



Detailed rules and terms of electricity trading and clearing on the Intraday Market

*Approved by resolution of the Management Board No.
147/40/09, dated 26.11.2009
Approved on 6 April 2010*

Definitions:

- Clearing Bank – bank providing financial services related to clearing of transactions concluded on the Intraday Market, based on contracts with the Exchange and with particular Exchange Members.
- Exchange Member – entity, who has concluded a membership contract with the Exchange and has been authorized to operate on the Intraday Market, by the Management Board of the Exchange.
- DN – Quotation Department of the Exchange
- Delivery Date – day, on which the energy contracted on the Intraday market on the Trading Day is delivered or received.
- Trading Day – day of determination the Intra Day Market prices for a particular Delivery Date.
- Exchange – Polish Power Exchange S.A. (POLPX)
- Delivery hour – delivery period equal to one hour on the Delivery Date
- Work Schedule – schedule for delivery or consumption of electrical energy for a single scheduling unit, on every hour of the Delivery Date, covering the energy contracted at the Intraday Market.
- Accessible Scheduling Unit – Scheduling Unit made accessible to the power company on terms specified in the Rules.
- Hourly contract – contract covering delivery of electricity, with an execution term equal to one hour, on the Delivery Date.
- Intraday Market price – unified price of 1MWh of electricity in a particular hour of the Delivery Date, determined on the Intraday Market.
- Non-public website – website only accessible to a particular Exchange Member and to the Exchange.
- Delivery period – delivery period equal to one hour, on the Delivery Date or multiple of an hour on the Delivery Date.
- TSO – Transmission System Operator - power company having concession for transmission and distribution of electrical power via the transmission network, throughout the country – PSE-Operator S.A.
- Distribution System Operator – power company having concession for transmission and distribution of electrical power via the distribution network, within a specified area of the country.
- Portfolio – one or a group of electricity generator or consumer entities, belonging to the same Exchange Member, covered by the same Work Schedule.
- Energy Law – legislative act dated 10 April 1997, energy Law (unified text in Journal of Legislation No. 89/2006, item 625 as amended).
- Power company – business entity operating in the domains of generation, processing, storage, transmission and distribution of fuels or energy or else in trading those commodities (in compliance with article 3. Point 12 of the Energy Law).
- Bank account – account opened by the Exchange Member in the Clearing Bank, for settlement of transactions concluded on the Power Derivatives Market, Financial Derivatives Market, Day Ahead Market, Intraday Market, Property Rights Market and Emission Allowance Market.

- Clearing report – report accessible in the IT system of the Exchange, presenting the balance of net values of transactions concluded on the date of transaction (electricity Delivery Date).
- IM - Intraday Market managed by the Exchange
- DAM – Day Ahead Market managed by the Exchange
- PRM – Property Rights Market managed by the Exchange
- EAM – Emission Allowance market, managed by the Exchange
- PDM – Power Derivatives Market, managed by the Exchange
- FDM – Financial Derivatives Market, managed by the Exchange
- Rules - Rules and Regulations of POLPX S.A.
- Terms of trading – for a particular type of property rights, document mentioned in point 21.2 of the Exchange Regulations.
- IT system of the exchange – set of hardware and software, more particularly a specialized computer application, used as basis for the trading and clearing of transactions concluded on the Intraday Market.
- Detailed rules and terms of trading and clearing – this document, entitled Detailed Rules and Terms of trading and clearing electricity on the Intraday Market.
- Transaction – contract covering sales of electrical energy, concluded between Exchange Members on the Intraday Market.
- Clearing week – period covering Delivery Dates from Monday (inclusive) to the following Sunday (inclusive).
- Transaction fee – commission, earned by the Exchange from the Exchange Member for the transactions concluded by the Exchange Member, calculated in compliance with the Rules and Regulations.
- Order – electricity buying or selling offer, placed by the Exchange Member to the Intraday Market.

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Part I. Terms of trading

1. Organization of quotations on the Intraday Market

- 1.1. Trading on the Intraday Market is being carried out on the day preceding the Delivery Date and on the Delivery Date, on contracts listed in the specification (Attachment).
- 1.2. On the dates of regulatory time changes in Poland, as regulated by instruction of the President of the Council of Ministers, on introduction of summer time, the number of hours in the execution date of the contract is being adjusted adequately to the contents of the instruction, i.e. 23 or 25 hours).

2. Quotation schedule on the Intraday Market

Quotation of IM contracts takes place daily, following the schedule below:

Hours	Quotation phase
By 18:30 , two days before Delivery Date	Updating of the margins Registration of up-to-date margins
From 12:30 one day before Delivery Date, to 13:15 one day before Delivery Date	Phase preceding fixed-price quotation Registration of orders on all instruments on the Delivery Date, orders may be withdrawn and modified. Orders are verified for margin status.
13:15 , on one day before Delivery Date	Determination of the IM fixed price Determination of IM prices for all instruments on the Delivery Date and announcement of the quotation results via the non-public website
From 13:16 one day before Delivery Date, to 14:30 one day before Delivery Date	Continuous quotations Registration of orders for all instruments on the Delivery date, orders may be withdrawn and modified, orders are being checked for margin status
Until 16:00 on one day before Delivery Date	Value settlement of transactions concluded on the Intraday Market
Until 18:30 , on one day before Delivery Date	Updating of the margins Registration of up-to-date margins

<p>From 7:15 on the Delivery Date, to 14:30 on the Delivery Date</p>	<p>Continuous quotation Registration of orders for instruments in quotation periods specified in the table below; orders may be removed or modified; orders are being verified for collateral margins</p> <table border="1" data-bbox="783 412 1347 667"> <thead> <tr> <th>Delivery period of quoted instruments*</th> <th>Quotation period</th> </tr> </thead> <tbody> <tr> <td>From H12 to H24</td> <td>From 07:15 to 07:30</td> </tr> <tr> <td>From H13 to H24</td> <td>From 07:30 to 08:30</td> </tr> <tr> <td>From H14 to H24</td> <td>From 08:30 to 09:30</td> </tr> <tr> <td>From H15 to H24</td> <td>From 09:30 to 10:30</td> </tr> <tr> <td>From H16 to H24</td> <td>From 10:30 to 11:30</td> </tr> <tr> <td>From H17 to H24</td> <td>From 11:30 to 12:30</td> </tr> <tr> <td>From H18 to H24</td> <td>From 12:30 to 13:30</td> </tr> <tr> <td>From H19 to H24</td> <td>From 13:30 to 14:30</td> </tr> </tbody> </table> <p>*Hhh means the hour of delivery, i.e. H12 means the time period between 11:00 and 12:00</p>	Delivery period of quoted instruments*	Quotation period	From H12 to H24	From 07:15 to 07:30	From H13 to H24	From 07:30 to 08:30	From H14 to H24	From 08:30 to 09:30	From H15 to H24	From 09:30 to 10:30	From H16 to H24	From 10:30 to 11:30	From H17 to H24	From 11:30 to 12:30	From H18 to H24	From 12:30 to 13:30	From H19 to H24	From 13:30 to 14:30
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<p>Until 15:30 on the Delivery Date</p>	<p>Publication of quotation results on the public website</p>																		
<p>Until 16:00 on the Delivery Date</p>	<p>Value settlement of transactions concluded on the Intraday Market.</p>																		

3. Orders for the IM sessions

- 3.1. Exchange Members place orders in relation to Portfolios. In the IT system of the Exchange, the Portfolio is being defined as an account.
- 3.2. Each member of the Exchange has equal numbers of Portfolios and Scheduling Units in the IT system. A power company may have Portfolios for Accessible Scheduling Units.
- 3.3. The Scheduling Unit is matched to the Portfolio of the Exchange Member.
- 3.4. An Exchange Member may place more than one order in relation to a particular Portfolio.
- 3.5. Every Portfolio may only be allocated to one Exchange Member, unless the Exchange Member grants access to the Portfolio to a Power Company, on terms specified in the Rules and Regulations.
- 3.6. Every order of the Exchange Member, placed on the Intraday Market shall particularly specify:
 - a) type of order (buying/selling),
 - b) portfolio, in relation to which the order is being placed,
 - c) amount of energy, being subject of the buying or selling order,
 - d) price limit, expressed in PLN/MWh, with PLN 0.01 accuracy, or order execution request without price limit,
 - e) validity date,
 - f) terms of order realization, as presented in point 3.7,
 - g) designation of the Exchange Member placing the order,
 - h) date and hour of order issue,
 - i) order number.
- 3.7. Orders submitted for fixed-price and continuous quotations shall include the terms of their realization and validity dates. Depending on the terms and validity

date, there are three distinctive types of orders:

- a) Rest-of-day order – the order is valid on the day of its submission to the Exchange. It may be placed at any phase of the session. It may participate in both continuous and fixed-price quotation phases. The part of the order that does not get realized in the fixed-price phase shall move to the continuous quotation phase.
- b) Good until expiry – the order shall remain valid until the end of the instrument's quotation. It may be placed at any phase of the session. It may participate in both continuous and fixed-price quotation phases. The part of the order that does not get realized in the fixed-price phase shall move to the continuous quotation phase. The non-realized part of the instrument shall move to the subsequent instrument quotation session.
- c) Good until date – the order remains valid until the date, specified at the stage of order submission. It may be placed at any phase of the session. It may participate in both continuous and fixed-price quotation phases. The part of the order that does not get realized in the fixed-price phase shall move to the continuous quotation phase. The non-realized part of the instrument shall move to the subsequent instrument quotation session. The order takes place in the quotation until the specified end term.
- d) Timed order – the order shall be valid on the day of its submission to the Exchange, until the time specified at order submission. It may be placed at any phase of the session. It may participate in both continuous and fixed-price quotation phases. The part of the order, which does not get realized in the fixed-price quotation phase shall move to continuous quotation, with reservation for the specified validity deadline.
- e) Call Auction – the order is valid on the day of its submission to the Exchange and may only participate in the fixed-price quotation phase. The non-realized part of the order is being removed.
- f) Fill and kill - order, which can only participate in the continuous quotation system. It remains valid until conclusion of the first transaction (or first transactions if the order is being realized through several simultaneous transactions), and the non-realized part of the order is being cancelled. The order may get realized as a whole, partially or not be realized at all. This order may be placed without specification of a price limit.
- f) Fill or kill - order, which can only participate in the continuous quotation system. It remains valid until conclusion of the first transaction (or first transactions if the order is being realized through several simultaneous transactions), given the order gets realized as a whole, or not realized at all. If the pattern of orders does not allow full realization of the order, it shall get cancelled.

3.8. "Fill and kill" and "Fill or kill" orders are not specified in the table of orders. After submission of those types of orders, the transaction is being concluded or the orders shall be removed.

3.9. The order may include an additional activation condition – the Stop Loss function. This function is used to specify a conditional level of electricity price for the order to arise on the market. Activation of the order on the market takes place upon fulfillment of the preset condition.

- 3.10. Orders may be submitted to the market (market order) or locally (local order). Local orders shall not participate in the quotations.
- 3.11. A local order may be submitted to the market through activation. A market order may become a local order upon suspension. Activation and suspension of orders may be done during IM quotations.
- 3.12. Submission of orders to the market is only possible during IM quotations. Outside the IM quotation period, Exchange Members may submit local orders.
- 3.13. Only the local orders are not being verified for margin status.
- 3.14. Exchange Members may modify their own orders. The modifications may include:
 - (a) offered amount of electricity,
 - (b) price limit
- 3.15. Orders may be modified in the course of IM quotations. If the volume gets reduced during quotation, the order submission time remains unchanged. In any other case of modification (increase in volume and change in price), the order receives a new submission time.
- 3.16. An order submitted to the market remains active until completion of the modification or cancellation process.
- 3.17. In case quotations on a particular instrument are suspended, the orders may not be modified.
- 3.18. Orders may be canceled in the course of IM quotations. An order may be cancelled by the Exchange Member who has placed the order, before the validity term of the order. Orders being subject of concluded transactions may not be cancelled.

4. Rules for setting the price, realization of orders and transactions.

- 4.1. Rules for setting the price and realization of orders in the IM fixed-price system.
 - 4.1.1. The IM fixed-price is being determined using the following sequence of rules:
 - a) maximization of the trading volume,
 - b) minimization of the difference between the cumulated volume of electricity in the buying orders and in the selling orders, achievable at a specific price.
 - 4.1.2. Fixed-price orders on the Intraday Market are being realized in compliance with the rules below:
 - a) selling orders placed with a price limit below electricity price will be realized as a whole, no order placed with a price limit above electricity price will be realized.
 - b) buying orders placed with a price limit above electricity price will be realized as a whole, no order placed with a price limit below electricity price will be realized.

- c) Buying and selling orders placed with a price limit equal to the electricity price may be realized in part, as a whole or may not be realized at all.
- 4.1.3. The sequence of realization of the orders placed with a price limit equal to the electricity price is determined by the order recording time in the Exchange IT System.
- 4.1.4. Orders may be realized partially, given each partial transaction accounts for at least 1 MWh of electrical power.
- 4.1.5. Shall it be impossible to univocally determine the IM price, the procedure shall be as follows:
 - a) if there is more than one price meeting the requirements specified in point 4.1.1 and if the difference between the cumulated buying volume and the cumulated selling volume is zero, the average price is being determined, located between the extreme price levels, meeting the requirement described in sub-point b. Then, the price nearest to this average price is chosen of all permissible prices. If there are more than two such prices, the binding one is chosen randomly.
 - b) If there is more than one price meeting the requirements specified in point 4.1.1. and if the difference between cumulated bought and sold volumes has the same sign for each of the prices, the determined price is the closest to the change in the differential's sign.
 - c) if there is more than one price meeting the requirements specified in point 4.1.1. and the difference between the cumulated bought and sold volumes has different signs for each of the prices, the price is randomly selected between two prices: Highest price with positive difference and lowest price with negative difference.
- 4.2. Rules for determination of the price, realization of orders and transactions in the continuous quotation system of the Intraday market.
 - 4.2.1. Transactions in the continuous quotation system are being concluded at a price, equal to the price limit specified in the previously entered order, awaiting realization in the table of orders, in compliance with the following rules:
 - a) orders with the highest price limit are being realized in the first place, in the case of buying orders, and those with the lowest price limit in the case of selling orders.
 - b) in case of orders with equal price limits, they will be realized in a sequence corresponding to the time of order registration (orders entered earlier will be realized first).
 - 4.2.2. Orders may be realized partially, given each partial transaction accounts for at least 1 MWh of electrical power.
- 4.3. Shall POLPX receive information from the TSO about stopping provision of transmission services to a Power Company under the scope of declaration of energy sales contracts in the Scheduling Unit, the Exchange will block registration of working schedules for that Scheduling Unit from the date of delivery indicated by the TSO - Operator
- 4.4. Shall POLPX receive information from the TSO about stopping of Reinstatement of entering work schedules for that period of delivery takes place upon receipt, form the TSO, of information about reinstatement of registration of energy sales contracts.
- 4.5. In cases and under the scope of authority granted to the Exchange by the Trading Regulations in the area of closing position of an Exchange, the

- Exchange will have the right to place orders on the Intraday Market on behalf of that Member.
- 4.6. The IM price is set with PLN 0.01 accuracy. The volume is set with an accuracy of 1 MWh.
 - 4.7. No limits for price variation applies on the Intraday market. Shall the fixed auction price for a particular instrument differ, in a significant way from the previous fixed auction price, the Management Board or authorized employee of the Exchange may introduce an additional phase for quotation of this instrument after the price fixing and before the continuous quotation phase, to allow submission and modification of orders without the option to conclude transactions. The duration of the additional quotation phase shall not exceed 15 minutes. Members of the Exchange will be informed about the additional quotation phase via the exchange IT system.

Part II Rules for realization of transactions

5. Realization of physical delivery of electricity

- 5.1. Exchange transactions concluded on the Intraday market are reported to the TSO as the balance of session transactions, divided into scheduling units allocated by the TSO.
- 5.2. Exchange transactions concluded by the Power Company for accessible portfolios are reported to the TSO on Portfolios of the Offering Entity, whose identification data are presented in the declaration specified in the Regulations in point 5.3.
- 5.3. In submitting the order, every Exchange Member shall declare a Portfolio to which all the electricity covered by the transaction concluded as result of this order will be allocated. An Exchange Member may perform an update of the energy volumes allocated to particular Scheduling Units in the IT system of the Exchange. The timing for such changes is specified in the schedule, described in point 6 – Updating of the Work Schedules
- 5.4. The requirement to report energy volume update to the TSO, as specified in point 5.3, performed on the Delivery Date, is to inform the Quotation Department of the Exchange about the performed update of the work schedule with the deadlines specified in the schedule provided in point 6. Information about the schedule update shall be reported, by telephone, to the Quotation Department operator number, provided by the Exchange.
- 5.5. The Work Schedule for the Exchange Members having one Scheduling Unit, for a particular hour of the trading day contains the balance of bought and sold energy volumes.
- 5.6. Documents used to report notification of exchange transactions to the TSO shall contain ID information of the report and trading data. The format of those documents is specified in separate regulations, published by the TSO.
- 5.7. In case of change in ID information, as specified in point 5.6, the Exchange Member shall be obliged to update the information with no delay. Failure to comply shall result in immediate suspension of the Exchange Member's activity on the Intraday Market.
- 5.8. Shall identification date as mentions in point 5.2 change, the Exchange Member will be obliged to update the information with no delay. Violation of the obligation described by the above sentence shall result in immediate withdrawal of the

Power Company's concession to operate on the portfolios accessible via the Intraday Market.

6. Reporting of transactions concluded on the Intraday Market to the TSO

Reporting of transactions concluded on the Intraday Market to the TSO takes place daily, based on the following schedule:

Hours	Quotation phase																		
From 12:30 one day before Delivery Date, to 14:30 one day before Delivery Date	Updating of the Work Schedules Updating of the Work Schedules for transactions concluded on the Intraday Market for all hours of the Delivery Date																		
From 17:00 one day before Delivery Date, to 18:00 one day before Delivery Date	Notification of transactions to the TSO* Notification to the TSO of all transactions concluded on the Intraday Market, in all hours of the Delivery Date * if there are no transactions on the IM market, notification to the TSO will not be realized																		
From 07:15 on the Delivery Date to 14:30 on the Delivery Date	Updating of Work Schedules Updating of Work Schedules for delivery periods in updating intervals specified in the table below <table border="1" data-bbox="782 1115 1345 1370"> <thead> <tr> <th>Delivery period of quoted instruments*</th> <th>Updating period</th> </tr> </thead> <tbody> <tr> <td>From H12 to H24</td> <td>From 07:15 to 07:30</td> </tr> <tr> <td>From H13 to H24</td> <td>From 07:30 to 08:30</td> </tr> <tr> <td>From H14 to H24</td> <td>From 08:30 to 09:30</td> </tr> <tr> <td>From H15 to H24</td> <td>From 09:30 to 10:30</td> </tr> <tr> <td>From H16 to H24</td> <td>From 10:30 to 11:30</td> </tr> <tr> <td>From H17 to H24</td> <td>From 11:30 to 12:30</td> </tr> <tr> <td>From H18 to H24</td> <td>From 12:30 to 13:30</td> </tr> <tr> <td>From H19 to H24</td> <td>From 13:30 to 14:30</td> </tr> </tbody> </table> *Hhh means the hour of delivery, i.e. H12 means the time period between 11:00 and 12:00	Delivery period of quoted instruments*	Updating period	From H12 to H24	From 07:15 to 07:30	From H13 to H24	From 07:30 to 08:30	From H14 to H24	From 08:30 to 09:30	From H15 to H24	From 09:30 to 10:30	From H16 to H24	From 10:30 to 11:30	From H17 to H24	From 11:30 to 12:30	From H18 to H24	From 12:30 to 13:30	From H19 to H24	From 13:30 to 14:30
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From 07:30 on the Delivery Date to 15:00 on the Delivery Date	Notification of transactions to the TSO – hourly cycle* Notification to the TSO of transactions concluded on the Intraday Market, with concluded periods of updating, as specified in the table above. The condition for entering an updated schedule for a particular delivery period is to notify the Quotation Department of the Exchange, by telephone, before the end of the updating period. * shall there be no transactions on the Intraday Market or no information from the Exchange Member about updating of the schedule, notification to the TSO will not be realized.																		

Part III Terms of settlement

7. General terms and conditions

- 7.1. In the Intraday Market settlement process, the Exchange becomes a party to the settlement.
- 7.2. Calculation and settlement of the VAT tax shall be regulated by the following rules.
- 7.3. Submission of orders on the Intraday Market shall require the Exchange Member to have an open bank account, as specified in point 12.3.
- 7.4. The Exchange Member shall have one registry account in the exchange system, to report settlements of transactions concluded on the Power Derivatives Market, Financial Derivatives Market, Day Ahead Market, Intraday Market, Property Rights Market and Emission Allowance Market.
- 7.5. The Exchange Member shall have a buying account in the Clearing Bank, to service settlement on the Power Derivatives Market, Financial Derivatives Market, Day Ahead Market, Intraday Market, Property Rights Market and Emission Allowance Market.
- 7.6. The current settlement process provides settlement compensation for transactions concluded on the PDM, FDM DAM, IM, PRM and EAM markets.
- 7.7. Financial flows upon completion of the Settlement Week are based on the obligations and liabilities balance related to the PDM, FDM, DAM, IM, PRM and EAM markets.
- 7.8. IM settlements with all Exchange Members, who have concluded transactions on this market are managed by the Exchange, by intermediary of the Clearing Bank.
- 7.9. In settlement of transactions concluded on the PDM, DAM, FDM, PRM and EAM markets, the Exchange shall apply the settlement rules and regulations described in the Exchange documents covering clearing and settlement procedures on those markets.

8. Current settlements

- 8.1. Information about the volume, prices and values of concluded transactions is available to the Exchange Members via the non-public website of the Exchange Member.
- 8.2. On every Trading Day, after registration on the registry account of all transactions concluded by a particular Member of the Exchange, the Exchange performs current settlement of transactions concluded on the Intraday Market on that day. In the case of Exchange Members, who have concluded PDM, DAM, FDM, PRM and EAM transactions on that day, the settlement of those transactions is recorded in the IT system of the Exchange.
- 8.3. The Exchange communicates to the Clearing Bank, information on the balance of financial settlements of a particular Exchange Member, resulting from the transactions concluded by that member. The balance of settlements is specified as the value of buying transactions less the value of sales, plus the value of VAT tax and the charged transaction fee fee, including VAT.
- 8.4. Based on the information obtained from the Exchange, in the case of entities with a balance of obligations, the Clearing Bank shall block, for collateral of

future financial settlements, an appropriate amount of financial assets accumulated in the buying account of the Exchange Member until the day of execution of the financial settlement.

9. Financial settlements

- 9.1. Financial settlements are done in the Settlement Week cycles, covering:
 - All balances of financial settlements for open positions being in quotation period on the FDM market in a particular week,
 - All balances of financial settlements for open positions being in execution period on the FDM market in a particular week,
 - All transactions with execution date in a particular Settlement Week on the PDM, DAM, IM, PRM and EAM markets.
- 9.2. Financial flows take place on Wednesdays (payment deadline for Exchange Members having liability towards POLPX) and Thursdays (payment deadline for POLPX), after closure of the Clearing Week. If one of those days is a holiday/weekend day, the settlement is automatically shifted to the nearest working day. The Exchange shall inform the Exchange Members, with one month notice, about the dates of payment and issuing of relevant VAT invoices, as specified in the payment schedule available on the Exchange website.
- 9.3. Settlements are being executed based on a clearing report, specifying for a particular Exchange Member the net value of concluded transactions, which shall be increased by the value of the VAT tax and the Transaction fee including VAT.
- 9.4. Financial settlements are based on the balance of obligations and liabilities of the Exchange Member in all portfolios collectively, on gross amounts, adequately increased or decreased by the charged value of the transaction fee, including VAT.
- 9.5. Financial settlements are based on the balance of obligations and liabilities collectively applicable to the PDM, FDM, DAM, IM, PRM and EAM markets.
- 9.6. The collective balance of obligations and liabilities on the PDM, FDM, DAM, IM, PRM and EAM markets shall be specified based on data contained in the IT system of the Exchange.

10. Clearing schedule

- 10.1. The weekly financial settlements shall follow the schedule below:
 - a) Monday
 - > The Exchange issues VAT invoices covering the transaction fee
 - > The Exchange issues VAT invoices for the Exchange Members, who have acquired electricity in a particular clearing week and Exchange Members, who have sold electricity in a particular clearing week issue VAT invoices to the Exchange.
 - b) Wednesday – until 13:00, every Exchange Member, whose clearing balance was an obligation shall pay the required amount to its own Bank Account in the Clearing Bank. The payment deadline shall be understood as the date, by which the assets shall be registered in the bank account of the Exchange Member. After 13:00, based on an order issued by the Exchange, the above accounts shall be charged with relevant amounts, resulting from the settlements with simultaneous registration of the

amounts on the Exchange account. Shall a particular Exchange Member fail to perform payment, the Clearing Bank will use the existing assets blocked in the Member's account, for collateral margin of the concluded transactions.

- c) Thursday – transfer, by the Exchange of the due amounts to the Bank Account of the Exchange Member - liability settlement balance.
- 10.2. Shall any of the clearing cycle days be a holiday/weekend day, the settlement will automatically be moved to the nearest working day. Exact dates of settlements are specified in the payment schedule, provided in point 9.2.

11. Transaction clearing collaterals

- 11.1. The Exchange is creating and managing a system of IM session transaction collateral security, based on the financial assets accumulated in bank accounts of the Exchange Members in the Clearing Bank, assets generated by concluded sales transactions and assets blocked in consequence of concluded buying transactions.
- 11.2. Every Exchange Member has a registry account in the exchange system, reflecting the current status of collateral margins for its transactions.
- 11.3. The current balance of collateral margins determines the maximum gross value of electricity buying orders, an Exchange Member may place.
- 11.4. The Exchange shall not realize buying orders of the Exchange Member, in case of which verification of the order has demonstrated that the established amount of collateral margin is lower than required.
- 11.5. Every day, after closure of quotations on the PDM, FDM, DAM, IM, PRM and EAM markets, the balance of the registry account is being updated, based on concluded transactions.
- 11.6. Every working day, until 18:30, the balance of the registry account is being updated based on operations carried out on the Bank Account of a particular Exchange Member in the Clearing Bank. Information about the operations performed on the Bank Account is communicated by the Clearing Bank to the Exchange.
- 11.7. Updating of the collateral margins is carried out in compliance with the following rules:
 - a) payment to the Bank Account in the Clearing Bank increases the value of the collateral margin on the registry account.
 - b) outpayment from the Bank Account in the Clearing Bank reduces the value of the collateral margin on the registry account.
 - c) electricity buying transactions decrease the margin value by the gross value of the transactions, and by the due gross transaction fee fee, with reservation for point 11.8
 - d) electricity selling transactions increase the margin value by the gross value of the transaction, adjusted with the due gross transaction fee fee, with reservation for point 11.8
 - e) buying transaction on the PRM and EAM markets decrease the amount of collateral margin by the gross value of those transactions and the due gross transaction fee fee, with reservation for point 11.8
 - f) selling transactions on the PRM and EAM markets increase the amount of collateral margin by the gross value of those transactions adjusted by the due gross transaction fee fee, with reservation for point 11.8

- g) the value of margins, resulting from transactions on the PDM market decreases the value of collaterals, adequately to the relevant terms of trading for electricity forward contracts.
 - h) the value of selling transactions on the PDM market, performed in the contract execution period increases the value of collateral by the gross value of the part of transaction being in execution phase.
 - i) the value of buying transactions on the PDM market, performed in the contract execution period decreases the value of collateral by the gross value of the part of transaction being in execution phase.
 - j) liabilities resulting from the variation margin covering contracts concluded on the PDM market shall not increase the value of collaterals.
 - k) conclusion of transactions on the FDM market in the quotation period causes decrease in amount of collateral by the amount corresponding to the value of the initial margin and due transaction fee fee, with reservation for point 11.8.;
 - l) on the day following execution of a forward contract on the FDM market, the value of collateral margins of the Exchange Member increases by the calculated amount of initial margin, with reservation for point 12.8;
 - m) the current settlements of open FDM market positions shall increase or decrease the amount of collateral by the amount, being a balance of settlements resulting from equalization of all open positions of a particular Exchange Member to the market.
 - n) on the before-last and last day of the settlement cycle, after closure of quotations, the value of collateral is being decreased by the balance of liabilities of the particular Exchange Member, arising from the ending clearing period.
- 11.8. The adjustment of the collateral by the gross value of transaction fee fee takes place after settlement of the session.
- 11.9. The Exchange shall check the buying orders of the Exchange Member for compliance with the collateral margin requirements.
- a) for continuous-system quotations, every buying order placed in that period is currently being compared, in terms of required collateral margin, with the established amount of margin. The required amount of margin is the product of the offered price, increased by VAT, by the number of MWh covered by the order. An order, in which the required amount of collateral margin is higher than the established margin shall not be accepted. An order transferred to the next Trading Day shall be verified, once again, after updating the collateral margin, with the information provided by the Clearing Bank, covering all transactions carried out on the bank account. If, during verification, the required value of collateral margin is higher than the established collateral margin, the order is being removed.
 - b) In the case of fixed-price quotations, the verification process compares the required amount of collateral resulting from buying orders submitted to the exchange session, with the established value of collaterals. The required amount of margin is the sum of products of the offered price, increased by VAT, by the number of MWh covered by the order. An order, in which the required amount of collateral margin is higher than the established margin shall not be accepted. An order transferred to the next Trading Day shall be verified, once again, after updating the

collateral margin, with the information provided by the Clearing Bank, covering all transactions carried out on the bank account. If, during verification, the required value of collateral margin is higher than the established collateral margin, the order is being removed.

12. Clearing Bank

- 12.1. The functionality of Clearing Bank for settlement of transactions concluded on the Intraday market is provided by Bank Ochrony Środowiska (BOŚ S.A.).
- 12.2. In order to ensure safe and efficient course of the exchange transactions settlements, the Exchange is collaborating with BOŚ S.A. based on contractual agreement of the detailed terms of clearing for the exchange transactions.
- 12.3. Every Exchange Member shall be obliged to open a Bank Account in the Clearing Bank, to be used for establishing collateral margins for buying transactions and for financial settlement of transactions concluded on the PDM, FDM, DAM, IM, PRM and EAM markets.
- 12.4. The Exchange Member shall be obliged to provide the Clearing Bank with powers of attorney to perform transfer of assets from the Bank Account of the Exchange Member, to the clearing account of POLPX S.A. in amounts indicated by the Exchange in the transfer order.
- 12.5. Collateral margins may be established by cash payments to the Bank Account of the Exchange Member. Other forms of collateral may be agreed between the Clearing Bank and the Exchange Member.

Attachment Specification of an Intraday electricity contract

Code	RDBk_DD-MM-RRR_HGG, where k is the subsequent day of the week (Monday = 1), GG – delivery hour, DD – Delivery Date, RRRR – delivery year, GG is the hour ending the time interval, i.e. 01 corresponds to the time interval from 00:00:00 to 01:00:00; 02a means the additional hour on the day of summer- to winter-time change
Subject of trading	Electrical power
Nominal	1 contract corresponds to 1MWh of electrical power
Price	Expressed as PLN 1/MWh, with PLN 0.01 accuracy
Value	Price x Nominal
Quotation date	Day before the Delivery Date ad Delivery Date for delivery hours from 12 to 24
Execution date	One hour of the 24h day, specified in the contract code designation
Quotation unit	1 contract
Settlement method	Change in balance of assets in the registry account resulting from the concluded transactions