down in the legal regulations referred to in § 17 subpara. 2.

§ 77e

1. A clearing member referred to in § 77d subpara. 1 that has terminated the participation agreement effective immediately in case of occurrence of any of the circumstances referred to in § 77a subpara. 1 item 4 on the part of KDPW_CCP shall be entitled to calculate the closing amount at the day referred to in § 77d subpara. 2. If it is not possible to calculate the closing amount at the day indicated above due to circumstances beyond the control of the participant, it shall be calculated at the day on which such circumstances cease to exist.

2. The closing amount shall be a net cash amount calculated as the sum of:

- 1/ debits of the clearing member due to KDPW_CCP (negative figure) and
- 2/ credits of the clearing member due from KDPW_CCP (positive figure),

arising from transactions accepted for clearing in the clearing system for which the participant is a clearing counterparty and arising from its participation in the transaction clearing liquidity guarantee system, referred to in § 77d subpara. 4.

3. If the calculated closing amount is:

- 1/ positive, KDPW_CCP shall pay the closing amount to the clearing member, or
- 2/ negative, the clearing member shall pay the absolute value of the closing amount to KDPW_CCP.

4. A clearing member shall calculate a closing amount in good faith and with due diligence justified by market conditions prevailing at the date of the calculation.

5. Non-cash payments shall be calculated by a clearing member according to § 72.

6. The total value of the debits and credits arising from transactions accepted for clearing in the clearing system for which the participant is a clearing counterparty, which form the closing amount, shall be calculated by the participant based on valuation models applied by the participant using current market data.

7. A clearing member that calculates a closing amount shall document all data it has used in order to calculate the closing amount with relevant printouts from IT and trading systems.

8. A clearing member's declaration indicating a closing amount shall be delivered to KDPW_CCP no later than one day after the set day of termination of the agreement effective immediately, subject to the second sentence of § 77e subpara. 1, in which case the declaration indicating a closing amount shall be

delivered to KDPW_CCP on the day following the day of calculating the closing amount. The participant shall deliver the declaration indicating a closing amount together with information about its calculation method.

9. A closing amount indicated in the declaration referred to in subpara. 8 shall be paid by the party obliged to make the payment within two days after delivery of the calculation of the closing amount to KDPW_CCP. On the delivery of a declaration referred to in subpara. 8, the credits referred to in § 77d subpara. 4 shall be cancelled in the amount resulting from the calculation as indicated in the declaration.

10. If a clearing member fails to perform the actions referred to in subpara. 1-9 in due time, KDPW_CCP may calculate the closing amount. In that case, the provisions of subpara. 1-9 shall apply accordingly.

27/ § 78 subpara. 2 point 1(e) shall be repealed;

28/ in Appendix 3 to the On-Demand Lending Guarantee Fund Rules:

a/ §§ 2-3 shall be replaced by the following:

„§ 2

1. The Fund guarantees the performance of obligations arising from an on-demand loan concluded with the intermediation of the Central Securities Depository of Poland in the negotiated lending system within the scope of the return of loaned securities and the return of the required amount of collateral provided by the counterparties to the loan according to the provisions of the Rules of the Central Securities Depository of Poland described in Article 50 of the Law on trading in financial instruments and the performance of obligations arising from non-execution or undue execution of transactions to such extent.
2. The Fund is formed from contributions of participants holding clearing member status within the scope of on-demand loans referred to in subpara. 1.
3. The Fund consists of the basic resource and the reserve resource.
4. The Fund shall secure the performance of obligations arising from the return of on-demand loans concluded in the negotiated lending system under extreme but plausible market conditions, according to Appendix 1 to the rules.

§ 3

1. The Fund may be used for the purposes of covering losses which exceed losses that are to be covered with required margins, in the cases defined in the Rules of Transaction Clearing (organised trading), including in particular:

1/ to cover the differences between the price of securities, if any, between a loan guaranteed by the Fund whose settlement has been suspended and their purchase or sale, as well as the costs incurred to perform that purchase or sale, in instances where, in order to eliminate the settlement suspension of a transaction, securities are purchased or sold in order that the participant being the other clearing counterparty who has not caused the settlement to be suspended may receive payment,

2/ to meet the cash payment owed by the participant holding clearing member status which has not fulfilled the cash payment obligations arising from the return of a loan guaranteed by the Fund,

3/ to meet the cash payment towards the participant which has not caused the settlement of the

transaction guaranteed by the Fund to be suspended in the amount set out in the Rules of Transaction Clearing (organised trading) replacing the cash or non-cash payment arising from the transaction.

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

3. Whenever these rules refer to a defaulting participant, this shall be understood to mean a clearing member affected by default within the meaning of the Rules of Transaction Clearing (organised trading).”;

b/ after the title „Section 2 Payments, updates and adjustment of the contributions to the fund” § 3a shall be added as follows:

„§ 3a

1. Contributions to the Fund shall be calculated on the basis of the exposure of each clearing member resulting from cleared transactions executed in the markets referred to in § 2 subpara. 1, irrespective of the scope of its activity in the clearing system defined according to § 11 subpara. 3 point 1-4 of the Rules of Transaction Clearing (organised trading; including irrespective of any activity performed by the participant at the place of its establishment, head office or separate organised part of such activity for which it has executed a participation agreement).

2. If a participant intends to perform more than one scope of activity in the clearing system and use for such purpose more than one identifier issued to it by KDPW_CCP (institution code), then it shall indicate the identifier to be used for the purposes of participation in the Fund. For this purpose, the participant shall submit a declaration according to a template defined by KDPW_CCP, which shall be effective as of the next day following the day of submission of the declaration to KDPW_CCP. In the absence of such identifier indicated by the participant, KDPW_CCP may identify any institution code used by the participant in the clearing system and immediately notify the participant thereof.

3. The provisions of the first and second sentence of subpara. 2 shall apply accordingly to any change of the institution code for the purposes referred to in subpara. 2.”;

c/ § 4 subpara. 2 and 3 shall be replaced by the following:

„2. Subject to the provisions of subparas. 3 and 4, as well as the provisions of § 5, subpara. 3, § 6, subpara. 1, § 8, subpara. 3, and § 21, subpara. 3, securities paid in by a participant shall count towards the participant’s contribution before any cash assets paid in.

3. Securities paid into the Fund shall count towards the contribution only in part determined by the KDPW_CCP Management Board by means of a resolution. However, two days prior to the record date used to determine the owners of securities entitled to payments following their redemption, these securities shall cease to count as a valid means of contribution, subject to § 14 subpara. 2.”;

d/ §§ 6-11 shall be replaced by the following:

„§ 6

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

2. A participant shall make a contribution to the basic resource of the Fund for the first time exclusively in

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

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

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

§ 7

1. Subject to the provisions of subpara. 3 and 4, contributions to the basic resource of the Fund shall be updated each day in which clearing in the Polish currency is performed by KDPW_CCP.

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

3. The update of the contribution of a participant to the basic resource of the Fund is performed for the first time after the close of a trading session on the regulated market or organised trading in the alternative trading system, respectively, on the date on which the participant, or the entity which the participant will be representing within the clearing system as clearing member, may commence conclusion of loans in the negotiated lending system or on the date that the participant acquires the status of clearing member for loans concluded in the system by another entity following a change of participant holding this status.

4. In the event of default, within the meaning of the Rules of Transaction Clearing (organised trading), by a defaulting participant, the KDPW_CCP Management Board may decide in a resolution to suspend for a set period of time the update of contributions to the basic resource of the Fund or determine other dates of such contribution updates if justified by the safety of trading or the clearing of transactions.

§ 8

1. The update of the value of the Fund and of the required contribution of each participant shall be performed according to the principles referred to in Appendix 1 to these Rules. The amount of the contribution to the basic resource of the Fund shall be calculated in proportion to the exposures of the clearing member arising from cleared transactions taking into account the minimum contribution.

2. The amount of the contribution to the basic resource of the Fund shall not be lower than PLN 100,000 (minimum contribution). The KDPW_CCP Management Board may determine another amount for the minimum contribution in a resolution.

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

§ 9

1. Subject to the provisions of subpara. 2, the contribution of a participant shall be adjusted if the required

contribution is different than the value of the assets paid in by the participant to the basic resource of the Fund.

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

3. The adjustment of the contribution shall be made by participants paying in a supplementary contribution to the basic resource of the Fund, or following a refund of part of the participant's contribution.

4. A refund of part of the participant's contribution shall only be made in the form of cash, through a credit payment onto the bank account, referred in § 5, subpara. 2, point 1, subject to § 5 subpara. 6. The amount of the refund shall not be higher than the surplus over the limit of the participant's contribution, which according to the provisions of § 4 subpara. 3 must remain in cash form.

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

§ 10

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

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

§ 11

1. A participant shall pay the adjusted contribution, when such contribution consists of cash assets, up to 08:30 hours on the day following the day when the information referred to in § 10, subpara. 2 or 3 is made available, indicating that the participant is obliged to make a payment. On the same day, KDPW_CCP shall refund part of the contribution paid in by the participant if this information indicates a credit owed to the participant. In instances justified by reasons of trading or transaction clearing safety, the Management Board of KDPW_CCP may, by means of a resolution, designate separate deadlines for each update.

2. Securities may be used as part of the contribution on condition that, before 18:00 hours on the day the information referred to in § 10, subpara. 2 or 3 was made available, they were registered, respectively:

1/ for securities referred to in § 4, subpara. 1, point 2 - on the securities account referred to in § 5, subpara. 1, point 1,

2/ for securities referred to in § 4, subpara. 1, point 3 - on the securities account managed for KDPW_CCP in the relevant depository system for such securities, indicated by the KDPW_CCP Management Board in a resolution.

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

e/ § 13 subpara. 1 shall be replaced by the following:

„1. A participant shall be obliged to withdraw securities paid into the Fund two days prior to the record day on which those entitled to receive payments following redemption or cancellation of these securities are determined. This does not exempt participants from the obligation to adjust the contribution.”;

f/ §§ 14-16 shall be replaced by the following:

„§ 14

1. Subject to subpara. 4, the reserve resource of the Fund consists of:

1/ revenue from the investment of cash assets paid into the basic resource in the Polish currency, and

2/ assets described in § 20, subpara. 4, and

3/ revenue generated by the investment of assets, as referred to in points 1- 2 above.

2. If a participant does not perform the obligations described in § 13, the payment from the issuer received for the redemption or cancellation of securities that were paid in by the participant to the Fund shall be added to the basic resource of the Fund, increasing the value of cash assets paid in by that participant as contribution.

3. KDPW_CCP shall be entitled to retain all proceeds from the management of the cash resources of the Fund in EUR, if any.

4. Any assets paid by a clearing member as a contribution to the Fund or due to such clearing member as a surplus above the required contribution to the basic resource shall be counted towards the participant's contribution to the reserve resource of the Fund. Such assets shall be withdrawn according to the procedures applicable to the return of assets paid as contributions to the basic resource, subject to § 16 subpara. 1-3, which shall apply accordingly.

§ 15

1. The share of a participant in the revenue generated by the investment of assets from the basic resource in the Polish currency and of assets from the reserve resource, referred to in § 14 subparas. 1-3, shall be proportional to the participant's share in the basic resource in such currency and share in the reserve resource, respectively, subject to the provisions of subpara. 2.

2. The share of a participant in the assets described in § 20, subpara. 4 shall be proportional to that participant's share in the basic resource.

§ 16

1. The share in the revenue generated by the investment of assets referred to in § 14 subpara. 1 point 1 and 3 shall be paid out to participants quarterly, subject to subpara. 3 – 5.

2. Benefits from securities contributed to the Fund shall be transferred by KDPW_CCP to the participant who contributed such securities to the Fund on the day of receipt of such benefits, subject to subpara. 3 – 5.

3. In the event of a default within the meaning of the Rules of Transaction Clearing (organised trading), the KDPW_CCP Management Board may, in a resolution, suspend the payment of assets referred to in subpara. 1 and 2 until the measures referred to in § 59 *et seq.* of the Rules of Transaction Clearing

(organised trading) are completed or participants perform the obligation to pay in contributions referred to in § 20 subpara. 1 and 2 or § 21 subpara. 1 – 3.

4. If the payment of assets referred to in subpara. 1 and 2 is suspended, such assets shall be added to the share of each clearing member in the reserve resource of the Fund and shall be counted towards contributions referred to in § 20 subpara. 1 and 2 or § 21 subpara. 1 – 3, subject to § 17 subpara. 2.

5. As a remitter of the withholding tax on revenue earned by clearing members who are non-residents, KDPW_CCP shall charge the withholding tax in the maximum amount applicable under Polish law prior to transferring to such members any benefits from securities contributed to the Fund, any payment from the issuer received for the redemption or cancellation of such securities or any revenue referred to in subpara. 1.

6. KDPW_CCP shall immediately notify participants of any suspension of payment of assets referred to in subpara. 1 and 2.”;

g/ §§ 17-20 shall be replaced by the following:

„§ 17

1. In the event of a default within the meaning of the Rules of Transaction Clearing (organised trading):

1/ contributions to the basic resource of the Fund shall be adjusted unless their update has been suspended according to § 7 subpara. 4, subject to § 11 subpara. 3 and § 18,

2/ KDPW_CCP may disburse any assets contributed to the basic resource of the Fund for the purposes of the Fund.

2. Prior to any disbursement of a contribution of a defaulting participant paid to the basic resource of the Fund, KDPW_CCP shall count assets forming its share in the reserve fund towards such contribution.

§ 18

1. KDPW_CCP shall allow clearing members other than the defaulting participant to replace securities or cash in euro paid by them to the Fund with cash in the Polish currency unless:

1/ this shall jeopardise the safety of trading or the safety of clearing,

2/ this shall affect the deadlines of measures referred to in in § 59 *et seq.* of the Rules of Transaction Clearing (organised trading), or

3/ this shall increase the cost of the measures referred to in point 2.

For this purpose, KDPW_CCP shall notify such clearing members of the time limit within which they may submit a declaration relating to the replacement of securities or cash in euro with cash assets in the Polish currency up to the amount of the required contribution to the basic resource of the Fund.

2. The declaration referred to in subpara. 1 should indicate, respectively, the quantity and identifier of securities or the quantity of cash assets in euro that are to be replaced. The replacement shall take place provided that:

1/ the cash assets in the Polish currency available in the bank account referred to in § 5 subpara. 2 point 1 are sufficient to replace the assets indicated in the participant’s declaration, and

2/ the time limit set by KDPW_CCP, referred to in subpara. 1, is still pending.

§ 19

1. Disbursement of the assets of the Fund shall be made from the basic resource. If securities form part of the assets of the Fund that are subject to the disbursement, KDPW_CCP shall sell these securities.
2. If securities form part of the assets of the fund that are subject to the disbursement, KDPW_CCP shall sell such securities on the regulated market or outside the regulated market with a view to selling them as soon as possible at the best possible price.

§ 20

1. Following the completion of measures defined in the Rules of Transaction Clearing (organised trading) involving any disbursement of assets of the Fund, KDPW_CCP shall update the contributions to the basic resource of the Fund and determine the amount of replacement contributions. Participants shall be obliged immediately to replenish the Fund according to the update. The provisions of § 7 - § 11 shall apply accordingly.
2. Replacement contributions shall be paid in proportion to the contributions of participants to the basic resource of the Fund. A participant's share in the reserve resource shall count towards the replacement contribution.
3. The obligation to make replacement contributions shall not apply to the defaulting participant, whose obligations arising from the status of clearing member for transactions guaranteed with the Fund have been performed using assets of the Fund.
4. Cash paid into the Fund according to the provisions of § 59, subpara. 5, § 60, subpara. 4, and § 64, subparas. 7 and 8 of the Rules of Transaction Clearing (organised trading) shall be allocated to the reserve resource of the Fund; however, where such assets are in a currency other than the Polish currency, KDPW_CCP may convert them into the Polish currency at the market exchange rate at the date of the conversion prior to allocating such assets to such resource.”;

h/ § 21 subpara. 1 shall be replaced by the following:

„1. If the own resources of KDPW_CCP fall to 110% of the determined amount of the capital requirement due to actions of KDPW_CCP taken in order to ensure that an obligation arising from the clearing of a transaction accepted to the clearing system are met, participants holding the status of clearing member for loans guaranteed by the Fund shall make additional contributions in proportion to the amount of their existing contributions to the basic resource of the Fund resulting from the most recent update performed before measures were taken under the Rules of Transaction Clearing (organised trading) involving disbursement of assets of the Fund.”;

i/ The title of the Section 6 shall be replaced by the following:

„SECTION 6 Consequences of termination or suspension of participation or participant acquisition”;

j/ §§ 22-23 shall be replaced by the following:

„§ 22

1. Subject to subpara. 2 and 3, in instances when participant status is terminated or limited to the extent that it involves the loss of clearing member status for loans guaranteed by the Fund referred to in § 1, subpara. 1, KDPW_CCP shall refund the participant the securities and cash assets remaining from contributions made by that participant to the basic resource, as well as the cash assets being equal to the participant's share in the reserve resource, as at the day of the refunding of the assets. The assets refunded to the participant may be subject to a deduction by an amount necessary to perform the clearing of transactions executed in connection with other transactions guaranteed by the assets of the Fund, for which the participant held the status of clearing member.
2. The refund shall take place once the obligations of the participant have been met, arising from the participant's status of clearing member for transactions guaranteed by the guarantee fund referred to in § 1, subpara. 1.
3. If an event of default within the meaning of the Rules of Transaction Clearing (organised trading) occurs before the participant status is terminated or limited to the extent that it involves the loss of clearing member status for transactions guaranteed by the Fund, then:
 - 1/ the clearing member's participation in the Fund shall not terminate until the measures referred to in § 59 *et seq.* of the Rules of Transaction Clearing (organised trading) are completed and the clearing member performs the obligation to pay in the contribution referred to in § 21 subpara. 1 – 3,
 - 2/ the assets forming the clearing member's share in the reserve resource shall be counted towards the contribution referred to in § 21 subpara. 1 – 3,
 - 3/ the assets shall not be returned until the measures referred to in § 59 *et seq.* of the Rules of Transaction Clearing (organised trading) are completed and the clearing member performs the obligation to pay in the contribution referred to in § 21 subpara. 1 – 3.
4. The provisions of subpara. 1 above shall not apply in instances where:
 - 1/ termination of participation status takes place as a result of the acquisition of a participant by another entity, which assumes all the rights of the participant being taken over. In such instances, assets paid into the Fund by the participant being taken over and that participant's share in the reserve resource shall be allocated to the acquiring participant, or
 - 2/ limitation of participation status is caused by the acquisition of a participant by another entity, assuming the participant's rights within a specified scope, and the procedure described in the second sentence of point 1 shall be applied to contributions to the basic resource and to the share of the reserve resource of the participant being taken over.

§ 23

1. Subject to the provisions of subpara. 2, refunds of the assets referred to in § 22, subpara. 1 shall be made within a period of 7 days following the performance of the obligations referred to in § 22, subpara. 2 and in the case referred to in § 22 subpara. 3 after the measures referred to in § 59 *et seq.* of the Rules of Transaction Clearing are completed and the participant performs the obligation to pay in the contribution referred to in § 21 subpara. 1 – 3.
2. The refund of entitlements from securities shall take place on the day these entitlements have been received, subject to § 16 and § 22, subpara. 1 – 3.
3. In instances of refunds of the assets referred to in § 22 subpara. 1, the provisions of § 12 subpara. 2 and

3 shall apply.”;

k/ §§ 24-25 shall be repealed;

l/ § 28 shall be repealed;

†/ Appendix 1 shall be replaced by the following in the appendix to the Resolution.

§ 2

The Resolution shall come into force on the first day of the calendar month which is not earlier than two weeks after publication by the KDPW_CCP S.A. Management Board of the Resolution approved by the Polish Financial Supervision Authority.

Dr Marek Dietl

Chairman of the Supervisory Board

Appendix 1 to the On-Demand Lending Guarantee Fund Rules

**Rules for determining the value of the on-demand lending guarantee fund
and the amount of contributions of clearing members**

- I. The value of the clearing fund is determined by KDPW_CCP in the following steps:
 1. Calculation of uncovered risk, separately for own portfolios of the clearing member (i.e., all positions arising from transactions registered in own position accounts of the clearing member) and for client portfolios (i.e., all positions arising from transactions registered in client position accounts of the clearing member). Uncovered risk is equal to the difference between the hypothetical loss on a portfolio, determined by KDPW_CCP at the end of day in the clearing system on the basis of stress test parameters set by KDPW_CCP, and the value of the initial margin required from the clearing member;
 2. Calculation of the exposure of each clearing member as at the given day in the clearing system equal to the sum of uncovered risk of each own portfolio and each client portfolio of the clearing member.
 3. Calculation of the maximum exposure as at the given day in the clearing system equal to the greater of:
 - 1/ the biggest clearing member exposure of all exposures calculated in item 2, or
 - 2/ the sum of the second and third biggest clearing member exposures of all exposures calculated in item 2;
 4. Calculation of the value of the Fund equal to the biggest maximum exposure calculated in item 3 at all days in the clearing system within the time window set by KDPW_CCP.*
- II. The required contribution of a clearing member to the Fund is calculated in proportion to the clearing member's average exposure (calculated in item I.2) within the time window set by KDPW_CCP.* The required contribution of a clearing member to the Fund is equal to or greater than the minimum contribution set by KDPW_CCP.

* KDPW_CCP notifies clearing members of the defined time window referred to in items I.4 and II in accordance with § 4a subpara. 1 or 2 of the Rules of Transaction Clearing.