

**THE RULES OF THE GUARANTEE FUND SECURING THE CLEARING OF TRANSACTIONS EXECUTED IN THE
ALTERNATIVE TRADING SYSTEM ORGANISED BY THE WARSAW STOCK EXCHANGE**

§ 1

1. These Rules, hereinafter referred to as "the Rules", define the procedures for the formation and use of the ATS guarantee fund, as described in § 3 point 13 and Article 64a of the Rules of the National Depository for Securities, guaranteeing the proper clearing of transactions executed in the alternative trading system managed by the Warsaw Stock Exchange.
2. Dates and time limits defined in the Rules shall be determined and calculated according to § 5 of the Rules of the National Depository for Securities.
3. Whenever these rules refer to an alternative trading system, this shall mean the alternative trading system managed by the Warsaw Stock Exchange.

§ 2

1. The fund shall be made up of contributions made by clearing members, as defined by the Rules of the National Depository for Securities, in relation to transactions executed in the alternative trading system.
2. The assets of the fund may only be used for the purposes and in the manner described in the provisions of these Rules
3. The fund shall consist of a basic and reserve resource.
4. The provisions of the Rules of the National Depository for Securities shall govern all matters relating to the operation of the fund not defined in these Rules.

§ 3

The assets of the fund shall be used for the following purposes:

- a) To ensure that a National Depository participant who, owing to a lack of funds in its cash account, is unable to perform obligations arising from the clearing of transactions executed in the alternative trading system, is able to make payments within the necessary period,
- b) To cover any possible price differences between the price of securities forming part of a transaction executed in the alternative trading system, whose settlement has been suspended and the price of their purchase or sale, in instances where, in order to eliminate the settlement suspension of such

transaction, securities are purchased or sold in order that the participant who has not caused the settlement of the transaction to be suspended may receive payment,

c) In order to grant loans, referred to in § 16 subpara. 1.

§ 4

A participant intending to make a contribution to the fund shall provide the National Depository with a written declaration of having become a member of the fund, prepared according to the specimen form defined in Appendix No. 1, prior to paying in the first contribution.

§ 5

1. Participants shall make the first contribution to the basic resource of the fund before the day that the appropriate body of the Warsaw Stock Exchange indicates the day that the participant, or an entity that will be represented by a participant in the National Depository acting as clearing member, commences activities on the alternative trading system, not later, however, than two days prior to the day that that participant or entity has commenced the activities indicated in that decision - if that participant, or that entity do not already perform activities in the alternative trading system.

2. Participants intending to become clearing members for transactions executed in the alternative trading system by another entity following a change of participant responsible for the clearing of these transactions, shall be obliged to make the first contribution to the basic resource of the fund two days prior to the day when this responsibility is taken on in this scope.

3. The amount of the first contribution shall be equal to the value of the minimum contribution determined according to Appendix No 2, subject to the provisions of § 9, subpara. 2 and § 27.

4. If a participant, who has obtained participation status within KDPW as part of various activities performed in the financial instruments market, determined according to § 11 subpara.1-4 of the Rules of the National Depository for Securities, intends to obtain the status of clearing member, that participant shall be obliged to indicate to the National Depository the type or types of activities for which the participant intends to obtain this status. A condition for obtaining clearing member status for each type of activity performed by the participant in the financial instruments market, defined according to § 11 subpara.1-4 of the Rules of the National Depository for Securities, is making separate contributions to the fund corresponding to those types of activities, which will be updated separately. The provisions of subparas. 1-3 shall apply accordingly.

§ 6

- 1.** Participants shall make contributions to the fund exclusively in the form of cash, subject to the provisions of § 9 subpara.3 point 2.
- 2.** Contributions to the fund shall be paid by debiting the account indicated by the participant and described in § 48 subpara.3 of the Rules of the National Depository for Securities, on the basis of an instruction sent by the National Depository.

§ 7

- 1.** Contributions to basic resource of the fund shall be updated on each day that the National Depository performs the clearing of transactions guaranteed by the assets of the Fund, subject to the provisions of subpara.2, § 22 and § 27.
- 2.** The first contribution to the fund shall be updated as soon as the execution of transactions in the alternative trading system is begun by a participant on its own behalf or by an entity represented by that participant before the National Depository as a clearing member, or as soon as the participant obtains the status of clearing member for transactions executed in the alternative trading system by another entity following a change of participant responsible for the clearing of these transactions subject to the provisions of § 27.

§ 8

Updating shall take place on the basis of the correct data relating to transactions guaranteed by the fund.

§ 9

- 1.** Updating the contributions to the fund shall be carried out using the appropriate algorithms defined in Appendix No.2.
- 2.** The contribution to the basic resource of the fund shall not be lower than the minimum contribution, determined according to the provisions of Appendix No. 2. The Management Board of the National Depository may define other amounts for the minimum contribution than those set out in Appendix No. 2.
- 3.** In instances justified by reasons of trading or transaction settlement safety, the Management Board of the National Depository shall have the right by way of resolution to:

1/ alter, for a limited period of time, the parameters of such algorithms for specific participants, or for specific types of activities they perform, as well as to change the values of the parameters of specific algorithms, or

2/ oblige all or some participants to pay in contributions to the fund up to a predefined amount, other than the amount defined according to the provisions of subpara. 1 and 2, as well as determine that the payment of these contributions may be in a form other than the one described herein.

§ 10

1. Contribution adjustments shall take place where the adjusted contribution value of the participant to the basic resources of the fund is higher or lower than the current value of that contribution, applying the principles described in subpara. 2. The current value of the contribution shall be deemed as the value of the contribution to the fund, on condition that there was no requirement to sell the assets of the fund below the level of the purchase price. In such instances, the Management Board of the National Depository for Securities shall determine the level of the contributions that form the basis for the update adjustments by means of a resolution.

2. The rights and responsibilities of a participant described in § 5 subpara. 4, arising from contribution adjustments, shall be determined separately for each separate contribution paid in by that participant as part of each of the a activities performed by that participant.

3. Adjustment to contributions shall be made by participants making supplementary contributions to the basic resource of the fund, or by refunding participants a part of their contribution.

4. The National Depository shall have the right to offset (net) any amount owed to it previously from a supplementary contribution, from the amount to be refunded to the participant of a part of that participant's contribution. The National Depository may also offset (net) the debits and credits of a participant for the purpose of settling contributions to the Fund, with the debits and credits arising from settling the contribution to the Settlement Guarantee Fund, as described in Art. 65 subpara.1 of the Law on Trading in Financial Instruments of 29 July 2005, or in order to settle contributions to other ATS guarantee funds, within the meaning of the National Depository Rules.

5. Any adjustment involving a refund to the participant of a portion of contribution paid in previously shall not be carried out in the event of the need to use the participant's contribution for the purposes of meeting the obligations guaranteed by the assets of the fund.

6. The participant shall make a supplementary contribution on the day following the day of the update, not later than 13.00, unless, in cases justified by reasons of trading and transaction settlement safety, the Management Board of the National Depository, by way of resolution, shall determine such a time

separately for each update. On the same day, the National Depository shall refund a part of the contribution paid in by the participant.

7. Failure to meet the deadline referred to in subpara. 6 shall result in the participant being obliged to pay a fee equal to statutory interest with respect to each day of the delay, which also includes the day the contribution is made, if this took place after 13.00.

8. The National Depository shall be obliged to pay its participants a fee, determined according to the provisions of subpara. 7, in instances where the National Depository fails to refund the contribution to the participant on the day following the day of the update, unless such a delay has been caused for reasons of trading and transaction settlement safety.

§ 11

1. Contribution adjustments shall be made on the basis of documents, containing the information described in subparas 2 and 3, issued by the National Depository and made available to participants.

2. On the day of the update, the National Depository shall until 23.00 make available information defining the updated values of contributions to the Fund.

3. Until 11.00 on the day following the day of the update, the National Depository shall make available information defining the value of assets that need to be paid in by the participant, or refunded to the participant as part of that day's contribution settlement.

4. The information, described in subparas. 2 and 3, intended for participants, described in § 5 subpara. 4, shall be made available separately for each separate contribution paid by that participant.

§ 12

The reserve resource of the fund are made up of:

- a) The revenue from the investment of basic resource funds;
- b) The fee, referred to in § 10 subpara. 7;
- c) The credits, referred to in § 15;
- d) The interest, referred to in § 16, subpara. 1;

as well as other revenue generated by the investment of assets, as referred to in points a) to d).

§ 13

1. The share of a given participant in the revenue generated by the investment of assets from the basic and reserve resource shall be proportional, respectively, to the participant's share in the basic resource

and reserve resource, subject to the provisions of subpara. 2.

2. The fee referred to in § 10, subpara. 7 shall be divided between participants in equal shares, excluding the participants paying the fee.

3. The share of a participant, described in § 5 subpara. 4, in the revenue described in subpara. 1, shall be calculated separately for each separate contribution paid in by that participant to the fund.

§ 14

1. The share in the reserve resource of the fund shall be paid out to participants quarterly, subject to the provisions of subparas. 2-3.

2. In instances that are especially justified for reasons of trading and transaction clearing safety, the Management Board of the National Depository may withhold the payment of the assets collected in the reserve resource, however, for not longer than 7 days. In such instances, it shall inform the fund participants of this.

3. The payment to a participant of their share in the reserve resource shall be withheld in instances where it is necessary to use that participant's contributions in order to realise the obligations that have been secured by the assets of the fund and the amount of the contribution is insufficient to cover these obligations in full. In such instances, the payment of the participant's share in the reserve resource may only be made to the participant once all these obligations have been met and then only if the share has not been used for this purpose.

§ 15

The assets paid into the Fund, according to the provisions of § 60, subpara. 2 and 3 of the Rules of the National Depository for Securities, shall be allocated to the reserve resource of the fund.

§ 16

1. In instances where the participant fails to have the appropriate cash necessary to meet the obligations arising from the clearing of transactions secured by the fund, owing to the fact that another participant has failed to perform its obligations to deliver securities, the sale of which was to be the source of such cash for the first participant, such a participant may be granted a loan from the assets of the fund, with both the loan and the interest to be repaid by 11:30 a.m. on the following day.

2. The interest rate on the loan, referred to in subpara. 1, shall be equal to the interest at the Lombard rate on the day the loan has been granted, as determined by the Monetary Policy Council and announced by the President of the National Bank of Poland.

3. If the loan has not been repaid before the deadline indicated in subpara. 1, the value of the contribution to the fund by the participant who has been granted the loan is debited by the amount of the outstanding amount of the loan. In instances where the outstanding amount of the loan is higher than the amount of the contribution, the participant's share in the reserve resource is also debited accordingly and next the contributions and shares in the reserve resource of the remaining participants is debited, according to the principles defined in § 17 subpara.2-5.

§ 17

1. The assets of the fund may be used up to the total value of the assets collected according to the balance on the day of the exercise, taking into account the assets of the reserve resource.

2. The payment of the assets of the fund shall firstly be made from the contribution to the basic resource of the fund, paid in by the participant responsible for the payment from the assets of the fund to be initiated, then next from that participant's share in the reserve resource. In instances where the amount of the assets to be paid out is higher than value of that participant's contribution to the basic resource and the participant's share in the reserve resource, the payment of the assets of the fund shall be made from the contributions of the other participants to the basic resource, on a pro-rata basis according to the value of those assets on the payment date.

3. In instances where the assets of the basic resource of the fund and the share in the reserve resource of the participant responsible for the payment from the assets of the fund to be initiated, prove to be insufficient, they shall be paid out from the shares of the remaining participants in the reserve resource, on a pro-rata basis according to the value of those assets on the payment date.

4. The Management Board of the National Depository shall immediately inform the clearing counterparties and the Warsaw Stock Exchange of any decision made by the National Depository, described in § 64a subpara. 5 of the Rules of the National Depository for Securities.

§ 18

1. In instances when participant status is terminated or limited, the National Depository shall refund that participant the cash remaining from contributions made by that participant to the basic resource and the participant's share in the reserve resource, increased by 50% of the value of the expected share of that participant in deferred income generated by current capital investments, calculated up to the day of the refunding of the assets to the participant, on performance of obligations by that participant deriving from the scope of its participation, subject to the provisions of § 21.

2. In instances where a participant status is limited for a participant, described in § 5 subpara. 4, in relation to contributions paid in by that participant for activities of a certain type, while at the same time maintaining participation in the scope of contributions paid in for different activities, the principle described in subpara. 1 shall only apply to the values of those first contributions and corresponding shares in the reserve resource.

3. The provisions of subpara. 1 above shall not apply in instances where:

- a) Termination of participation status takes place as a result of the acquisition of a participant by another entity, which assumes all the rights and obligations of the participant being taken over. In such instances, contributions to the basic resource and share in the reserve resource of the participant being taken over shall be allocated to the acquiring participant.
- b) Limitation of participant status is caused by the acquisition of a participant by another entity, assuming the participant's rights and obligations within a specified scope, while the procedure described under part a, second sentence, has been applied to contributions to the basic resource and reserve resource of the participant being taken over.

§ 19

The refund of the cash, described in § 18 subpara.1, shall be carried out within 7 days of the performance of the obligations, described in § 18 subpara.1.

§ 20

Settlement of the expected share in deferred income, generated by current capital investments, referred to in § 18, subpara. 1 shall be made from the shares of the remaining participants within the reserve resource, in relation to their respective shares in that part of the fund, while in instances described in § 18 subpara. 2, settlement shall also be made from the share of the participant with whom settlement is performed, corresponding to that participant's contribution that is not subject to the refund.

§ 21

The refund of the assets made to the participant, referred to in § 18, may be reduced by the amount of assets necessary for clearing of transactions executed in connection with other transactions secured by the fund, being transactions for which this entity performed the role of clearing member.

§ 22

Contributions made by participants to the basic resource of the fund during the period of the suspension

of participation in KDPW shall not be subject to updates and shall be used and replenished, in accordance with general principles, to the level of contribution on the day of suspension.

§ 23

In instances of reactivation of participant status by a participant following a period of suspension, the required contribution made by such a participant to the basic resource of the fund shall be an amount determined in accordance with the principles referred to in § 5, subpara. 3, or the amount determined following an update performed according to general principles, depending on which of these amounts will be higher.

§ 24

Should a participant be acquired by another entity, in a given scope, the amount of contribution required from the acquiring entity to the basic resource shall be determined at the level of the most recent updated contribution of the participant being taken over, paid in during the period of the takeover, subject to the provisions of § 25.

§ 25

1. Contributions to the basic resource of the acquiring entity, who is a participant in the Fund, shall be determined in accordance with general principles, however, using data relating to both the acquiring entity and the entity being taken over, as the basis of calculation, subject to the provisions of subpara. 2.
2. When calculating the contributions, described in subpara. 1, data relating to the participant being taken over shall only apply in the scope of the takeover.

§ 26

Extension of participant status in the National Depository by the right to represent a new entity shall not require the payment of the contribution referred to in § 5, subpara. 1.

§ 27

1. Within the period up to the second day inclusively following the day that the Management Board of the National Depository for Securities has adopted the resolution, described in subpara. 3, clearing

members joining the fund shall be obliged to pay in and maintain within the fund a fixed contribution of 20,000 PLN (twenty thousand Polish Zlotys), from each member, or entity which the member will be representing in clearing activities.

2. Starting from the end of the tenth session in the alternative trading system, the National Depository shall each day calculate the 10-day average theoretical value of the whole fund. The 10-day average theoretical value of the whole fund shall mean the total amount of initially calculated contributions of clearing members, described in point 3 of Appendix No. 2, over the period of the previous 10 days, divided by the number of those days.

3. In instances where the 10-day average theoretical value of the whole fund, described in subpara. 2, shall exceed the value of 5,000,000 PLN (five million Polish Zlotys), the payment and update of contributions to the fund shall take place according to general principles, in accordance with the algorithm indicated in Appendix No. 2 to the Rules, starting on the third day following the date that the Management Board of the National Depository for Securities has adopted a resolution in this matter.

4. Starting on the third day following the date of the adoption of the resolution, described in subpara.3, the provisions of subparas. 1 and 2 shall no longer apply.

§ 28

1. Amendments to these Rules may be made following agreement on their provisions by the National Depository for Securities and the Warsaw Stock Exchange.

2. Amendments to these Rules shall come into force two weeks following the day that the Management Board of the National Depository for Securities has provided direct participants with the text of the amended Rules, unless the Management Board of the National Depository shall set a later date for their coming into force.