
Agreement on Participation in the Settlement System Regarding Trades Concluded on the Prague Energy Exchange

Parties

UNIVYC, a.s.

Registered office: Rybná 14, 110 05 Prague 1

ID No.: 25081489

VAT No.: CZ 25081489

Represented by Ing. Helena Čacká, Vice-President of Board of Directors

Entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 4308

(hereinafter “Univyc”), of the one part

and

Bank

Registered office

ID No.

VAT No.

Represented by

Entered in the Commercial Register maintained by the Municipal/Regional Court in, Section, Insert

(hereinafter the “Clearing Participant”), of the other part

hereby enter into, on the day, month and year set forth below, pursuant to Section 269 (2) of Commercial Code No. 513/1991 Sb., as amended (hereinafter the “Commercial Code”) and the provisions of Article 2.1.1 of the Rules of Settlement of Trades Concluded on the Prague Energy Exchange (hereinafter the “Settlement Rules”), the following Agreement for Participation in the Settlement System Regarding Trades Concluded on the Prague Energy Exchange (hereinafter the “Agreement”).

I.

Subject of Agreement

- (1) This Agreement sets forth the terms and conditions for the establishment of the Clearing Participant’s participation in the Univyc clearing system, and defines and regulates the rights and responsibilities of the Parties arising from their participation in the Univyc clearing system, unless such rights and responsibilities are regulated in the generally binding legal regulations or the Settlement Rules.

II.

Basic Principles of the Parties’ Cooperation

- (1) In order to fulfil the subject matter of the present Agreement, the Parties undertake:
 - a) to comply with the principles of a professional approach to organizational and control procedures towards fulfilling the subject matter of the Agreement,
 - b) to fulfil the subject matter of this Agreement so as not to impair the principle of fair, integral and transparent market organized by the Prague Energy Exchange (hereinafter the “Exchange”),
 - c) to make a maximum effort towards protecting the Parties’ creditworthiness, and make

maximum effort towards promoting and maintaining the goodwill of all entities involved on the market organized by the Exchange,

- d) to exchange information with the other Party about all circumstances and risks that may cause detriment to either of the Parties, non-clearing participants or the Exchange.
- (2) The Parties undertake to comply with these basic principles of the Parties' cooperation during the entire period of the present Agreement.

III.

Establishment of Participation in the Univyc Settlement System

- (1) Participation in the Univyc settlement system shall be established on the effective date of this Agreement.
- (2) The present Agreement is entered into for an unlimited period of time.

IV.

Definition of Parties' Positions

- (1) The Clearing Participant is a bank with its seat in an EU Member State or a branch of a foreign bank with its seat outside the EU, within the meaning of the provisions of Act 21/1992 Coll., on Banks, as amended. The Clearing Participant assumes full responsibility for the unconditional fulfillment of obligations resulting from the clearing of Exchange Trades concluded by a non-clearing participant, including the settlement of the trading and settlement fees, with whom the Clearing Participant enters into an Agreement on the Settlement of Exchange Trades.
- (2) Univyc is an operator, appointed by the Exchange, of the settlement system of trades concluded on the Energy Exchange pursuant to the Settlement Rules (hereinafter the "Settlement System").

V.

Definition of the Position of other Entities involved in the Settlement of Trades Concluded on the Prague Energy Exchange

- (1) Non-clearing participants are trading participants who have signed an Agreement Establishing the Authorization to Trade on the Exchange. The rights and responsibilities of non-clearing participants are regulated in the Trading Rules of the Prague Energy Exchange and the Settlement Rules.
- (2) EUR Settlement Bank means the bank providing Univyc with the settlement of payments in EUR. The EUR Settlement Bank operates the Univyc and clearing participants' EUR accounts for the purpose of the settlement of the amounts due under exchange trades. As of the date on which this Agreement is signed, Komerční banka, a.s. is the EUR Clearing Bank.
- (3) The Clearing Fund means the joint resources of individual Clearing Participants, serving as security for liabilities and covering risks ensuing from the settlement of exchange trades.

VI.

Rights and Responsibilities of the Clearing Participant

- (1) The Clearing Participant is hereby authorized to make use of the clearing system services, on the basis of this Agreement and subject to the terms set forth herein.
- (2) By signing this Agreement, the Clearing Participant expressly undertakes to comply with all obligations set forth by the Settlement Rules.
- (3) The Clearing Participant shall establish a line of communication with Univyc under the terms and in accordance with the parameters stated in the relevant regulation of the Exchange.
- (4) The Clearing Participant shall open a EUR account with the EUR Settlement Bank, and allow the appointed Univyc staff to debit payments from that account in the form of direct banking services rendered by the EURO Settlement Bank to Univyc on the basis of an agreement.

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- (5) The Clearing Participant shall notify Univyc in writing, without undue delay, of all facts relating to the Clearing Participant's legal status which may affect the performance of the Clearing Participant's activities, including, but not limited to:
 - a) any material changes in the Clearing Participant's financial situation which could result in a failure to fulfil the Clearing Participant's financial obligations,
 - b) commencement of proceedings towards the withdrawal of a banking licence, or other facts that may lead to the cancellation of the authorization to render banking services in the Czech Republic,
 - c) initiation of bankruptcy or composition proceedings, appointment of a receiver or winding-up of the Clearing Participant,
 - d) adjudication of bankruptcy of the Clearing Participant, permission of composition or rejection of a petition for bankruptcy of the Clearing Participant due to insufficient assets.
 - (6) By signing the present Agreement, the Clearing Participant expressly accepts all measures that may be imposed on the Clearing Participant as results of the Clearing Participant's failure to comply with the Settlement Rules.
 - (7) The Clearing Participant shall provide Univyc with a list of its employees responsible for communication with Univyc, together with an specimen of their signature.
 - (8) The Clearing Participant is obliged to provide Univyc, upon Univyc's request, with all information relating to the Clearing Participant's participation in the Settlement System, during the entire effective period of this Agreement.

VII. Clearing Fund

- (1) By signing this Agreement, the Clearing Participant becomes a participant in the Clearing Fund and undertakes to comply with all obligations arising for the Clearing Participant from such participation in the Clearing Fund.
- (2) Clearing Fund participants shall provide contributions to the Clearing Fund, not later than on the day preceding the day when such participants begin rendering Clearing Participant's services to any non-clearing participants, on the basis of the respective Settlement Agreement. The amount of the contribution, its form and terms of settlement are provided in the Settlement Rules.
- (3) By signing the present Agreement, Clearing Fund participants agree with the use of their contributions entered in the Clearing Fund for the purposes specified in the Settlement Rules.
- (4) During the effective period of this Agreement, Clearing Fund participants shall abstain from any action that may render it complicated or impossible to make use of the Clearing Fund resources for the purposes set in the Settlement Rules.
- (5) By signing the present Agreement, Clearing Fund participants agree with the fact that Univyc will carry out administration of the Clearing Fund resources in accordance with the Settlement Rules.

VIII. Rights and Responsibilities of Univyc

- (1) Univyc is obliged to enable the Clearing Participant to make use of the Settlement System services.
- (2) To an extent and in a manner stipulated in the Settlement Rules, Univyc shall inform the Clearing Participant of all facts and circumstances relating to the settlement of trades.
- (3) Univyc undertakes to inform the Clearing Participant of the agreed terms and conditions under which an agreement for the operation of an EUR checking account shall be entered into between the EUR Settlement Bank and the Clearing Participant. In addition, Univyc shall inform the

Clearing Participant of all the numbers of accounts on which margin deposits and Clearing Fund resources are kept.

- (4) Univyc undertakes to inform the Clearing Participant about the agreed terms and conditions under which the EUR Settlement Bank will keep the margin account and the Clearing Fund account.
- (5) Univyc undertakes to inform the Clearing Participant of all facts affecting the Clearing Participant's agreement for the operation of an EUR checking account by the EUR Settlement Bank.
- (6) Univyc is responsible for the accuracy and timely completion of the trade settlement.
- (7) Pursuant to a motion submitted by the Clearing Participant to Univyc, Univyc shall at all times and immediately instruct the Energy Exchange, in accordance with the Settlement Rules, to suspend trading or close the positions of the non-clearing participant with which the Clearing Participant has entered into a Settlement Agreement.
- (8) Upon the exceeding of the respective limit of the margin requirement which the Clearing Participant is authorized to set in accordance with the Settlement Rules for the trade participant with which the Clearing Participant has entered into a Settlement Agreement, Univyc shall ensure that the Exchange immediately suspends placing orders of such a trade participant as soon as the limit is exceeded, or that the unpaired orders of the respective trade participant are excluded from the trading system along with the suspension of trading, depending on the Clearing Participant's choice specified in the written notification of the amount of the limit according to the Settlement Rules. Univyc shall be obliged to ensure that the unpaired orders are cancelled within 5 seconds of the moment the margin requirement limit is exceeded.
- (9) Univyc shall publish data obtained according to the provisions of Article VI (5) of this Agreement on Univyc's website at www.univyc.cz.

IX.

Responsibility

- (1) The Clearing Participant shall be liable for the Clearing Participant's obligations arising in connection with this Agreement and related activities or as a result of the breach of duties arising hereunder.
- (2) Univyc shall be liable for the fulfillment of its obligations arising in connection with the performance of Univyc's activities carried out under this Agreement or as a result of the breach of duties arising from this Agreement.
- (3) This shall be without prejudice to the Parties' liability for damage caused to third parties.

X.

Price and Payment Terms

- (1) Univyc shall render the settlement system services for consideration and the Clearing Participant shall pay Univyc such a consideration for using the settlement system services determined on the basis of the Fee Rules and the Tariff of Univyc Fees forming part of the Settlement Rules.

XI.

Other Covenants

- (1) Any information, notices or communication to be delivered according to this Agreement by one Party to the other Party shall be deemed duly delivered at the moment of the delivery thereof in person to the other Party or upon the expiry of a period of 2 business days after the date of sending by registered mail or fax to the addresses provided in the heading of this Agreement or notified by the other Party. This provision shall not apply to electronic communication between the parties according to the Settlement Rules.

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- (2) Submission and settlement of complaints shall be governed by the provisions of the Complaints Rules forming part of the Settlement Rules.

XII.
Common and Closing Provisions

- (1) This Agreement may be terminated by either Party with a six-month notice period commencing on the first day of the calendar month following the month during which the relevant written termination notice is delivered to the other Party.
- (2) This Agreement shall cease to be effective on the basis of a decision by the Univyc Board of Directors regarding the termination of the Clearing Participant's participation in the settlement system, in accordance with the Settlement Rules.
- (3) This Agreement shall also be terminated in the event that either of the Parties loses its qualifications to become a Party hereto under the applicable law.
- (4) Furthermore, this Agreement may be terminated by mutual agreement between the Parties; however, such an agreement shall set the settlement date of the Parties' mutual obligations.
- (5) This Agreement shall be governed by, and interpreted in accordance with, the laws of the Czech Republic.
- (6) Should any provision hereof be in conflict with the mandatory provisions of the applicable law, the provisions of the law shall prevail.
- (7) This Agreement shall also cease to be effective upon the cancellation of the Clearing Participant's participation in the settlement system, in accordance with the Settlement Rules.
- (8) No rights or responsibilities arising under this Agreement may be transferred or assigned to third parties, or ceded on a legal successor, unless a separate agreement between Univyc and the Clearing Participant stipulates otherwise.
- (9) This Agreement may be amended solely as agreed between the Parties in the form of written amendments.
- (10) This Agreement is drawn up in two original copies, one for each of the Parties.
- (11) This Agreement shall come into force and effect upon the signing hereof by the last of the Parties.

....., on

Prague, on

For the Clearing Participant:

UNIVYC, a.s.:

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By:
Title:

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Helena Čacká
Vice-President of Board of Directors