

Valid as of May 31, 2010

The Rules of the Settlement Guarantee Fund

§ 1

1. These Rules, hereinafter referred to as "the Rules", define the procedures for the formation and use of the Settlement Guarantee Fund, as defined in Article 65, subpara. 1 of the Law on the Trading in Financial Instruments of 29 July, 2005, guaranteeing the proper settlement of transactions executed in the regulated market.
2. Dates and time limits defined in the Rules shall be determined and calculated according to § 5 of the National Depository Rules.

§ 2

1. The Settlement Guarantee Fund shall be made up of contributions made by clearing members, as defined by the National Depository Rules and shall consist of functionally separate parts where each part guarantees the settlement of specific types of transactions executed in the regulated market, according to the provisions of the National Depository Rules.
2. These functionally separate parts of the Settlement Guarantee Fund shall specifically consist of the following:
 - a) The Guarantee Fund for the Settlement of Stock Exchange Transactions;
 - b) The Guarantee Fund for the Settlement of OTC Market Transactions;
 - c) The Guarantee Fund for the Settlement of Stock Exchange Futures Transactions;
 - d) The Guarantee Fund for the Settlement of OTC Market Futures Transactions;
3. Each separate part of the Fund shall consist of a basic and reserve resource.

§ 3

1. The assets that form the Guarantee Fund for Settlement of Stock Exchange Transactions and the Guarantee Fund for Settlement of OTC Market Transactions 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, fails to perform obligations arising from transactions the participant has executed, 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 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) to grant loans, referred to under § 17.
 - d) to ensure the return of a securities loan, the return of costs borne by the National Depository for selling the collateral securing a securities loan and the purchase of securities in order to return them to a securities lender, as well as to cover fees due for the securities lending and borrowing agreement if these payments derive from the conclusion on a securities borrowing agreement as part of the automatic securities lending and borrowing system organised by the National Depository, where the agreement was terminated following the failure by the securities borrower to return the securities within the deadline, or by the failure to supplement collateral for the securities loan to the amount required, or by the failure to post this collateral in the proper form; payments from the appropriate separate part of the Fund shall be made within the period and according to the principles defined in § 73 subpara. 6 of the National Depository Rules.
 - e) to cover any differences between the market price of the securities that constitute the securities loan concluded as part of the automatic securities lending and borrowing system organised by the National Depository, which was terminated following the circumstances indicated in point d) above, and the amount obtained for selling the

collateral for the loan, or the value of the collateral transferred to the securities lender, should the National Depository be unable to purchase the securities that constituted the loan in order to return them to the securities lender.

2. The assets of the Guarantee Fund for Settlement of Stock Exchange Futures Transactions and of the Guarantee Fund for Settlement of OTC Market Futures Transactions shall be used in instances where the National Depository closes open positions in the derivatives market, and the margin deposits provided by the clearing member with these positions prove of insufficient value.
3. Should the Fund assets required to settle a transaction or return a securities loan and cover outstanding liabilities, referred to in subpara. 1 point d) exceed the total value of all contributions paid into the appropriate part of the Fund by the participant taking on the responsibilities arising from transaction settlement, or the return of a securities loan, any payment above the value of these contributions shall first be made from contributions paid in by that participant to another part of the Fund, subject to the provisions of § 63, subpara. 3 of the National Depository Rules. Should these resources continue to prove insufficient, the disbursement shall be made from the remaining assets of the appropriate Fund. Securities kept by the participant in the Settlement Guarantee Fund, which are not included as contribution are not used and may be withdrawn by the participant according to the principles described in § 11.
4. Provisions of the National Depository Rules shall apply to any matters relating to the principles of the use of the Settlement Guarantee Fund that are not regulated by the relevant rules of the Fund.

§ 4

1. Participants shall make the first contribution to the basic resource of the functionally separate part of the Fund within the following deadlines:
 - a/ up until the day that the appropriate body of the regulated market operator 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 that regulated market, 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 regulated market.

b/ not later than two days prior to the day that the participant, or an entity that will be represented by a participant in the National Depository acting as clearing member, executes the first transaction, - if that participant, or that entity already perform activities in the regulated market, however, in a scope of activity secured by another part of the Fund.

- 1a. Participants wishing to become clearing members for transactions executed in the regulated market by another entity following a change of participant responsible for the settlement of these transactions, shall be obliged to make the first contribution to the basic resource of a functionally separate part of the Fund two days prior to the day when this responsibility is taken on.
2. The first contribution paid shall equal the minimum contribution determined, respectively, according to the provisions of Appendix No 1, or Appendix No 2, subject to the provisions of § 8, subpara. 1a, second sentence.
3. In making the first contribution to the basic resource of a given functionally separate part of the Fund, the participant shall be obliged to indicate that part of the Fund they are making a contribution to.
4. Participants holding the status of clearing members for transactions covered by the same separate part of the Fund, however as part of more than one type of activity determined according to § 11 subparas. 1-4 of the National Depository Rules, shall be obliged to make a separate contribution to that part of the Fund, allocated to each of those types of activities. The provisions of subparas. 1-3 shall apply accordingly to each of these separate contributions.
5. Prior to making the first separate contribution, described in subpara. 4, first sentence, to the basic resource of a given functionally separate part of the Fund, participants shall be obliged to inform the National Depository in written form of the type of activity determined,

according to § 11 subparas. 1-4 of the National Depository Rules, within which the contribution will be paid in.

§ 5

1. Participants shall make contributions to the Settlement Guarantee Fund in the form of cash or Treasury securities. The types of Treasury securities, which may be paid as contributions to the Fund, as well as the terms, and conditions that these securities need to meet to be recognised as a contribution to the Fund shall be defined by the Management Board of the National Depository by means of a resolution.
2. Subject to the provisions of subparas 3-5 as well as § 8, subpara. 2 and § 18, subpara. 2, cash assets paid in by participants shall be considered to be contributions to the basic resources of each separate part of the fund on a proportional basis in relation to the total required value of these contributions, while for the remaining portion of the contribution, this shall comprise Treasury securities paid in by the participant. For participants making separate contributions, described in § 4, subpara. 4, second sentence, to the same separate part of the fund, the registration of the cash assets and Treasury securities paid in shall take place separately for each of these contributions.
3. In the settlement instruction described in § 5a subpara. 2 b, a participant may indicate the contribution for which the securities being paid in is to be exclusively counted. Treasury securities indicated in this way will be counted as part of this contribution as a priority before other securities paid in by the participant to the Settlement Guarantee Fund, while as regards the scope of the part of the Fund, as described in § 4, also as a priority before the payment of any cash. They will not be counted as part of other contributions paid in by that participant to the same, or other separate part of the Fund. In the event of the circumstances and according to the provisions described in § 14 a, such an indication shall not affect the right of the National Depository to allocate the Treasury securities to the basic resource of another separate part of the Fund, than the one to which the participant pays in the contribution, which has been indicated,.

4. Treasury securities paid in to the Fund shall only cover a portion of the full contribution, whose amount shall be defined by the Management Board of the National Depository by means of a resolution. Nevertheless, 7 days prior to the record day on which those entitled to receive payments following redemption of these securities are determined, the Treasury securities shall cease to be a valid form of payment towards the contribution to the Fund.
5. The value of the contribution, where it includes securities, shall be equal to the percentage reduction (“haircut”) rate published by the National Depository in a manner defined in a resolution of the Management Board of the National Depository, multiplied by the market value of these securities.
6. The market rate of the securities shall be determined according to the provisions of 6 of the National Depository Rules.

§ 5a

1. The National Depository manages a securities account on which securities paid into the Settlement Guarantee Fund by participants shall be registered.
2. Contributions to the Settlement Guarantee Fund shall be made as follows:
 - a. For cash – by making a debit on the bank account indicated by a participant, according to the principles described in § 48 subparas. 3 or 3a of the National Depository Rules, on the basis of an instruction from the National Depository,
 - b. For securities – by means of a transfer of securities onto the securities account referred to in subpara. 1, performed by the National Depository on the basis of a settlement instruction from a participant, relating to the change of status of those securities, to securities allocated for payment into the Fund.

§ 6

1. Subject to the provisions of subpara. 2, contributions to basic resources of the functionally separate parts of the Fund shall be updated on each day that the National Depository performs the settlement of transactions guaranteed by the assets of the Fund.
2. *Repealed*
3. The separate contributions paid in by the participant according to the principles described in § 4, subpara. 4 to the basic resource of the same part of the Fund, shall be updated separately.

§ 7

Repealed

§ 8

1. Updating the contributions to the individual parts of the Fund, referred to in § 6, subpara. 1 shall be carried out according to the appropriate algorithms defined in Appendices 1 – 2 to the Settlement Guarantee Fund Rules.
 - 1a. The contribution to the basic resource of the functionally separate part of the Fund, including also the separate contribution described in the first sentence of § 4 subpara. 4, shall not be lower than the minimum contribution, defined as appropriate in Appendix 1 or Appendix 2. The Supervisory Board of the National Depository for Securities shall have the right to authorise the Management Board of the National Depository to define other amounts for the minimum contribution than those set out in the aforementioned Appendices. The Management Board shall notify the Supervisory Board of the National Depository of the contents of a resolution in this matter at the nearest meeting of the Supervisory Board.
2. In instances especially justified by reasons of trading and 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, not longer however than one month, subject to the provisions of subpara. 3, 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 make contributions to the Fund up to a predefined amount, other than the amount defined according to the provisions of subpara. 1 and 1a, as well as determine that the payment of these contributions may take place in a payment form other than those described herein.

The contents of this resolution shall be made known to the Supervisory Board of the National Depository by the Management Board at its nearest sitting.

3. The Supervisory Board of the National Depository shall have the right to authorise the Management Board to change the algorithm parameters or change their values for periods exceeding one month, defining at the same time the period for which such authorisation is granted.

§ 9

1. Contribution adjustments shall take place where the sum of adjusted contribution values of the participant to the basic resources of given parts of the Fund is higher or lower than the sum of the current values of those contributions, applying the provisions of subpara. 2 and § 10 subpara. 4. The current value of the contribution shall be deemed as the value of the contribution to the appropriate separate part of the Fund, on condition that there was no requirement to sell the assets of the Settlement Guarantee Fund below 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 making separate payments, as described in the first sentence of § 4 subpara. 4, to the same separate part of the Fund, arising from contribution adjustments, shall be determined separately for contributions paid in by that participant as part of each of the activities performed by that participant, determined according to § 11 subparas. 1-4 of the National Depository Rules.

3. Adjustment to contributions shall be made by participants making supplementary contributions to the basic resource of the functionally separate part of the Fund, or by refunding participants a part of their contribution.
4. Refunds of part of a participant's contribution shall only be made in the form of cash by means of a credit payment onto a bank account, referred to in § 48 subpara. 3, or 3a of the National Depository Rules, indicated by the participant, on the basis of an instruction from the National Depository. The amount of the refund may not exceed the limit of the participant's contribution, which according to the provisions of § 5 subpara. 4 must be in cash form.
5. 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 ATS Settlement Guarantee Fund, within the meaning of the National Depository Rules.
6. Any adjustment involving a refund to the participant of the portion of contribution made earlier shall cease in circumstances where participants are obliged to replace or make additional contributions, referred to in § 15 and § 18.
7. The participant shall make a supplementary contribution on the day following the day of the update, not later than 9.00 – if the contribution includes securities, and in remaining cases, 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.
8. Failure to meet the deadline referred to in subpara. 7 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.

9. The National Depository shall be obliged to pay its participants a fee, determined according to the provisions of subpara. 8, 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.

§ 10

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, having calculated the value of the securities paid in as part of the participant's contribution to the Fund, the National Depository shall make available information defining the value of cash which needs to be paid in by the participant, or refunded to the participant as part of that day's contribution settlement.
- 3a. The information, described in subparas. 2 and 3, intended for participants making separate payments, referred to in the first sentence of § 4 subpara. 4, shall be made available separately for each such contribution.
4. Subject to the provisions of § 8 subpara. 1a, if the value of the cash, which needs to be allocated to the basic resource of the functionally separate part of the Fund for a given contribution, is lower than 1000 PLN, this value shall not be included when defining the debits and credits of participants, referred to in subpara. 3, for that contribution.

§ 11

1. Participants may request the withdrawal of securities paid in by them to the Settlement Guarantee Fund if they send a settlement instruction relating to the change of status of these securities to securities withdrawn from the Fund, to the National Depository.

2. The withdrawal of securities may take place not earlier than during the settlement session starting after 13.00 on the day following the day the participant has sent the settlement instruction, described in subpara. 1, to the National Depository, on condition, however that the participant has performed the obligations related to adjusting the contribution, carried out on the date of the withdrawal and it is not necessary to use these securities for Fund purposes. The settlement instruction, described in subpara. 1, shall be considered to have been sent to the National Depository on a given accounting day, if it was introduced to the depository-settlement system before 17.00 on that day.
3. Where a participant has sent a settlement instruction, described in subpara. 1, the documents described in § 10 shall not include the value of these securities that are the subject of the instruction.

§ 11a

Participants shall be obliged to withdraw securities they have paid into the Settlement Guarantee Fund seven days prior to the record day on which those entitled to receive payments following redemption of these securities are determined. This does not exempt participants from the obligation to adjust the contribution.

§ 12

1. The reserve resource of the separate parts of the Settlement Guarantee Fund are made up of:
 - a) revenue from the investment of basic resource funds;
 - b) charges, referred to in § 9 subpara. 8;
 - c) credits, referred to in § 16, subpara. 3;
 - d) interest, referred to in § 17, subpara. 1;as well as other revenue generated by the investment of assets, as referred to in points a) to d) above.

2. Entitlements from securities paid into the Settlement Guarantee Fund shall be paid to participants who have paid these securities to the Fund, on the day the entitlements are received. However, if prior to the payment of the entitlement, a participant is obliged to make a contribution, described in § 15 and § 18, these entitlements shall be reassigned as contribution to the basic resource of the Fund for a amount equal to the value of the contribution.
3. If a participant does not perform the obligations described in § 11a, the payment from the issuer received for the redemption of securities that were paid in by the participant to the Fund shall be added to the basic resource of the functionally separate part of the Fund, increasing the value of cash assets paid in by that participant to the Fund as contribution.

§ 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 in respect to the participant's share in the basic resource and reserve resource, subject to the provisions of subpara. 1a-3.
 - 1a. The share of a participant paying in a separate contribution, described in § 4 subpara. 4, in the revenue described in subpara. 1, shall be calculated separately for contributions paid in by that participant in relation to brokerage activities and for contributions paid in by that participant in relation to other activities.
2. The charge referred to in § 9, subpara. 8 shall be divided between participants in equal shares, excluding the participants who made the payments.
3. The share of a participant in the assets described in § 12, points c and d shall be determined by applying the principle referred to in § 15, subpara. 2 respectively.

§ 14

The share in the reserve resources of the separate parts of the Fund shall be paid out to participants quarterly, unless there has been an obligation imposed on a participant to make

contributions referred to in § 15 or §18 below. In such instances, participants' shares in the reserve resource shall be applied to contributions to the basic resource.

§ 14a

If the value of the assets required to meet the obligations guaranteed by the appropriate part of the Fund is higher than the value of the cash assets, which according to § 3 subpara. 3 may be used for these purposes from the contribution of the participant required to meet these obligations, the National Depository shall assign to the basic resource of the appropriate part of the Fund those securities paid in by that participant, and if necessary, also shall assign securities paid in by that participant to the basic resources of other parts of the Fund, as well as shall assign to the basic resource of the appropriate part of the Fund securities paid in by other participants obliged to pay contributions to that part of the Fund, having in mind the need to ensure the fastest sale of these securities at the best available price.

§ 14b

1. Immediately upon determining the need to allocate securities to the basic resource of a given part of the Fund, the National Depository shall inform participants obliged to make a contribution to that part of the Fund of this fact.
2. In order to prevent the allocation of securities to the basic resource of the functionally separate part of the Fund whose assets are to be used, participants obliged to make contributions to that part of the Fund shall, not later than 20 minutes following the moment the National Depository has made the information referred to in subpara. 1 available, provide the National Depository with declarations relating to the replacement of securities they have contributed to the Fund with cash of equal value to the securities while retaining the percentage reduction ("haircut") rate, referred to in § 5 subpara. 5. The declaration should indicate the number of securities that are to be replaced, along with their ID code. The replacement shall take place on condition that the cash available on the bank account indicated by the participant according to the principles described in § 48 subpara. 3 or 3a

of the National Depository Rules is sufficient to meet all cash obligations arising from participation and that are to be met from that account, as well as to replace the securities indicated in the participant's declaration.

§ 15

1. Disbursement of the Fund assets shall be made from the basic resource. If securities form part of the assets of the Fund that are subject to the disbursement, the National Depository shall sell these securities in the regulated market, or outside the regulated market.
2. Subject to the provisions of subpara. 3, participants shall be obliged immediately to replenish the part of the Fund they have used. Contributions for the purpose of replenishment shall be made relative to the size of the amounts of contributions made by participants to the basic resource of the Fund. The value of the participant's share in the reserve resource shall be counted as part of the contribution, while applying the principles set out in § 13 subpara. 1a.
3. In instances of a loan being granted, referred to in § 17, subpara. 1, the obligation to replenish that part of the Fund used for the purpose of the loan shall arise where a participant fails to repay the loan on time.

§ 16

1. In instances when the assets in the appropriate part of the Settlement Guarantee Fund are disbursed, participants other than the participant who, not meeting its obligations, failed to have the assets to settle such a transaction available, or to perform other obligations related to transaction settlement, shall make replenishment contributions.
2. Replenishment contributions shall be made up to the amount of the surplus over and above the contribution made by a defaulting participant to the appropriate part of the Fund, less the credit amount due to that participant related to transactions executed prior to the day the default had been disclosed.

3. The assets paid into the Fund, according to the provisions of § 60, subpara. 2 and 3 of the National Depository Rules, shall be allocated to the reserve resource of the appropriate part of the Settlement Guarantee Fund.

§ 17

1. In instances where the participant fails to have the appropriate cash necessary to meet the obligations arising from the settlement of transactions secured by a given part of the Settlement Guarantee 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 by the first participant, such a participant may be granted a loan from the assets of that part of the Settlement Guarantee 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.

§ 18

1. Participants shall be obliged to make additional contributions relative to the value of their contributions made thus far to the basic resource, arising from the most recent update to the appropriate part of the Fund to the extent necessary to meet their payment obligations that are guaranteed by the separate parts of the Fund, unless the Management Board of the National Depository determines, by way of resolution, that the additional contribution to be paid by all participants shall not be of the same amount.
 - 1a. Where the National Depository has concluded the agreement, described in § 61b, subpara. 2 of the Rules of the National Depository for Securities and during the period in which that agreement creates an obligation to pay in favour of the National Depository the amount of the additional contribution that the participant may be obliged to make shall not exceed each time 110% of that participant's total amount of contributions to the basic resource of

the appropriate part of the fund, arising from the last update performed for that part of the fund (maximum amount of additional contribution). In instances where such an agreement has not been concluded, or has been terminated, the obligation of participants to make additional payments shall not be limited.

2. The additional contributions shall only be paid in the form of cash within the deadline defined by the National Depository, set at the earliest on the day following the call for the need for additional payment. If permitted by the provisions of the KDPW Rules, additional contributions may be paid in instalments whose amount shall be defined by the National Depository.

§ 19

1. In instances when participant status is terminated or limited, the National Depository shall refund that participant securities paid in by that participant to the Fund, which have not been used or refunded earlier, as well as 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 § 22.
2. In instances when participation status in the National Depository is terminated, the provisions of subpara. 1 shall apply to the total value of contributions and shares, respectively, to the basic and reserve resources of such a participant in the Settlement Guarantee Fund, including to all securities paid in by that participant.
3. In instances where participant status is limited in relation to the allocation of a functionally separate part of the Fund, the principle defined in subpara. 1 shall apply to the value of contributions and shares of the appropriate part of the Fund; however, the National Depository shall not refund securities, while the refund of cash, subject to the provisions of subpara. 3a, shall apply up to the amount of cash assets remaining in the total contribution

of the participant to the Fund according to the balance on the day of the last contribution made by the participant, and in such a scope where the need did not arise for their use. In such cases, the participant may send a request to withdraw the securities whose market value corresponds to the unrefunded value in cash of the contribution to the basic resource of the appropriate part of the Fund, sending for this purpose a settlement instruction relating to the change of status of these securities to securities withdrawn from the Fund.

3a In instances where a participant status is limited for a participant making separate contributions, described in the first sentence of § 4 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. In such instances, the refund of cash assets shall take place up to the amount of cash assets allocated to the contribution of the participant that is to be refunded, according to the balance on the day of the last contribution made by the participant, and in such a scope where the need did not arise for their use.

4. 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 shares 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.

§ 20

1. Subject to the provisions of subparas. 1 and 2, refunds of the assets referred to in § 19, subpara. 1 from the basic resource shall be made within a period of 7 days following the performance of the obligations, referred to in § 19, subpara. 1, while the refund of the assets from the reserve resource, referred to in § 19, subpara. 1, shall be made at the next quarterly settlement, referred to in § 14.
2. The refund of entitlements from securities shall take place on the day these entitlements have been received.
3. A request for the withdrawal of securities, referred to in the second sentence of § 19, subpara. 3, shall be fulfilled immediately, not earlier however than the deadline defined in subpara. 1. The provisions of § 11 subparas. 2 and 3 shall apply accordingly.

§ 21

Settlement of the expected share in deferred income, generated by current capital investments, referred to in § 19, subpara. 1 shall be made from the shares of the remaining participants within the appropriate reserve resource, in relation to their respective shares in that part of the Fund, while in instances described in § 19 subpara. 3a, 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.

§ 22

The refund of the assets made to the participant, referred to in § 19, may be reduced by the amount of assets necessary for settlement of transactions executed in connection with other transactions secured by the Fund, being transactions for which this entity performed the role of clearing member.

§ 23

Contributions made by participants to the basic resource of the separate part 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 upon the day of suspension.

§ 24

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 separate part of the Fund shall be the amount determined following an update performed according to general principles.

§ 25

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 § 26.

§ 26

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.

§ 27

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 § 4, subpara. 1.

§ 28

The Management Board of the National Depository shall present participants with quarterly and annual reports on its activities in relation to the management of the assets of the Fund.

§ 29

1. These Rules shall come into force within a fortnight of the publication of the Rules of the Settlement Guarantee Fund by the Management Board of the National Depository, having been approved by the Polish Securities and Exchange Commission.
2. The Management Board of the National Depository shall determine, by way of resolution, regulations in force for the period necessary to introduce provisions to the Rules of the Settlement Guarantee Fund, governing the principles for determining and procedures to be applied while making, contributions to the Settlement Guarantee Fund by the participants of the depository-settlement system and the method of settling contributions made to the reserve resource, as well as the use of Fund assets for the purpose of repayment of credit obtained by participants of the depository-settlement system from the settlement bank in order to settle transactions, prior to entry of the Settlement Guarantee Fund Rules into force.

**Algorithm for updating contributions paid in by clearing members to the basic resource of the
Guarantee Fund for the Settlement of Stock Exchange Transactions (GFSSET) and the
Guarantee Fund for the Settlement of CeTO Market Transactions (GFSCeTOT)**

Identifiers

- i - clearing member index;
 s - securities code (ISIN number);
 t - unsettled transaction index (including suspended transactions);
 N - Number of members whose contributions are subject to update;

Data:

$K_{i,s,t}$ number of securities designated with ISIN number s , purchased as part of a purchase transaction t , for which the clearing member is participant i according to the balance on the day of the update;

$S_{i,s,t}$ number of securities with ISIN number s , sold as part of a sell transaction t , for which the clearing member is participant i according to the balance on the day of the update;

PR_s settlement price of the security designated with ISIN number s , on the day of the update;

(The settlement price is calculated as follows:

- for bonds: the final closing price multiplied by the nominal value of the bond augmented by the value of interest accrued on the day of the update,
- for all other securities – the final closing price.

Where a corporate action is underway, the settlement price is adjusted accordingly.)

$PT_{i,s,t}$ price of transaction t involving securities designated with ISIN number s , executed by clearing member i .

ExR_s average National Bank of Poland currency price on the day of the update, corresponding to the currency of the listing of securities s ; for PLN $ExR = 1$

M_i latest updated value of contribution of clearing member i ,

Variables:

$W_{i,s}$ balance of value of purchase and sale transactions, involving securities designated with ISIN number s , for which the clearing member is participant i ,

WR_i mark-to-market correction price for clearing member i ,

$WROZ_{is}$ settlement price calculated for net balanced transactions involving securities designated with ISIN number s , for which the clearing member is participant i ,

$WREF_{is}$ reference price of the transaction calculated for net balanced transactions involving securities designated with ISIN number s , for which the clearing member is participant i ,

WW_i initial value of calculated contribution of clearing member i on the day of the update,

W_i value of calculated contribution of clearing member i on the day of the update,

Wo_i actual value of contribution of clearing member i on the day of the update.

Parameters:

R_s risk parameter, expressed as a percentage, of the price volatility of a security designated with ISIN code s , calculated by the National Depository every day on which contributions are updated, and sent to clearing members for notification purposes following the close of a session, or close of trading in the regulated market;

W_{\min} minimal level of contribution to the Fund

$$(W_{\min} = 100\,000 \text{ PLN} - \text{GFSSET}, \quad W_{\min} = 50\,000 \text{ PLN} - \text{GFSCeTOT})$$

Q threshold parameter (expressed as a percentage), whose degree of deviation of the calculated contribution to the Fund from the contribution as a result of the previous update creates the need for changing the value of the contribution to the separate part of the Fund ($Q = 10\%$);

Calculation of contributions to be paid by clearing members to the basic resource of the Guarantee Fund for the Settlement of Stock Exchange Transactions and the Guarantee Fund for the Settlement of CeTO Market Transactions

1. Calculation of the balance of purchase and sale transactions of securities for separate ISIN numbers, for which the clearing member is participant i ,

$$W_{i,s} = \left| \sum_t (K_{i,s,t} - S_{i,s,t}) \right| \times PR_s$$

2. Calculation of the mark-to-market correction price for clearing member i ,

$$WR_i = \max \left(\sum_s (WROZ_{i,s} - WREF_{i,s}) \times ExR_s; 0 \right) \text{ where:}$$

$$WROZ_{i,s} = \sum_t (K_{i,s,t} - S_{i,s,t}) \times PT_{i,s,t}$$

$$WREF_{i,s} = \sum_t (K_{i,s,t} - S_{i,s,t}) \times PR_s$$

3. Preliminary calculation of contribution by clearing member i on the day of the update:

$$WW_i = \sum_s (V_{i,s} \times R_s \times ExR_s) \times WR_i$$

4. Calculation of contribution to be paid to the Fund by clearing member i on the day of the update:

$$W_i = \begin{cases} WW_i & \text{if } WW_i > W_{\min} \\ W_{\min}, & \text{if } WW_i \leq W_{\min} \end{cases}$$

5. Determining the updated value of contribution Wo_i of clearing member i :

a. If $|W_i - M_i| \leq M_i \times Q$, then $Wo_i = M_i$

b. If $|W_i - M_i| > M_i \times Q$, then $Wo_i = W_i$

Algorithm for updating contributions paid in by clearing members to the basic resource of the Guarantee Fund for the Settlement of Stock Exchange Futures Transactions (GFSSEFT) and the Guarantee Fund for the Settlement of CeTO Market Futures Transactions (GFSCeTOFT)

Data:

WDZ_i	value of maintenance margin for clearing member i on day t ,
$K_{i,t}$	total value of derivatives purchase transactions, executed on day t , whose purchase is related to the payment of a price, which is the responsibility of clearing member i ,
$S_{i,t}$	total value of derivatives sale transactions, executed on day t , whose purchase is related to the payment of a price, which is the responsibility of clearing member i ,
M_i	latest updated value of contribution of clearing member i ,

Variables:

$SO_{i,t}$	positive balance of the value of derivatives purchase and sale transactions, whose purchase is related to the payment of a price, which is the responsibility of clearing member i on day t ,
$W_{i,t}$	corrected value of obligations to the Fund of clearing member i on day t ,
$W_{i,w}$	preliminary value of contribution to the Fund of clearing member i ,
$W_{i,f}$	calculated value of contribution to the Fund of clearing member i ,
W_{o_i}	updated value of contribution to the Fund of clearing member i ,

Parameters:

W_{\min}	amount of the minimum contribution to the Fund ($W_{\min} = 70\,000$ PLN)
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P threshold parameter (expressed as a percentage), whose degree of deviation of the calculated contribution to the Fund from the contribution as a result of the previous update creates the need for changing the value of the contribution to the separate part of the Fund ($P = 10\%$),

g parameter correcting the value of maintenance margin ($g = 15\%$),

where:

i clearing member index,

d update day index,

t calculation day index ($t = d-4, d-3, d-2, d-1, d$),

Calculation of contributions to be paid by clearing members to the basic resource of the Guarantee Fund for the Settlement of Stock Exchange Futures Transactions and the Guarantee Fund for the Settlement of CeTO Market Futures Transactions

1. Calculation of the value of payment obligations of clearing member i for balances of derivatives transactions, whose purchase is related to the payment of a price, executed on day t :

$$SO_{i,t} = \text{Max}\{K_{i,t}; S_{i,t}; 0\}$$

2. Determining the corrected total value of payment obligations of clearing member i on day t :

$$W_{i,t} = g \times WDZ_{i,t} + SO_{i,t}$$

3. Selection of the two highest values of payment obligations of clearing member i in the preliminary value of the Fund, as calculated on day d in the given updating period:

$$W_{i,Max} = \text{Max}\{W_{i,d}, \dots, W_{i,d-4}\}$$

$$W_{i,2Max} = \text{Max}\{W_{i,d}, \dots, W_{i,d-4}\} / \text{Max}\{W_{i,d}, \dots, W_{i,d-4}\}$$

where:

/ means “with exclusion of set”,

4. Calculation of preliminary contribution to be paid by clearing member i to the Fund on day d :

$$W_{i,w} = \left(\frac{W_{i,v,Max} + W_{i,v,2Max}}{2} \right)$$

5. Calculation of contribution to be paid by clearing member i to the Fund on day d :

$$W_{i,f} = \text{Max}(W_{i,w}; W_{min})$$

6. Determining the updated value of contribution W_o of clearing member i :

- c. If $|W_{i,f} - M_i| \leq M_i \times P$, then $W_o = M_i$
- d. If $|W_{i,f} - M_i| > M_i \times P$, then $W_o = W_{i,f}$

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