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Detailed rules of cancelling of the transactions

approved by virtue of the Resolution of Management Board No. 117/23/10 of
May 28, 2010, comes into force on June 15, 2010.

The procedure in case of moving of the motion for cancelling of incorrect transaction

Moving of the Motion

1. The motion for cancelling of the incorrect transaction (called “the Motion” thereafter) may be moved by the Exchange Member that has placed incorrect order, mentioned in § 63 of the Trading Regulations for the Exchange Commodity Market of the Polish Power Exchange (called “the Regulations” thereafter). The motion may be withdrawn until the Exchange Management Board takes decision about cancelling of the transaction or about refusal to cancel the incorrect transaction. The Motion for canceling of the incorrect transaction or for withdrawing of the Motion should be submitted in accordance with the specimen (Appendix No 1).
2. The Exchange Member shall be entitled to apply for cancelling of all incorrect transactions entered into on the grounds of one incorrect order, mentioned in § 63 of the Regulations, moving only one Motion.
3. The Motion or withdrawing of the Motion, mentioned in subparagraph 1 above, should be sent to the Polish Power Exchange (called “the Exchange” thereafter) by fax to the Exchange Quotation Department (called “QD” thereafter) or in form of scanned document through electronic mail to address of the QD electronic mail. Fact of sending of the Motion for cancelling of incorrect transaction and withdrawing of the Motion should be immediately confirmed by phone through operator phone service of the QD.

Verification of the Motion

4. The Exchange shall verify correctness of the moved Motion.
5. In case, when the Motion is correct the Exchange shall inform another party of the incorrect transaction through fax or electronic mail (in form of scanned document), specifying in particular:
 - a) designation (ID) of the instrument
 - b) numbers of transactions, which may be cancelled
 - c) the time limit for giving the response in form of declaration of intention

The Exchange shall inform the Exchange members about moving of the Motion for cancelling of incorrect transaction through the exchange IT system, specifying the ID of the instrument the Motion concerns that.

The Exchange shall not disclose the name of the Exchange member that has moved the Motion for cancelling of incorrect transaction.

Cancelling of the transaction

6. The transaction may be cancelled if the Exchange member that was another part of the transaction gives its consent for cancelling of it, with the reservation for subparagraph 9.
7. The Exchange Member that was another part of the incorrect transaction shall hand over its declaration of intention about giving the consent for cancelling of the incorrect transaction or about refusal to give such consent through fax to the QD fax number or in form of scanned document sent by electronic mail to the QD electronic mail address. Fact of making of the declaration of intention should be immediately confirmed through the QD operator phone. The declaration of intention should be made according to the specimen included in Appendix No 2.
8. In case, when the time limit for handing over of the response of the Exchange Member, that was another part of the transaction, expires the Exchange Management Board, with the reservation for subparagraph 9, shall take the decision about refusal to give its consent for cancelling of the transaction.
9. In case when an error in the Exchange Member's order is self evident cancelling of the incorrect transaction may be done without consent of another party of the transaction.
10. The Exchange Management Board decision about cancelling of the transaction or about refusal to give its consent for such cancelling shall be delivered immediately to the parties of such transaction through phone as well as – after completion of the session – through fax. The decision shall include information about the time limit for cancelling of the transaction in the exchange IT system.

I. The detailed criteria for assessment of the situations the Exchange Member's order error is recognized as self-evident in which.

1. Taking the decision about cancelling of the incorrect transaction the Exchange Management Board assesses whether the error in the Exchange Member's order resulting in entering into incorrect transaction may be recognized as self-evident. The data included in the Motion moved by the Exchange member shall be the grounds for such assessment.
2. The error in the Exchange Member's order shall be recognized as self-evident in case when price of the incorrect transaction, that has been entered into on the grounds of the incorrect order, remains outside the interval determined in the following manner:
 - a) the lower limit of the interval is determined by the last fixed auction price or the last clearing price for given instrument divided by:
 - 5 for the DAM&IDM market,
 - 2 for the PRM, the CDM and the EAM markets
 - b) the upper limit of the interval is determined by the last fixed auction price or the last clearing price for given instrument multiplied by:
 - 5 for the DAM&IDM market,
 - 2 for the PRM, the CDM and the EAM markets

If the fixed auction price or the clearing price has not been fixed the case shall not be applicable.

II. Final provisions

- 1.** The cancelled transaction shall be recognized as the transaction that has not been entered into. The orders, which were the grounds for cancelling of the transaction, shall become invalid.
- 2.** Not executed parts of the orders, the transactions have been cancelled on the grounds of which, shall not loss their validity at the moment of cancelling of the transactions.