

EXCHANGE RULES TRADING RULES

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TRADING RULES

PART 1 – GENERAL PROVISIONS

Article 1

Subject Matter of the Rules

1. The Trading Rules regulate the fundamental principles and conditions regarding trading at Power Exchange Central Europe, a.s. (formerly Prague Energy Exchange), as well as other particulars associated with trading.

Article 2

Definition of Terms

1. **Exchange** – Power Exchange Central Europe, a.s.
2. **Exchange Floor** – an assembly of entities authorized to conclude exchange trades and other entities specified in the Exchange Statutes, granted an admission ticket to the Exchange Floor or otherwise authorized to enter the Exchange Floor. Exchange Floors are effected in the form of involvement in the electronic trading system.
3. **Admission Ticket to the Exchange Floor** – a certificate proving the right of the trading participant or another authorized entity to take part in Exchange Floors.
4. **Trading Participant** - an entity authorized to conclude trades at the Exchange market.
5. **Exchange Day** – a day during which trades are conducted at the Exchange in accordance with the valid Exchange Trading Calendar.
6. **Exchange Information** – any information concerning Exchange trades, and other information associated with the Exchange activities, where the Exchange is the original source or disseminator of such information.
7. **Exchange Trade** – purchase and sale of products by the entities authorized to conclude Exchange Trades on the Exchange Floor.
8. **Trading System** – an automated electronic trading system used for trading at the Exchange. Unless the Exchange Rules and Regulations stipulate otherwise, a trading system operated by a business partner of the Exchange or a trading system the copyrights for which belong to a business partner of the Exchange, regardless of whether or not it is located within the Exchange's registered office, is considered part of the Trading System, provided that the Exchange enables the concluding of Exchange Trades within the given system.
9. **Automatic Trades** – trades based on the automatic electronic processing of orders in accordance with algorithms defined in the Trading System.
10. **Registered Trades Concluded at OTC Market** – trades based on the matching of addressed instructions concluded outside the Trading System (so-called OTC clearing).
11. **Central Counterparty** – the contracting party to all Exchange Trades, as defined in the Participation Rules.
12. **Order** – a participant's anonymous buy/sell instruction, without an identification of the counterparty.
13. **Instruction** – a participant's addressed buy/sell instruction, with an identification of the counterparty.

14. **Limit Price** – the maximum price (buy)/the minimum price (sale) for which an order can be effected.
15. **Allowable Spread** - a spread defining the price limits for concluding trades.
16. **Products** – electric power and/or its derivatives forming the subject of an Exchange trade.
17. **Market** – defined by the subject of the Exchange Trade according to its classification in the electrical power system or the classification of the underlying asset derived from products with supplies under the given power system.
18. **Common Day-Ahead Market of OTE and PXE** – market organized by Operátor trhu s elektřinou, a.s. (OTE) within the meaning of Energy Regulatory Office Decree No 541/2005 Coll. as the so-called “Daily Market”, to which the Exchange has access on the basis of an agreement entered into between OTE and the Exchange, where trades are concluded and settled via the Exchange Trading System, according to the rules set out in the Trading Rules, Settlement Rules and the Business Terms and Conditions of OTE.
19. **Business Terms and Conditions of OTE** – “Obchodní podmínky Operátora trhu s Electricity, a.s.” in Czech.
20. **Central Depository** - Centrální depozitář cenných papírů, a.s., with registered office at Rybná 14, Prague 1, ID No. 25081489, acting as an operator of the clearing system regarding trades concluded at the Exchange.
21. **Trade Settlement** – the delivery/withdrawal of the subject of trading and clearing (cash settlement) on the basis of a concluded trade, performed in accordance with the rules of the settlement system operator. Wherever the Exchange Rules and Regulations refer to “settlement, clearing, etc.” in connection with setting off mutual receivables or with settling mutual debts from trades in investment instruments, this shall be understood to be Trade Settlement.
22. **Clearing** – the payment of money to the trading participant’s accounts at the EUR Clearing Bank.
23. **Clearing Participant** – a bank responsible, within the meaning of the Settlement Rules, for unconditional fulfilment of the liabilities arising from the settlement of exchange trades for a trading participant that has signed an agreement for the settlement of exchange trades (formerly the agreement on participation in the clearing system of trades concluded on the Prague Energy Exchange) with the bank, also comprising the bank’s commitment regarding the settlement of the trading and settlement fees.
24. **Suspension of Trading** – the suspension of the trading of all products in all types of trades for all trading participants.
25. **Temporary Suspension of Trading** – the suspension of trading exclusively for technical reasons.
26. **Exchange Rules** – the present Trading Rules and/or other rules approved by the Exchange General Meeting and relating to Exchange trading.
27. **Exchange Regulations** – detailed rules issued by the Exchange Chamber for individual areas of Exchange trading, e.g. the Participation Rules, Exchange Regulation – Communication Connection of PXE Participants, Fee Regulations, Fee Schedule, and Commodity Contract Standardization.
28. **Exchange Rules and Regulations** – Exchange Rules, Exchange Regulations, Statutes and Settlement Rules.
29. **Settlement Rules** – Part of the Settlement System Rules of the Central Depository regulating the settlement of trades concluded on the market organized by the Exchange. Wherever the Exchange Rules and Regulations, contracts concluded between the Exchange and trading participants, or other contractual documentation refer to “PXE’s clearing rules”, this is understood to mean the Settlement Rules.

30. **TSO (Transmission System Operator)** – OTE, a.s (“**OTE**”) for the Czech Republic, Slovenská elektrizačná prenosová sústava, a.s. (“**SEPS**”) for Slovakia, Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság (“**MAVIR**”) for Hungary.

Article 3

Distribution/Publication of Exchange Information

1. The Exchange publishes the Bulletin PXE.
2. The Exchange publishes the following information in the Bulletin in particular:
 - a) List of entities authorized to conclude exchange trades;
 - b) Changes to Exchange Rules and Exchange Regulations;
 - c) Changes to the Fee Regulations and the Fee Schedule;
 - d) Information relating to the trading and settlement of Exchange trades;
 - e) Decisions issued by Exchange bodies, affecting trading participants;
 - f) Other information relating to the Exchange operations.
3. The Exchange distributes the Bulletin in electronic form to all participants and other entities authorized to conclude exchange trades, and provides participants access to the Bulletin on the Exchange website.
4. On its website at www.pxe.cz, the Exchange publishes in particular the following data, in addition to the information specified in paragraph 2:
 - a) The current wording of the Exchange Rules and Exchange Regulations;
 - b) The current wording of the Fee Regulations and the Fee Schedule;
 - c) The Annual Report of the Exchange;
 - d) Other data as indicated in the present Rules.
5. Changes to Exchange Rules and Exchange Regulations shall always be published by the Exchange in the Bulletin 15 days prior to the date these changes take effect.

Article 4

Exchange Trading Calendar

The Exchange Trading Calendar is established by the Exchange Chamber, always in advance for the next calendar year. Exchange Chamber decisions shall be announced in the Bulletin.

Article 5

Trading Hours

The Trading Hours for a specific period are determined by the Exchange Chamber. Exchange Chamber decisions shall be announced in the Bulletin.

Article 6

Central Counterparty

1. The Central Counterparty is a trading counterparty for each exchange trade on the respective market (for both buy and sell transactions).
2. The Central Counterparty shall always be one of the parties to the implementation or the daily diagram registered by the TSO in accordance with the provisions of the Exchange Rules; the Central Counterparty shall have the position of a subject of clearing with TSO. However, this does

not apply to trades concluded on the Common Day-Ahead Market of OTE and PXE, where OTE automatically carries out the registration.

3. The Central Counterparty may arrange for substitute trades on the short-term energy market in accordance with the Exchange Rules.
4. Central Counterparty:
 - a) As regards the trading of products with a place of delivery in the Czech Republic, the Central Counterparty shall purchase electricity only for the purpose of its resale; the Central Counterparty is not the final consumer and therefore holds a permit to purchase electricity without electricity tax;
 - b) As regards the trading of products with a place of delivery in Slovakia or Hungary, the Central Counterparty shall purchase electricity only for the purpose of its resale; the Central Counterparty is not the final consumer.
5. The Central Counterparty's obligations arising from exchange trades are fully guaranteed by the Exchange.

Article 7 **Exchange Floor**

1. Participation on the Exchange Floor is restricted to the following entities:
 - a) Exchange founders and members;
 - b) Trading Participants and other entities granted an Admission Ticket to the Exchange Floor;
 - c) Trading Officers;
 - d) Exchange employees during the execution of their work duties;
 - e) Exchange Commissioner.
2. Exchange Floors are affected by means of a connection to the Trading System, without direct attendance.

Article 8 **Trading Officers**

1. The position of Trading Officers and the establishment and termination of their positions are regulated in particular by the Exchange Statutes.
2. Trading Officers act as intermediators of exchange trades and their activities are carried out via the Trading System.
3. In addition to the responsibilities stipulated in the Exchange Rules and Regulations, Trading Officers shall in particular be obliged:
 - a) to oversee the trade book in which trades concluded during the course of an Exchange Day are recorded in a chronological manner;
 - b) to supervise the issuing of a closing note of concluded trades for the parties involved, with the specification of the agreed trading terms.
4. Trading Officers are entitled to refuse to intermediate trades when they have a reasonable suspicion that the participant is not acting in accordance with applicable legal regulations or the Exchange Rules and Regulations.
5. Trading Officers are entitled to enter an order on behalf of a trading participant in justifiable cases. The request to enter an order must be verified in writing.

Article 9 **Trading System**

1. Trading participants are only authorized to use the Trading System to the extent and under the terms and conditions stipulated in the applicable regulation issued by the Exchange¹ or a decision issued by the Exchange Chamber.
2. If a Trading System failure leads or may lead to a threat, interruption or prevention of the due course of trading or a risk thereof, the regime of trading and using the Trading System shall be governed by the applicable regulation issued by the Exchange¹ or a decision issued by the Exchange Chamber or the General Secretary of the Exchange.

PART 2 – TRADING

SECTION I **COMMON PROVISIONS**

Article 10 **Trading Method**

1. The Exchange makes use of a trading method based on the electronic processing of orders and instructions.
2. Trading participants conclude trades in the Exchange via the Trading System and Trading Officers.
3. Trading Participants are responsible for the accuracy of the content and for the completeness of their orders to buy or sell. Trading Participants shall also check all underlying data and facts relating to their orders.
4. The trading parameters (tick size, allowable spread, etc.) are stipulated by the Exchange Chamber and are announced in the Bulletin.

Article 11 **Exchange Trades**

1. An Exchange Trade means a trade involving the buying or selling of the respective product, in which the parties authorized to conclude Exchange Trades have agreed on the specific details thereof.
2. There are two types of Exchange Trades – automatic and registered trades.
3. An automatic trade at the Exchange means a trade in which the parties have agreed on the essential details via the Trading System.
4. A registered trade at the Exchange (so-called OTC clearing) means a trade in which the parties have agreed on the essential details outside the Trading System and which has been subsequently registered in the Trading System for settlement purposes.
5. Save for substitute trades, the Exchange is not authorized to cancel trades concluded and confirmed in the Trading System in accordance with the Exchange Rules.

¹ Exchange Regulation – Communication Connection of PXE Participants

Article 12

Subject of Exchange Trades

1. Trading at the Exchange applies to products listed by the Exchange and accepted for trading in accordance with the Exchange Rules².
2. The Trading Participant is obliged to only purchase electricity for resale purposes in the context of Product trading and shall not be the end consumer thereof; the Trading Participant undertakes herein to ensure compliance with this principle during the entire period of this Participation Agreement.

Article 13

Price

1. At a given moment, the price shall mean the last price set in automatic trades.
2. If a price cannot be determined according to paragraph 1, the price shall be defined as the midpoint of the allowable spread set in accordance with the present Rules.
3. The calculation and setting of prices is carried out on the basis of algorithms defined in the Trading System, unless otherwise stipulated in the Exchange Rules.
4. If the real market price for a product based on an analytical model determined by the Exchange differs considerably from the price according to paragraphs 1 and 2 (especially if no exchange trade is concluded on the Exchange Day concerned with respect to the product in question), the Trading Officer will set a new price (hereinafter the "Change"), reflecting in particular the price based on an analytical model determined by the Exchange. Trading participants are informed of the set price immediately via the Trading System.
5. The following data in particular shall serve as entry data for the analytical model set by the Exchange, in the following order:
 - a) Mean best quotation by market makers;
 - b) Prices for other products which can be combined and/or broken down to calculate the price for the relevant product;
 - c) Information obtained from trading participants;
 - d) Prices for trades concluded on the OTC market for the relevant product;
 - e) Prices for the settlement of similar products traded on Energy Exchanges in Europe.
6. Changes may only be made by Trading Officers.
7. Changes may only be made at the time the given product is traded under one of the types of automatic trades.
8. The frequency of Changes is not set in advance; the Trading Officer shall be exclusively eligible to decide on a Change, while respecting the procedures set in the present Rules.
9. With the exception of the closing of an Exchange Day, Changes during the course of an Exchange Day will take place with respect to futures products subject to the quotation duty for market makers or specialists, and with respect to products with an open position exceeding 100,000 MWh for at least one participant. As regards other products, Changes will only take place exceptionally and in justifiable cases.
10. Changes will always take place in situations when

² *Commodity Contract Standardization*

- a) the arithmetic mean of the best quotation by market makers/specialists deviates, during a period of more than 30 minutes, from the current price by more than 30% of the given product's margin parameter;
 - b) there are no active quotations with respect to the product concerned (for example, owing to technical problems of the market maker/specialist), but the Trading Officer obtains information from these participants regarding the product market price, which deviates from the current price by more than 30% of the given product's margin parameter.
 - c) as regards products that are not subject to the quotation obligation, there are active orders on both the buy and sell side, provided that the current price deviates by more than 30% of the margin parameter of the product concerned against the arithmetic mean between the best buying and the best selling price;
 - d) as regards products that are not subject to the quotation obligation, there are no active buy and sell orders; if there is an open position regarding the product concerned, for at least one participant, exceeding 100,000 MWh, and where on the basis of information obtained from trading participants, prices of registered OTC trades, or prices from other trading platforms, the market price differs from the current price by more than 50% of the given product's margin parameter.
11. During the closing of an Exchange Day, Changes are made to all products where the product price obtained by the Trading Officer from the active trading participants, the price for registered OTC trades, the price obtained from other business platforms or from other trustworthy sources significantly deviates from the current price in the sense of paragraph 10.
 12. As regards Changes during the closing auction, the Trading Officer shall consider the possibility of arbitration, i.e. the quarterly product price must conform to the prices of the corresponding 3 monthly products, and, similarly, the annual product price must conform to the prices of the corresponding 4 quarterly products.
 13. If the Trading Officer comes to the conclusion on the basis of an analysis that the situation according to paragraph 10 does not correspond to economic reality, the Trading Officer shall not be obliged to make the Change concerned.

Article 14 **Closing Price**

1. The closing price equals:
 - a) the last set price, i.e. the last price set within Automatic Trades during the Exchange Day concerned.
 - b) if the Trading Officer evaluates the price for the last trade as obvious price manipulation (for example in the event of low liquidity), this price will not be included to establish the Closing Price. This circumstance shall be immediately communicated to the General Secretary of the Exchange and subsequently the Exchange Chamber.
 - c) the midpoint of the allowable spread according to the present Rules, if the final price cannot be determined according to letter a).

Article 15 **Setting the Midpoint of the Allowable Spread**

1. The midpoint of the allowable spread for trading under continuous trading shall mean the last established price prior to commencing continuous trading.
2. If a product is introduced on the Exchange market for the first time, the Exchange will set the midpoint of the allowable spread instead of the non-existing preceding closing price quotation, reflecting the opinions of trading participants, especially market makers.

Article 16

Trading under Automatic Trades

1. Under Automatic Trades, exchange trades are concluded on the basis of orders to buy and sell products entered and processed within the Trading System on a continuous basis.
2. The minimum trading unit that may become the subject of trading under automatic trades is one contract³. The minimum trading unit (minimum contract size) is established by the Exchange Chamber as part of the trading parameters.
3. The principle of price and subsequent time priority is applied for the matching of orders.
4. The Exchange Chamber is authorized to set a maximum order volume.
5. Automatic trades can take the form of an auction or continuous trading. Alternatively, both forms can be present in separate stages within automatic trades.
6. The Exchange Chamber designates the form of automatic trades and, as appropriate, the time course and sequence of individual trading stages in the Trading Hours.

Article 17

Auction

1. Trading under the auction regime is based on the processing of orders to buy and sell a product focused on a single point in time, the outcome of which is the setting of a price for a given product.
2. After setting the auction price, the time for entering orders can be extended by the possibility of balancing an excess.
3. The Exchange can enable trading under two types of auction:
 - a) a basic auction and
 - b) an hours auction.
4. The auction price means the price for which the product concerned can be bought and sold under the auction regime.
5. An auction's duration and method for individual products are given by the Trading Hours.

Article 18

Continuous Trading

1. Continuous Trading means trading during which trades are concluded on the basis of continuous matching of buy and sell orders.
2. Trading participants are provided with information on a continuous basis regarding the current status of the market, namely the current price (price of last trade), best offer to buy and sell (bid and ask) and the market depth.
3. The information thus provided is updated immediately after each change under Continuous Trading, in particular after each order is entered, cancelled or changed.

Article 19

Market Maker

1. A market maker is a trading participant who has concluded a Market Maker Agreement with the Exchange (hereinafter an "Agreement").
2. An Agreement may be entered into if:

³ *Commodity Contract Standardization*

- a) the trading participant fulfils the requirements relating to a market maker in these Rules and other conditions stipulated by the Exchange Chamber for market makers;
 - b) the trading participant has informed a Clearing Participant about the intention to become a market maker.
3. A draft Agreement is available for downloading in Czech and English from the Exchange website.
 4. An Agreement is entered into for an indefinite period, and – in addition to the general specifications – an Agreement shall designate the product for which the applicant wishes to act as a market maker.
 5. An Agreement is concluded by the General Secretary on behalf of the Exchange. The General Secretary is authorized to request the applicant to submit additional information and documents, the submission of which will be deemed necessary for the purpose of concluding an Agreement.
 6. The General Secretary will make a decision regarding concluding of an Agreement within 15 days following the delivery of a draft Agreement. Should the General Secretary decide not to enter into an Agreement, the General Secretary will inform the applicant of this fact in writing.
 7. There is no legal entitlement to conclude an Agreement.
 8. The Exchange Chamber is authorized to state:
 - a) the minimum and maximum admissible number of market makers with respect to a product;
 - b) criteria for evaluating the operations of market makers;
 - c) categories of market makers; the categories defined by the Exchange Chamber will be published by the Exchange Chamber in the Bulletin.
 9. The General Secretary is authorized to suspend or withdraw a market maker's entitlement to act as a market maker should the market maker fail to comply with the obligations established in an Agreement or these Rules, or if circumstances arise that make it impossible to duly conduct such activities.
 10. The Exchange supervises the market makers' activities on a continuous basis.

Article 20

Market Maker's Obligations

1. A market maker is obliged to ensure that the ask and bid (hereinafter the "quotation") regarding a given product are maintained in compliance with the Market Maker Agreement.
2. Products subject to the duty to quote are stipulated by the Exchange Chamber for individual market maker categories in the form of an implementing regulation.
3. A market maker is obliged to maintain the quotation relating to a given product with a minimum number of contracts and while respecting the maximum price spread set out by the Exchange Chamber. A breach of this duty constitutes a breach of the market maker's obligations.
4. Quotations are entered into the Trading System via individual orders.
5. If the Trading System so allows for a given type of contract, the minimum number of contracts determined according to paragraph 3 may be divided into multiple orders with various prices.
6. If the number of contracts under quotation decreases after a trade is concluded, or the maximum price spread widens beyond the value as set out in paragraph 3, then the market maker will be obliged to add to the number of contracts up to the required value within the time limit set by the Exchange Chamber.
7. In the event of a technical defect on the side of the market maker, as a result of which data communication between the market maker and the Exchange is impossible, the market maker is obliged to notify the Exchange via telephone as soon as possible, followed by an e-mail confirmation if requested by the Trading Officer. During the duration of the technical defect, the

market maker is not obliged to have the quotation for the given product entered. The Exchange is entitled to verify the market maker's notification. The Exchange will provide the information regarding the technical defect to other trading participants.

8. In the event of a technical defect according to paragraph 7, all orders of a market maker may be cancelled upon the market maker's request. The Exchange cancels orders by selecting the relevant option in the Trading System.
9. As regards substitute trades, the market maker is obliged, at the Exchange's request, to submit a price bid for which the substitute trade can be effected. The price bid must be faxed to the responsible members of the Central Depository. The price bid is not subject to the maximum price spread.

Article 21

Market Liquidity Support

1. Each trading participant who has not concluded a Market Maker Agreement with the Exchange shall be entitled to carry out activities towards maintaining ask and bid prices within the scope of the products stipulated in the Exchange Rules and Regulations for market makers who are not general market makers. This activity will only be considered as support of market liquidity within the meaning of the Exchange Rules and Regulations if the trading participant complies during a given time period with the parameters stipulated in the Exchange Rules and Regulations for market makers who are not general market makers, unless the Exchange Rules and Regulations stipulate otherwise.
2. The right to support market liquidity shall be established on the basis of a written notification by a trading participant that includes the characteristics of those products to which the activities will relate. This right shall be established on the first Exchange Day of the next calendar month following the delivery of the notification to the Exchange, unless otherwise agreed between the Exchange and the trading participant.
3. The Exchange Rules and Regulations establish discounts on fees for participants providing market liquidity support.
4. Fulfilment of the conditions for market liquidity support is checked by the Trading Officer.
5. Market liquidity support is evaluated once monthly, and always after the end of the given calendar month.

SECTION II

BASIC AUCTION

Article 22

Basic Auction

1. The provisions of Section II – Basic Auction contain rules for such auction which shall apply if the Exchange enables this form of trading.
2. Within a basic auction, the Trading System continuously evaluates the situation in the order book and, in particular, sets the theoretical auction price, the theoretical excess (direction and number of contracts), and the accumulated number of buy and sell contracts.
3. The market status is updated with each change in the order book (order cancellation, entry of a new order, order change).
4. The number of orders from individual participants is not limited in any way.

Article 23

Order Particulars (Specifications) for a Basic Auction

- Orders designated for a basic auction must include the following details:
 - Product identification;
 - Direction of the order (buy or sell);
 - Quantity of contracts;
 - Price;
 - Identification number of the trading participant who has entered the order.
- When entering orders, each order is automatically assigned a time sequence index tied to the time the order was entered. A changed order will be assigned a new time succession index.

Article 24

Setting of the Auction Price under a Basic Auction

- The basis for setting the auction price is the “theoretical price”. This is the price for which a trade could be effected under the auction regime, had no allowable spread been fixed and it also means the price at which the highest possible number of sold and bought contracts is achieved.
- If, using the method referred to in paragraph 1, the same highest possible number of contracts would be sold and bought for multiple prices, the theoretical price would be the price at which the lowest possible difference would be attained between the accumulated number of offered and bid contracts.

SECTION III HOURS AUCTION

Article 25

Hours Auction

- The provisions of Section III – Hours Auction contain rules for such auction which shall apply if the Exchange enables this form of trading. The provisions of this section presented below do not, however, relate to hours auctions on the Common Day-Ahead Market of OTE and PXE.
- An hours auction may take place only once per Exchange Day and is intended only for spot hourly products.
- For trading under an hours auction, each trading participant may use only one valid buy order and one valid sell order. If a participant repeatedly enters in the given hours auction an order of the same direction, only the newly entered order has an “active” status. Any previously entered order is automatically cancelled by the system.
- A single order may contain an instruction to buy/sell several products.
- The total requested quantity (number of MW) within a single order can be divided into several limit prices, always with specification of price and requested quantity information. Such diversification is enabled for each individual product contained in the given order.

Article 26

Order Particulars (Specifications) for an Hours Auction

- An order designated for an hours auction must include the following details:
 - Product identification;

- b) Price(s) (limit or market) for each product contained in the order;
 - c) Quantity of contracts (electrical energy units in MW) for every stated price, whereby a positive number indicates a purchase and a negative number indicates a sale;
 - d) Indication of the type of order (“step” or “linear”);
 - e) Identification number of the trading participant who has entered the order;
 - f) Account number to/from which the products should be transferred.
2. When entering orders, each order is automatically assigned a time sequence index tied to the time the order was entered. A changed order will be assigned a new time succession index.
 3. In addition to the details presented in paragraph 1, an order may also include a request for restricting partial matching (“fill or kill” order). If an order includes such restriction, it cannot be only partially satisfied. If the order cannot be satisfied in full, it is cancelled by the system.
 4. A “step” order can be satisfied only at the designated price levels and requested quantities of contracts under paragraph 1 (b) and (c).
 5. A “linear” order can be satisfied in maintaining the principle of linear interpolation between the designated price levels and the corresponding quantities of contracts under paragraph 1 (b) and (c).

Article 27

Setting of the Auction Price for an Hours Auction

1. Supply and demand curves are drawn up for the purposes of setting the auction price. The principle of these curves is that the price is dependent upon the total number of contracts for sale (supply curve) and for purchase (demand curve).
2. A reference price is calculated for each hourly product as an arithmetic mean of the last three set auction prices for the given hour and day of the week.
3. The auction price thus is set as the price at which the highest possible number of contracts are bought and sold.
4. If by using the method referred to in paragraph 3 the same highest possible number of contracts could be bought and sold for multiple prices (supply and demand curves cross at multiple price levels), the highest and lowest of these prices form the limits of the spread. The price is established within this spread while taking into account the reference price.
 - a) If the reference price is within the spread, the auction price equals the reference price.
 - b) If the reference price is higher than the spread’s upper limit, the auction price equals the spread’s upper limit.
 - c) If the reference price is lower than the spread’s lower limit, the auction price equals the spread’s lower limit.
5. If supply does not meet demand (the highest buy price is lower than the lowest sell price or orders of only one direction are entered in the system), the reference price becomes the auction price.

Article 28

Results of Trading under an Hours Auction

1. Depending on the structure of individual orders in the Trading System and the auction price set for a given product, the market can take one of the following market statuses at the time of setting the auction price:
 - a) Perfect balance

The number of contracts for purchase at the set auction price is equal to the number of contracts for sale at that price. All orders meeting the auction price are fully satisfied.

b) Excess of supply

The number of contracts for purchase at the set auction price is lower than the number of contracts for sale at that price. All buy orders meeting the auction price are fully satisfied, while the sell orders are partially satisfied.

c) Excess of demand

The number of contracts for purchase at the set auction price is higher than the number of contracts for sale at that price. All sell orders meeting the auction price are fully satisfied, while the buy orders are partially satisfied.

2. For partial satisfaction of orders under an hours auction, priority is given based on order size.
3. In case of a higher number of contracts for either purchase or sale, the buy/sell orders of “greater blocks”, i.e. orders including a greater number of hourly products, are always satisfied first and foremost. The criterion is the number of products contained in the order.
4. When the number of products in orders is the same under paragraph 2, the next criterion is the number of requested/offered contracts.

SECTION IV CONTINUOUS TRADING

Article 29 Continuous Trading

1. Orders for a given product can only be matched if the following conditions are met:
 - a) The orders relate to a trade of the opposite direction;
 - b) The orders for sale state a price lower or equal to that stated in the order to buy;
 - c) Each of the orders would, after matching, be satisfied at least to the extent of the minimum volume condition, if stated,
 - d) the price that would be attained if the orders are matched must meet the condition provided in Article 32.
2. If the Exchange enables trading in a basic auction to continue after Continuous Trading is closed, then orders which have not been fully satisfied and have a longer validity time remain in the Central Register of orders and are classified for further processing.

Article 30 Order Particulars (Specifications) for Continuous Trading

1. Orders designated for continuous trading must include the following details:
 - a) Product identification;
 - b) Direction of the order (buy or sell);
 - c) Quantity of contracts;
 - d) Price;
 - e) Identification number of the trading participant who has entered the order.
2. In addition to the details referred to in paragraph 1, orders may also include:
 - a) Time condition on the order’s validity;

- b) Minimum volume condition (so-called “all or none”);
 - c) Number of the contracts to be displayed (i.e. quantity of the contracts determined by the participant to be displayed on terminals of other participants, the so-called “hidden quantity”).
3. When entering orders, each order is automatically assigned a time sequence index tied to the time the order was entered. A changed order will be assigned a new time succession index.

Article 31

Allowable Spread under Continuous Trading and Its Change

1. The allowable spread amount is established by the Exchange Chamber.
2. The allowable spread is defined as the percentage by which the price of a trade may deviate from the opening price for continuous trading.
3. Under continuous trading, a trade may not be concluded outside the allowable spread, with the exception of the circumstances stated in paragraph 4.
4. If the situation on the market should require the conclusion of trades outside the allowable spread (especially due to high volatility), the Trading Officer is entitled temporarily to broaden the allowable spread based on the participants' request and in accordance with the trading parameters approved by the Exchange Chamber.
5. The widened allowable spread is valid only until the end of the given Exchange Day.

Article 32

Setting of Trade Price under Continuous Trading

1. The trade price under Continuous Trading is equal to the price of a previously entered order.

SECTION V

REGISTERED TRADES

Article 33

Registered Trades Concluded on the OTC Market

1. Registered OTC trades may be concluded as of the moment the parties agree on the following particulars, whether bilaterally or via a third party (broker):
 - a) Product,
 - b) Number of MW,
 - c) Price per 1 MWh in EUR.
2. Upon reaching an agreement regarding a trade, the Trading Officer will enter a bilateral instruction into the Trading System which both participants are obliged to confirm after reviewing the particulars thereof. A bilateral instruction can be entered under the following conditions:
 - a) The number of MW in the instruction does not exceed the maximum order size.
 - b) The price entered in the instruction complies with the price condition according to the applicable regulation.
 - c) The participant will not exceed its margin requirement limit.
 - d) The instruction comprises all particulars required under the present Rules.
3. An OTC trade is regarded as registered once the bilateral instruction is confirmed by both counterparties.

4. The trade registration start and end time during an Exchange Day is set in the Trading Hours.
5. An OTC trade registered after the end of the given Exchange Day shall be listed in the summary of trades with the date of the calendar day upon which it was concluded, but it shall not be registered in the settlement system until the following Exchange Day.

Article 34

Bilateral Instruction Particulars (Specifications)

1. Instructions must include the following details:
 - a) Product identification;
 - b) Quantity of contracts (electrical energy units in MW);
 - c) Price per 1 MWh;
 - d) Identification of the selling participant;
 - e) Identification of the buying participant;
 - f) Date and time of the trade conclusion;
2. In addition to the details referred to in paragraph 1, instructions may also include identification of the broker who has intermediated the conclusion of the trade.
3. The Exchange Chamber is authorized to state the maximum number of contracts and the maximum price deviation from the last closing price of the product in question.

Article 35

Processing and Cancellation of Instructions

1. Trading Officers are entitled to modify or cancel an unconfirmed bilateral instruction before it is confirmed by both counterparties.
2. Participants in a registered OTC trade may agree on its cancellation in the event of incorrect entering or confirmation of the trade. The trade may only be cancelled during the Exchange Day upon which it was entered into the system. Trade cancellation will be carried out by the Trading Officer upon receiving a trade cancellation request from both counterparties. In such cases, the trade-related data are not entered into the settlement system.

SECTION VI

PROCESSING OF CONCLUDED TRADES

Article 36

Limits for Risk Management

Inspection and Sanction Limit

1. In order to minimize the risk of trading futures contracts, the Exchange defines an inspection and sanction limit for individual trading participants.
2. If the inspection limit is exceeded, this leads to the following consequences:
 - a) The Exchange reports this fact via the Trading System to the trading participant who has exceeded the limit and to the Clearing Participant with whom the trading participant has entered into a trade settlement agreement;
 - b) The trading participant who has exceeded the limit shall abstain from entering orders and instructions, the entering of which may lead to a further increase in the participant's open positions. A breach of this duty qualifies as a serious breach of the trading participant's

- obligations. If the trading participant also holds the position of a market maker, the trading participant is obliged to notify the Exchange of the suspension of the market maker's activities.
3. If the sanction limit is exceeded, the Exchange will suspend the trading participant's trading. Further processes potentially associated with the exceeded sanction limit are stipulated, in accordance with the Settlement Rules, by the Clearing Participant with whom the trading participant has entered into a trade settlement agreement. If the sanction limit is exceeded, the Clearing Participant is entitled to request that the Exchange immediately begin cancelling all entered and currently unmatched orders and instructions, or that the Exchange also begin closing the trading participant's open positions.
 4. The limits applicable to individual trading participants are set at least once a day, on the basis of information from the Central Depository regarding the relevant margin deposits. Trading participants and Clearing Participants are informed about the amounts of limits and changes via the relevant data interface services.
 5. For the purpose of risk management, the Clearing Participant is entitled to set a margin request limit for a trading participant with whom the Clearing Participant has entered into a trade settlement agreement; if the limit is exceeded, the Exchange will suspend the trading participant's trading. In accordance with the Settlement Rules, if the margin request limit is exceeded the Clearing Participant is entitled to request that the Exchange cancel all orders and instructions entered by the trading participant and not yet matched.
 6. If the Exchange is to cancel all entered and currently unmatched orders and instructions on the basis of the Clearing Participant's request resulting from an exceeded margin request limit, the Exchange will do so immediately after the limit is exceeded, within 5 seconds at the latest.
 7. If the Exchange is to close open positions of a trading participant on the basis of a Clearing Participant's request, this closing shall commence within 20 minutes after the sanction limit is exceeded or after a written request is accepted from the Clearing Participant.

Margin Request Limit

8. The Clearing Participant may set a margin request limit for a trading participant with whom the Clearing Participant has entered into a trade settlement agreement, and determine whether the Exchange is required to immediately suspend entering this trading participant's orders and instructions if the limit is exceeded or whether the Exchange shall, together with suspending this trading participant's orders and instructions, also make sure that the unmatched orders and instructions are excluded from the trading system.

Spot Limit

9. As regards trading with spot products, the Clearing Participant sets a spot limit for the trading participant with whom the Clearing Participant has entered into a trade settlement agreement. The algorithm for the calculation and inspection of this limit is defined in the Settlement Rules. The Clearing Participant may set multiple spot limits for a single trading participant subject to the type of products with which the trading participant trades.

If a spot limit is exceeded upon the trading participant's entering of an order, the order will be refused.

Article 37

Operative Market Monitoring

Operative market monitoring (hereinafter the "monitoring") is an integral part of the Exchange's regulation system. The objective of the monitoring is to protect the interests of trading participants and investors by supervising the trading rules and conditions on the Exchange on a continual basis. The monitoring is especially focused on prevention.

Article 38 **Forms of Monitoring**

Forms of the monitoring include:

- a) trading supervision;
- b) analytical inspection of the trades conducted by trading participants.

Article 39 **Trading Supervision**

1. The supervision of trading means a consistent activity during the course of trading, focusing especially on:
 - a) the fulfilment of the set conditions for concluding trades in the Exchange, and identifying deviations from such procedures in real time;
 - b) adopting measures to remedy identified deviations.
2. The trading supervision is conducted by authorized Exchange employees.

Article 40 **Analytical Trading Control**

1. The analytical trading control means:
 - a) continuous activities focusing on the detection of trades and actions where Exchange Rules may be violated (hereinafter “selected trades and actions”);
 - b) collection of basic data necessary for the verification of the fulfilment of obligations by entities authorized to conclude exchange trades;
 - c) investigation into selected trades and actions;
 - d) investigation into the fulfilment of Exchange Rules by entities authorized to conclude exchange trades;
 - e) investigation into information relating to Exchange activities in connection with trading supervision, etc.

Analytical trading control is conducted by authorized Exchange employees.

Article 41 **Trade Reporting**

1. The Exchange informs the Czech National Bank of trades involving commodity derivatives concluded on its market and their changes, in accordance with the applicable legal regulation⁴. The trading participant does not need to report these trades separately to the Czech National Bank.
2. The provisions of the previous paragraph do not concern the trading participant’s obligation to report trades involving quoted investment instruments concluded outside the Exchange market to the Czech National Bank.

⁴ Art. 50 (4) of Act 256/2004 Coll., on trading on the capital market

SECTION VII COMMON DAY-AHEAD MARKET OF OTE AND PXE

Article 42

Common Day-Ahead Market of OTE and PXE in the Czech Republic

1. The following principles apply to the trading of registered hourly products at Common Day-Ahead Market of OTE and PXE:
 - a) The rules regarding the conclusion of such trades and their settlement are regulated by the Exchange Rules and Regulations (especially Article 43 of the present Rules) and the Business Terms and Conditions of OTE;
 - b) Trades concluded on the Common Day-Ahead Market of OTE and PXE mean trades concluded on the day-ahead market of OTE via AOS, in accordance with the principles set out in the Trading Rules and the Business Terms and Conditions of OTE.
2. OTE's system is not considered to be part of the Trading System.

Article 43

Trades Concluded on the Common Day-Ahead Market of OTE and PXE

1. Trades concluded on the Common Day-Ahead Market of OTE and PXE via a so-called offer entered in AOS automatically become exchange trades, i.e. the Central Counterparty automatically enters into such trades. For the purposes of the Common Day-Ahead Market of OTE and PXE, an offer means
 - a) a block of the requested buy/sell transactions for hourly products (the "standard offer") or,
 - b) offers ensuing from financial futures in accordance with Article 44 of these Rules ("offers from financial futures")submitted by trading participants via the Trading System to the OTE information system.
2. At the moment of their conclusion on the Common Day-Ahead Market of OTE and PXE, these trades are always replaced with two trades with the same subject (i.e. the same type of product, quantity and price) as the original trade, i.e.:
 - a) a single exchange trade between the trading participant and the Central Counterparty;
 - b) a single trade between the Central Counterparty and the Market Operator,while following the condition regarding the direction of the trade from the position of the trading participant (buy/sell).
3. A standard offer may only be entered if:
 - a) the number of MW in the offer does not exceed the maximum order size stipulated in the Settlement Committee;
 - b) satisfaction of the order will not cause the participant's spot limit to be exceeded; and
 - c) the offer comprises all the required particulars in accordance with the Business Terms and Conditions of OTE.
4. The Exchange and the Central Counterparty have access to data regarding the offers from individual trading participants on the Day-Ahead Market of OTE. A participant who makes use of the trading opportunities at the Common Day-Ahead Market of OTE and PXE is therefore obliged to grant consent to the Exchange as regards the processing of such data in a form required by OTE.
5. Offers filed by trading participants in the Trading System are automatically communicated to the OTE information system (CS OTE), where they are validated and registered. The handling of

offers from trading participants at the Common Day-Ahead Market of OTE and PXE is regulated by the Business Terms and Conditions of OTE.

6. The trading participant settles a fixed price for trading on the Common Day-Ahead Market of OTE and PXE directly to OTE. This fixed price is set as a multiple of the fixed price determined by the Energy Regulatory Office within the applicable Price Decision, and the total volume of electricity bought and sold during all trading hours of the calendar month via the Day-Ahead Market.
7. Trading participants entering the Common Day-Ahead Market of OTE and PXE via the Trading System shall indemnify the Exchange for damage caused by incorrect or incomplete entering of orders.
8. Complaints are regulated by the Business Terms and Conditions of OTE. During complaint proceedings with OTE, trading participants are represented by the Exchange.

Article 44

Special Provisions for Offers on the Common Day-Ahead Market of OTE and the Exchange Ensuing from Financial Futures

1. In addition to standard offers, a Trading Participant accessing the Common Day-Ahead Market of OTE and the Exchange also has the possibility, independently of and concurrently to the standard offer, to submit through the Exchange offers to buy and offers to sell on this market for the purpose of physical delivery ensuing from an open position in financial futures. Offers from financial futures are submitted by Trading Participants through the Trading System and are automatically sent by the Exchange to OTE's information system. The provisions set forth in the following paragraphs of this Article apply exclusively to offers from financial futures.
2. Offers can be submitted only for the following month, and no later than the final trading day on which the given monthly financial futures are traded. During the month of maturity, it is no longer possible to freely change selected values. The Exchange can cancel or change submitted offers on the basis of a legitimate request from the Trading Participant. In justified cases (closing the Participant's positions, etc.), the Exchange is entitled to cancel the given offers.
3. It is possible to submit one request to buy or sell per base month and one request to buy or sell per peak month. Individual offers are submitted in MW, not including the price, and may not be higher than the given Participant's open position on the monthly financial future after the end of the final trading day for that future (including cascading), and it must respect the short or long open position of the monthly future. If the submitted bid/offer is higher, the value of the monthly financial future's open position is entered. If the direction (long/short position) is not observed, the Participant's bid/offer is invalid.
4. A Participant can always check in the Trading System his/her current position (base and peak) for the following month (following any cascading), the value that he/she entered, and the up-to-date value that would be entered into OTE according to the current position.
5. These offers have an unspecified price and cannot be checked against a spot limit.
6. A price is assigned to the offers according to the following principle pursuant to OTE's Business Terms and Conditions:
 - a) For offers to buy, the OTE system designates as the bid price for each hour of the bid the maximum price of all offers to buy and offers to sell matching up in a given hour.
 - b) For offers to sell, the OTE system designates as the offer price for each hour of the offer the minimum price of all offers to sell and offers to buy matching up in a given hour.
7. Trades concluded through these offers are settled and invoiced in the same manner as are trades concluded through standard offers.

SECTION VIII NON-STANDARD SITUATIONS

Article 45

Temporary Suspension of Obligation to Quote

1. Upon the occurrence of any circumstances that may:
 - a) affect the creation or development of prices achieved at the Exchange;
 - b) impair the proper conclusion and/or settlement of trades;
 - c) otherwise impair the interests of trading participants;the General Secretary of the Exchange may decide on the temporary suspension of the obligation to quote.
2. The decision regarding the temporary suspension of the obligation to quote may apply to all or selected products.
3. The obligation to quote may be temporarily suspended after the end or during the course of an Exchange Day, and shall not be effective earlier than upon the issuing of the decision regarding temporary suspension, unless stipulated otherwise.
4. The Exchange shall announce the decision regarding the temporary suspension of the obligation to quote without any unreasonable delay to all trading participants, via the Exchange communication system or in another appropriate fashion.

Article 46

Suspension of Trading

1. The General Secretary may decide to suspend trading upon the occurrence of any circumstances that may:
 - a) affect the creation or development of prices achieved at the Exchange;
 - b) impair the proper conclusion and/or settlement of trades;
 - c) damage the prestige or interests of the Exchange;
 - d) lead to a breach of the Act, Exchange Rules, Statutes or the clearing system regulations;
 - e) otherwise impair the interests of trading participants.
2. These circumstances also include strikes, civil unrest, a state of war, natural disasters or other circumstances of force majeure, as well as other technical reasons or other events that may threaten, complicate or disable trading or the settlement of trades.
3. The technical reasons shall in particular include, but not be limited to:
 - a) problems on the side of the Exchange, especially problems involving the Trading System;
 - b) problems on the side of the entity providing the settlement of trades;
 - c) technical problems on the side of trading participants, especially problems regarding the connection to the trading system, in which entities authorized to conclude exchange trades are unable to take action in connection with trading;
4. The suspension of trading may apply to all or selected products.
5. Trading may be suspended after the end or during the course of an Exchange Day. The suspension of trading will not occur before a decision regarding the suspension is issued, unless such a decision stipulates a later suspension date.
6. The General Secretary shall be entitled to issue a decision regarding the suspension of trading.

7. The Exchange shall announce the decision regarding the suspension of trading without any unreasonable delay to all trading participants, via the Exchange communication system or in another appropriate fashion.

Article 47

Suspension of Trading in an Emergency Situation Requiring Immediate Evacuation

1. If an emergency situation occurs requiring immediate evacuation of staff and if it is not possible to reasonably wait for a decision by the General Secretary, the authorized employee shall be obliged to close down the production server in a standard manner, on the condition that there is no risk to life or health, to maintain the synchronization of the Exchange production and backup system data. For the purposes of such a suspension, emergency situations shall include, but not be limited to, natural disasters, fire, acts of terror involving bombs, etc.
2. For the closing of the production server, the authorized employee has an active option within the control user menu, to be used in cases described in paragraph 1.
3. By choosing the production server shutdown, subsystems will be closed, the production and backup system will be stabilized and data synchronization will be maintained. Following the entering of the production server shutdown command, the trading and clearing system will not be available to trading participants.
4. The trading may also be suspended according to paragraph 1 to 3 if an “emergency situation” is declared in accordance with the provisions of the applicable law⁵ or where the activities of the central counterparty may be affected.

Article 48

Temporary Change in Trading Hours

1. In justifiable cases, the General Secretary is entitled to make temporary changes in the Trading Hours.
2. The decision according to paragraph 1 shall be announced by the Exchange sufficiently in advance and without any unreasonable delay to the trading participants directly affected by the decision, via the Exchange communication system or otherwise as applicable.

SECTION IX SETTLEMENT OF TRADES

Article 49

Settlement of Trades and Clearing of Tax

1. Centrální depozitář (Central Depository) carries out the settlement of exchange trades, including the clearing of applicable taxes. Changes in the entity conducting the settlement of trades concluded in the Exchange will be announced in the Bulletin.
2. As regards products with physical delivery, value added tax or any other applicable indirect tax is added to the final settlement price (“standard clearing of indirect taxes”). The conversion of indirect taxes from a foreign currency to Czech crowns for clearing purposes is performed using the exchange rate stipulated by the Central Counterparty. Trading participants will be informed about the method used for determining the exchange rate.
3. The standard clearing of indirect taxes will be carried out unless the trading participant provides the Central Counterparty, via the Exchange, with documents authorizing the Central Counterparty

⁵ Act 458/2000 Coll., on Business Conditions and Public Administration in the Energy Sectors (Energy Act)

to proceed otherwise (“non-standard clearing of indirect taxes”) or unless other conditions stipulated in paragraph 3 of this Article are fulfilled.

4. Trading participants who are interested in non-standard clearing of indirect taxes shall, prior to a change from the regime of the standard clearing of indirect taxes to the regime of non-standard clearing, provide the Central Counterparty with documents via the Exchange, proving the entitlement to the non-standard clearing of indirect taxes, and the security of the potential obligation to settle any charged indirect taxes to a party to proceedings in accordance with paragraph 5 of this Article. A specific form of the security and the amount thereof must be acceptable for the Central Counterparty and may be specified in the Participation Agreement or a supplement thereto.
5. If an indirect tax authority issues a decision (whether effective or otherwise) as a consequence of which the Central Counterparty has applied and/or applies indirect taxes (i.e. especially value added tax and/or electricity tax) from the final trade price incorrectly, as regards some of the parties to the proceedings, the Central Counterparty shall subsequently charge these indirect taxes to the trading participants concerned (including the cost of financing, if any) and the trading participants are obliged to immediately settle the amount concerned. If the final effective decision issued by the tax authority, or a court, is in conflict with the non-effective decision, pursuant to which the Central Counterparty has charged the trading participant indirect taxes, the Central Counterparty shall return the indirect taxes charged to the trading participant.
6. The Exchange Chamber is authorized to change the maturity periods of the amounts corresponding to indirect taxes⁶ and the applicable legal fees.
7. The settlement of exchange trades, including the applicable taxes, is regulated by the Settlement Rules and the legal regulations valid as of the trade settlement date.

Article 50

Registration of Concluded Trades with TSO

1. The Exchange or the Central Counterparty and trading participants (or the clearing participant authorized with TSO) shall register concluded trades with TSO according to the registration rules specified by the respective TSO. Such registrations are conducted in a regime selected by the Exchange and the Central Counterparty under the rules specified by the respective TSO, and on the basis of information provided by the Central Depository with respect to individual positions and trades of the trading participants in the supply period under the Settlement Rules.
2. As regards the trading of Products with physical delivery in the Czech Republic (with the exception of trades on the Common Day-Ahead Market of OTE and PXE), the registration of such trades concluded between the trading participant and the Central Counterparty is carried out with OTE (so-called registration by implementation), provided that the registration is carried out by the Exchange for both parties to the trade.
3. As regards the trading of Products with physical delivery in Slovakia:
 - a) the registration of such trades concluded between the trading participant and the Central Counterparty (i.e. the registration of daily diagrams) is carried out with SEPS, provided that the registration is carried out by each party to the agreement separately;
 - b) the trading participant undertakes herein to ensure the registration of the daily diagram with SEPS in a timely manner and in accordance with the Operating Rules.
4. As regards the trading of Products with the physical delivery in Hungary:
 - a) the registration of trades concluded between the trading participant and the Central Counterparty is carried out with MAVIR, provided that the registration is carried out by each party to the agreement separately;

⁶ Settlement Rules

- b) the trading participant undertakes herein to ensure the registration of trades with MAVIR in a timely manner and in accordance with the requirements set by MAVIR. Trades are registered directly by the trading participant and/or - where the trading participant is included in a balance circle of another trader in MAVIR (hereinafter the “balance circle owner”), the trades are registered by the trading participant via the balance circle owner.
5. The Exchange shall inform the Central Depository of the acceptance or rejection of the registration with TSO.
 6. If the registration is rejected, the Central Depository may initiate a substitute trade pursuant to the present Rules.
 7. If the registration with TSO is not successful due to the failure or negligence of the trading participant (or the authorized clearing participant), the unsuccessful trading participant shall bear all costs resulting from the non-registration of its position. This in particular includes costs related to the conclusion of the relevant substitute trade or costs arising in the case of a failure to execute the substitute trade and losses from the settlement of deviations incurred by the Central Counterparty due to non-registration with TSO.
 8. Should a difference be reported by SEPS or MAVIR following the matching of daily diagrams (schedules) sent by the trading participant and the Central Counterparty, the trading participant undertakes herein to make maximum effort, together with the Central Counterparty, to ensure an immediate correction of the identified difference, not later than upon the expiry of the deadline stipulated by SEPS or MAVIR for the correction of the daily diagram (hereinafter the “Deadline”). Unless the parties involved fail to reach an agreement regarding the correction of the difference, the trading participant shall be obliged to ensure the correction of the daily diagram sent for registration not later than by the Deadline, so that it complies with the data of the corresponding daily diagram sent for registration by the Central Counterparty. Should the trading participant fail to comply with the correction obligation, the trading participant shall indemnify the Central Counterparty for all damage arising from the non-registration of the daily diagram with SEPS or MAVIR, especially damage arising from the subsequent clearing of deviations by SEPS or MAVIR, within 10 days following the receipt of a written request from the Central Counterparty. The trading participant shall ensure that the damage can be completed in the form of a direct debit from the Clearing Participant’s account kept in EUR with the clearing bank.
 9. If it turns out after the daily diagram registration is corrected in accordance with the previous paragraph of the present Rules that the daily diagram concerned is incorrect even following the completed correction, the Central Counterparty shall compensate the trading participant for damage arising from the registration of the incorrect diagram, as a consequence of the subsequent clearing of deviations.

Article 51 **Substitute Trade**

1. Substitute trades are carried out if the registration of implementation or a daily diagram in TSO is refused, or if the trading participants’ positions are closed.
2. Substitute trades are secured by the Exchange on the basis of instructions given by the Central Depository.
3. The Exchange does not implement substitute trades with respect to hourly products.
4. Substitute trades are implemented in accordance with the relevant provisions of the Settlement Rules.

SECTION X TRANSITIONAL AND FINAL PROVISIONS

Article 52

Responsibilities and Warranties of the Exchange

1. The Exchange is not liable for damage, if any, incurred by trading participants or third parties as a consequence of a breach of the present Regulation by another trading participant.
2. The Exchange shall allow trading participants to conclude trades and use Relevant Services under the terms and conditions of the Participation Rules, in accordance with the provisions of the Exchange Rules and Regulations.
3. The Exchange shall notify trading participants to the extent and in the manner specified in the Exchange Rules of the result of execution of every order submitted by the trading participants concerned.
4. The Exchange is responsible for the accuracy and timely execution of orders submitted by trading participants to the extent set forth in the Exchange Rules.

Article 53

Resolution of Disputes

Mutual disputes among trading participants and disputes with the Exchange relating to the conclusion of exchange trades shall be resolved by the courts of general jurisdiction.

Article 54

Changes to Trading Rules

1. Amendments to the Trading Rules are proposed by the Exchange Chamber and approved by the General Meeting of the Exchange.
2. The Trading Rules shall become effective as of the date set by the General Meeting.
3. The current wording of the Trading Rules is also published on the Exchange website.

Article 55

Effectiveness of Trading Rules

The present Rules were approved by the General Meeting of the Exchange on 15 September 2011 and come into effect on 1 October 2011.