

EXCHANGE REGULATIONS

PARTICIPATION RULES

TABLE OF CONTENTS:

HLAVA I GENERAL PROVISIONS

Článek 1 Subject of the Regulation

Článek 2 Definition of Terms

HLAVA II PERSONS AUTHORIZED TO TRADE ON THE EXCHANGE

Článek 3 Persons Authorized to Trade on the Exchange

Článek 4 Participation Agreement

Článek 5 Registration of a Trading Participant

Článek 6 Establishing Authorization to Trade on the Common Day-Ahead Market of OTE and the Exchange

Článek 7 General Duties of a Trading Participant

Článek 8 Additional Rights and Duties of a Trading Participant

Článek 9 Rights and Duties of a Trading Participant with Regard to Settling Trades

Článek 10 Transparency

Článek 11 Measures Taken in the Case of a Trading Participant's Failure to Fulfil Its Duties

Článek 12 Expulsion from Exchange Trading

HLAVA III CONTRACTUAL PROVISIONS

Článek 13 Associated Services

Článek 14 Price Terms for Provision of Services, Invoicing and Place of Performance

Článek 15 Liability for Damage

Článek 16 Other Covenants

Článek 17 Terminating the Participation Agreement

HLAVA IV TEMPORARY AND FINAL PROVISIONS

Článek 18	Liability
Článek 19	Disputes Resolution
Článek 20	Amendments to the Exchange Rules and Exchange Regulations
Článek 21	Effectiveness of the Participation Rules

PARTICIPATION RULES

HLAVA I GENERAL PROVISIONS

Článek 1 Subject of the Regulation

1. POWER EXCHANGE CENTRAL EUROPE, a.s., having its registered office at Rybná 682/14, 110 05 Prague 1, ID No.: 278 65 444, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 15632, is a commodity exchange pursuant to the applicable provisions of Act No. 229/1992 Coll. on Commodity Exchanges, as subsequently amended.
2. These Participation Rules regulate the terms and conditions for establishing authorization of persons to trade on the Exchange, the rights and duties of such persons, and the other particulars relating to the existence of the authorization of persons to conclude trades in the system of Power Exchange Central Europe, a.s. This regulation does not apply to the market of PXE for end customers.

Článek 2 Definition of Terms

1. **Trading System** – electronic trading system that is used for the concluding of trades on 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 the Exchange enables the conclusion of Exchange Trades within the given system.
2. **Exchange** – Power Exchange Central Europe, a.s.
3. **Exchange Information** – any information relating to trades closed on the Exchange and information relating to the Exchange's activities the original source or disseminator of which is the Exchange.
4. **Exchange Trade** – purchase and sale of a Product by persons authorized to trade on the Exchange within the Exchange Floor.
5. **Exchange Rules** – Trading Rules and, as the case may be, other rules approved by the respective body of the Exchange relating to trading on the Exchange.
6. **Exchange Regulations** – detailed rules issued by the Exchange Chamber for individual areas of its operation and valid for concluding of trades on the Exchange, e.g. the Participation Rules, Exchange Regulation – Communication Connection, Standardization of Commodity Contracts.
7. **Exchange Rules and Regulations** – Exchange Rules, Exchange Regulations, and Statutes.
8. **Exchange Floor** – an assembly of persons authorized to trade on the Exchange and other persons specified in the Exchange Statute who have been awarded admission tickets or who have other right of entry to the Exchange Floor. The Exchange Floor takes place by connecting to the electronic trading system.
9. **Central Counterparty** – a member of the Exchange who is the proper counterparty to all Exchange Trades. That is to say:

- a) for registered hourly products concluded on the Common Day-Ahead Market of the OTE and the Exchange, Energy Clearing Counterparty, a.s., having its registered office at Prague 1, Rybná 14/682, Postcode 110 05, ID No.: 28441681.
10. **ECC** - European Commodity Clearing AG, registered at Augustusplatz 9, 04109 Leipzig, Germany.
11. **EEX** - European Energy Exchange AG, seated at Augustusplatz 9, 04109 Leipzig, Germany, that is the majority owner of the Exchange.
12. **OTE Business Terms** – Business Terms of OTE, a.s.
13. **OTE** – company OTE, a.s., which performs activities of the market operator in compliance with the Energy Act No. 458/2000 Coll.
14. **Products** – commodities that are the subject of an Exchange Trade on the Exchange.
15. **Participation Agreement** – an Agreement Establishing Authorization to Trade on the Exchange concluded between the Exchange and a Trading Participant.
16. **Contracting Party** – a party to the Participation Agreement, i.e. the Trading Participant or the Exchange.
17. **Common Day-Ahead Market of OTE and the Exchange** – a market organized by OTE in accordance with Energy Regulatory Office Decree No. 541/2005 Coll. as the so-called “Day-Ahead Market” to which the Exchange was guaranteed access based upon an agreement between OTE and the Exchange. Trading in electricity on this Common Day-Ahead Market of OTE and the Exchange is carried out by means of the Exchange’s Trading System and is governed by the rules set out in the Trading Rules and OTE Business Terms.
18. **Statutes** – Statutes of the Exchange.
19. **Market** – is defined by the subject of exchange trading, according to the applicability thereof for registration of deliveries within the system.
20. **Entity Responsible for Settlement of Imbalances** – subject evaluating and calculating deviations between the real and agreed supply and consumption of electricity or gas in the given time frame and place of delivery; subject being the official platform for providing the delivery diagrams and nominations, i.e. OTE for the Czech Republic.
21. **Trading Participant** – a person authorized to trade on a Market of the Exchange.
22. **Admission Ticket to the Exchange Floor** – a certificate evidencing the authorization of a Trading Participant or another licensed person to participate in the Exchange Floor.

HLAVA II

PERSONS AUTHORIZED TO TRADE ON THE EXCHANGE

Článek 3

Persons Authorized to Trade on the Exchange

A person authorized to trade on the Exchange shall be a person who meets the conditions of participation in trading on a Market of the Exchange in accordance with legal regulations, the Exchange Rules, and the Exchange Regulations.

Článek 4

Participation Agreement

1. Participation in trading on the Exchange is conditioned upon concluding a Participation Agreement. The Participation Agreement must be in writing and must be executed in accordance with generally binding legal regulations and the Exchange Rules.

2. A person or entity applying for the execution of a Participation Agreement (hereinafter the “**applicant**”) shall always present to the Exchange, in addition to a completed application, the following annexes:
 - a) an extract from the Commercial Register containing the applicant’s current data as well as copies of petitions to make or change the entry in the Commercial Register that have not been registered in the Commercial Register as of the filing date of the application; the extract from the Commercial Register shall not be older than three months before submission of the application;
 - b) other documents required by the Exchange, the submission of which it may deem necessary in order to participate on the Exchange.
3. An applicant requesting to participate in trading on the Common Day-Ahead Market of OTE and the Exchange also shall present to the Exchange, in addition to a completed application and the aforementioned annexes, the following annexes:
 - a) a licence issued by the relevant regulator authorizing the applicant to become a Trading Participant within the respective market, relating to the subject of the Exchange Trade; not applicable on subjects whose authorization to trade to the subject of the Exchange Trade accrues directly from the laws and obtaining the is not necessary,
 - b) a power of attorney in accordance with Article 8(10) herein,
 - c) the Declaration for the purposes of trading on the Common Day-Ahead Market of OTE and the Exchange according to the template as prescribed by the Exchange.
4. If the legal nature of the applicant does not permit submitting some of the annexes specified in the previous paragraph, the applicant shall notify the Exchange thereof, at the latest when submitting the completed application for the Participation Agreement.
5. If the applicant is a legal entity established abroad, the extract from the Commercial Register means a public document evidencing at least the existence of such legal entity and the data concerning its registration, legal form and name. If such document does not include data regarding the address of the seat, statutory bodies or manner of acting of such foreign legal entity, such information must be otherwise conclusively evidenced. In the event that the statutory body of the foreign entity is another legal entity, it is also necessary to submit an extract from the Commercial Register or another similar public document relating to the legal entity that serves as the statutory body.
6. The applicant shall submit the annexes to the application either in original or in an officially authenticated copy, unless the Exchange agrees to the submission of the annexes in a different form. A document submitted in other than the Czech, Slovak, English or German language shall be accompanied by an official translation into the Czech language, unless the Trading Participant and the Exchange agree otherwise for the specific case.
7. The Exchange may request from the applicant such additional information and documents as it may deem necessary in order to conclude a Participation Agreement.
8. If the applicant fulfils all requirements as specified by law, other generally accepted legal regulations and the Exchange Rules and Regulations and submits all annexes necessary to execute the Participation Agreement, the Exchange can conclude the Participation Agreement with the applicant without undue delay, unless the Exchange provides grounds that such contract could jeopardize the interests of the Exchange or its participants or the credibility of trading on the Exchange. This paragraph shall also apply if the Exchange waives submission of any of the documents.
9. If the applicant fails to fulfil all requirements as specified by law, other generally accepted legal regulations and the Exchange Rules and Regulations or does not submit all annexes necessary to execute the Participation Agreement, the Exchange may refuse to conclude a Participation Agreement with the applicant. The Exchange shall notify the applicant thereof without undue delay, stating the reasons for such refusal.

10. By signing the Participation Agreement, the Trading Participant expressly undertakes to comply with and to perform any measures, including an obligation to pay monetary penalties, arising for the Trading Participant for reasons of a failure to comply with the Statutes and the Exchange Rules and Regulations.
11. By signing the Participation Agreement, the Trading Participant acknowledges that its participation at the Energy Exchange is subject to state supervision by the respective state authority. The Trading Participant shall provide such cooperation as may be necessary for the performance of state supervision.

Článek 5

Registration of a Trading Participant

1. The Exchange shall allocate to the Trading Participant a registration number, which the Trading Participant shall state in the case of every use of services provided by the Exchange.

Článek 6

Establishing Authorization to Trade on the Common Day-Ahead Market of OTE and the Exchange

1. The applicant's authorization to trade in the registered hourly spot products on the Common Day-Ahead Market of OTE and the Exchange and to use the Associated Services arises upon issuance of the Admission Ticket to the Exchange Floor by the Exchange. Issuance of this Admission Ticket to the Exchange Floor is conditioned upon the following:
 - a) The conclusion of the Participation Agreement and presenting the documents in accordance with Article 4 of the Exchange Regulations;
 - b) ECC membership in the form of a clearing member or a non-clearing member as defined in the relevant regulations issued by ECC;
 - c) Registration of the Trading Participant in ECC as a trading participant at the Exchange in the scope corresponding to the Admission Ticket to the Exchange Floor;
 - d) the Trading Participant is a trading participant on the exchange of EEX with the authorization to trade standardized futures contracts for electricity with physical supply in the Czech Republic (Czech electricity) or standardized futures contracts with financial settlement with Czech electricity as an underlying asset;
 - e) the Trading Participant has concluded an Agreement on Settlement of Imbalances and an Agreement on Access to the Relevant Organized Short-term Market with OTE and has fulfilled the other conditions for conclusion and settlement of trades on the Common Day-Ahead Market of OTE and the Exchange in accordance with the OTE Business Terms
 - f) upon signing the Participation Agreement the Trading Participant submitted to the Exchange a Declaration for the purposes of trading on the Common Day-Ahead Market of OTE and the Exchange in the form as prescribed by the Exchange. This declaration serves for the purposes of OTE, and the Trading Participant acknowledges that submitting this declaration to OTE constitutes one of the conditions for the origination of its right to trade on the Common Day-Ahead Market of OTE and the Exchange; and
 - g) The compliance with other conditions for the participation in the Exchange trading as specified by law and the Exchange Rules and Regulations (namely in Article 7 of these Rules).
2. Unless stipulated otherwise, the Admission Ticket to the Exchange Floor is valid for an indefinite period of time, though no longer than the effective period of the Participation Agreement. The Admission Ticket also becomes invalid upon expulsion of the Trading Participant from exchange trading.
3. The authorization to trade includes the right to submit orders to buy or sell.

4. The conditions for the Trading Participant's specific trading are defined in the Exchange Rules and Regulations.

Článek 7

General Duties of a Trading Participant

1. A Trading Participant shall hold any and all licences and permits that are necessary for him to conclude trades with Products that have been traded at the Exchange by the Trading Participant, in accordance with the relevant legal regulations.
2. A person or entity may not become a Trading Participant if such a person or entity is in liquidation or if such a person or entity's assets have been subject to any of the following during the past 5 years:
 - a) declaration of a bankruptcy order or a permission of composition or a decision to dismiss a petition for bankruptcy due to insufficient assets according to Act 328/1991 Coll., on Bankruptcy and Composition;
 - b) a court's decision regarding the person or entity's bankruptcy and its solution through a bankruptcy (*konkurs*) or discharge of debts (*oddlužení*), or a court's decision regarding the refusal of an insolvency petition owing to insufficient assets or cancellation of bankruptcy proceedings due to wholly insufficient assets according to Act 182/2006 Coll., on Bankruptcy and Methods of its Resolution; or
 - c) issuance of a similar decision in accordance with a foreign legal regulation.
3. A person or entity who does not have or has lost its authorization for its activities on the basis of which it is authorized to trade on the Exchange shall not be a Trading Participant.
4. A Trading Participant is obliged to arrange with ECC for cash settlement of trades in registered hourly products concluded on the Common Day-Ahead Market of OTE and the Exchange.
5. A Trading Participant shall establish a communication connection with the Exchange under the terms and conditions of, and with parameters stipulated in, the Exchange Regulations¹. This shall not apply, however, if the communication connection had already been established on the basis of a previously signed agreement with the Exchange or if the establishment of such communication connection is not necessary under the given circumstances.
6. A Trading Participant shall be required to meet all technical prerequisites set forth in a special regulation of the Exchange¹.
7. A Trading Participant shall be required to comply with all regulations applying to Exchange Trades.
8. A Trading Participant shall be required to fulfil all obligations arising from Exchange Trades in accordance with the Exchange Rules.
9. If stipulated by law or required by the Exchange, a Trading Participant shall be required to appoint one or more natural persons (individuals) as its agents and who will conclude Exchange Trades in its name. An agent may only be a person who has not been sentenced for a crime against property or *any* other intentional criminal offence². If stipulated by law or required by the Exchange, a power of attorney must be granted in writing and the grantor's signature must be officially authenticated.
10. A Trading Participant is obliged without undue delay to notify the Exchange in writing of all circumstances that could affect exercise of the Trading Participant's rights and fulfilment of the Trading Participant's responsibilities under the Participation Agreement, including, but not limited to:

¹ **Exchange Regulation – Communication Connection of PXE Participants**

² Section 40(3) of Act No. 229/1992 Coll., on Commodity Exchanges

Participation Rules

- a) all changes in data entered in the Commercial Register and other material organizational changes,
 - b) all changes in circumstances on the basis of which the Trading Participant obtained permission from the respective body authorizing the Trading Participant to trade on the Exchange,
 - c) all circumstances that could result in failure to fulfil the Trading Participant's financial obligations under the Participation Agreement,
 - d) the commencement of proceedings relating to withdrawal of a licence to carry out the Trading Participant's activities,
 - e) the commencement of insolvency proceedings against the Trading Participant, or the appointment of a receiver or winding-up of the Trading Participant,
 - f) all changes on the side of the Trading Participant that affect the settling of trades,
 - g) any lawsuit (including those within an arbitration proceeding) or another action undertaken against the Trading Participant that could result in threatening its position as a Trading Participant or in harming the Trading Participant's good name,
 - h) all circumstances that threaten or may threaten trading on the Exchange or settling the Exchange Trades.
11. A Trading Participant shall specify an address for correspondence purposes. The Trading Participant shall ensure the acceptance of correspondence through the entire duration of the Participation Agreement.
12. A Trading Participant shall be required to meet the conditions, or obligations, described in the preceding paragraphs of this Article during the entire effective period of the Participation Agreement.

Článek 8

Additional Rights and Duties of a Trading Participant

1. As part of the Associated Services (see Article 13), the Trading Participant will obtain Exchange Information, which is provided in electronic form allowing further processing. Trading Participants may use the Exchange Information only for their own purposes. Use for own purposes of the Trading Participant shall mean saving, processing, use and keeping (not limited as to time) of any information provided by the Exchange. The use for own purposes of the Trading Participant shall also mean the provision of such information during performance provided to a third party, if such performance relates to the object of the trading participant's activities.
2. A Trading Participant may disseminate Exchange Information only if it has concluded an agreement with the Exchange or with a person authorized by the Exchange on the terms of such dissemination.
3. A Trading Participant shall provide the Exchange and the Central Counterparty with all cooperation required in case a tax control, or any other investigation by state authorities, takes place in relation to trading or settlement of Exchange Trades.
4. Unless stipulated otherwise below, all information that a Trading Participant is required to present to the Exchange in accordance with these Participation Rules is confidential in nature and may be used solely for the purpose of trading on the Exchange; this shall not affect the reporting duty of the Exchange under generally binding legal regulations.
5. The Trading Participant acknowledges and agrees that:
 - a) within trading on a Market of the Exchange, orders to buy or sell and the related data (hereinafter for the purposes of this paragraph collectively referred to as "data") may be entered into a Trading System that is fully or partially operated by a third party or the copyrights to which the third party owns;
 - b) it does not have and shall not have intellectual property rights to the data;

- c) the Exchange may grant to the operator of the Trading System or part thereof or to the owner of copyrights to the Trading System or part thereof authorisation to keep, process or otherwise use the data for the purposes of ensuring proper trading and settlement of trades on a Market of the Exchange or fulfilling the requirements stipulated for those entities by valid legal regulations;
 - d) the Exchange may grant to third parties authorisation to use the data for the purposes of providing informational services or for the purposes of education, training and presentations, unless doing so would violate the principle of concluding trades anonymously. The Exchange may also use the data under these terms and conditions and for these purposes.
6. A Trading Participant shall provide maximum assistance to the Exchange in performing analytical control of trades in accordance with the Exchange Rules.

Článek 9

Rights and Duties of a Trading Participant with Regard to Settling Trades

1. ECC shall provide for the financial settlement of trades with the registered hourly products concluded at the Common Day-Ahead Market of OTE and the Exchange, and such settlement shall comply with the regulations issued by ECC. OTE provides for the physical settlement of these trades through automatic registration. The Exchange Rules and Regulations specify who is the party to these exchange trades at the moment of the conclusion thereof at the Exchange market.

Článek 10

Transparency

1. A Trading Participant shall carry out its activities so as to prevent a breach of transparency of trades concluded on the Exchange. In this respect, a Trading Participant shall, without limitation:
 - a) refrain from any conduct leading to price manipulation in relation to an Exchange Trade (not distort the price of a trade),
 - b) not publish incorrect information about concluded trades,
 - c) not distort information about offers and demand in relation to Products,
 - d) not distort other information relating to trading on the Exchange.

Článek 11

Measures Taken in the Case of a Trading Participant's Failure to Fulfil Its Duties

1. If a Trading Participant breaches its duties set forth by the Participation Agreement or by the Exchange Rules and Regulations, the Exchange may take the following measures with regard to the Trading Participant:
 - a) issue a written reprimand,
 - b) notify all persons authorized to trade on the Exchange of the breach of such Trading Participant's duties,
 - c) disclose such breach of the Exchange Rules by the Trading Participant to both the professional and general public,
 - d) temporarily suspend the authorization to trade,
 - e) permanently expel the Trading Participant from exchange trading.
2. The measures may be imposed within 6 months after the date when the Exchange Chamber learned of the facts decisive for imposition of such measures, but no later than 2 years after the date such breach occurred.

3. The decision on imposing the measures set forth in paragraph 1(a) to (d) above, including the determination of the effective date of such measures, shall be made by the General Secretary. The decision on expulsion from exchange trading may be taken only by the Exchange Chamber.
4. The Exchange may request from the Trading Participant clarification of all circumstances which are relevant to the reason for the imposition of the relevant measure.
5. For the purpose of imposing a measure, the Exchange may require the Trading Participant to submit information, documents or other materials which can contribute to ascertaining the true facts of the case. The Trading Participant is entitled to express its viewpoint regarding all materials and circumstances relevant to the reasons for the imposition of the measure.
6. The decision to impose the relevant measure shall be delivered to the Trading Participant's registered office and shall include the reasoning behind it. Such decision may also include a decision on its publication in the Journal and on the Exchange's website.
7. The General Secretary shall suspend the authorization of a Trading Participant to trade (unless the Trading Participant is excluded from the exchange trade) in the following cases:
 - a) the Trading Participant did not arrange for the cash settlement of trades at the Exchange, or
 - b) the Trading Participant fails to meet other requirements as specified by law, other generally accepted legal regulations or the Exchange Rules and Regulations for the participation in the Exchange trading.

Článek 12

Expulsion from Exchange Trading

1. Grounds for expulsion from exchange trading are in particular the following:
 - a) the Trading Participant fails repeatedly to comply with rules concerning exchange trading,
 - b) the Trading Participant has refused to accede to the Exchange Trade settlement method determined by the Exchange, or
 - c) the Trading Participant fails to fulfil duly and in a timely manner the obligations resulting from Exchange Trades.
2. Furthermore, a Trading Participant shall be expelled from exchange trading if:
 - a) the Trading Participant has entered into liquidation or a bankruptcy order has been adjudicated or composition has been permitted with respect to the Trading Participant, or if a bankruptcy petition has been dismissed due to insufficient assets, and/or if a court decides about the Trading Participant's bankruptcy or refuses an insolvency petition filed against the Trading Participant owing to insufficient assets, or if a similar decision was issued in accordance with a foreign legal regulation,
 - b) the Trading Participant's licence authorizing it to trade on the Exchange has been withdrawn under a special law, or the Trading participant no longer holds the legally binding authorization to trade with a respective Product.
 - c) it has been decided to wind up the Trading Participant and its legal successor does not meet the terms and conditions set forth herein, or
 - d) the Trading Participant has requested its expulsion from exchange trading.
3. Expulsion from exchange trading means termination of the trading authorization under the Participation Agreement as of the date set forth in the relevant decision of the Exchange Chamber. The Participation Agreement remains in effect in all other respects until all obligations of the Trading Participant are fulfilled.
4. Following its expulsion from exchange trading, a Trading Participant shall be obliged to fulfil all its obligations to the Exchange, the Central Counterparty and to other Trading Participants (if any), unless stipulated otherwise in the decision on expulsion from trading.

HLAVA III CONTRACTUAL PROVISIONS

Článek 13 Associated Services

1. The Exchange provides the Trading Participant with the following Associated Services under the terms stipulated in the Exchange Rules and Regulations:
 - a) The provision of trading for transactions relating to the Products in which the Trading Participant is entitled to trade:
 - The provision of concluding transactions via the Trading System;
 - The provision of data on the transactions for the registration in the settlement system and in the cash settlement system operated by ECC.
 - b) facilitating a communication connection for the Trading Participant to the Trading System for the purpose of using the services according to the previous letter.
(further jointly as “**Related Services**”)
2. The Exchange is entitled to provide one or more Associated Services through a third party, although it always shall bear responsibility as if it provided an Associated Service itself.

Článek 14 Price Terms for Provision of Services, Invoicing and Place of Performance

1. Unless stipulated otherwise between the Exchange and the Trading Participant, the Exchange provides its services in relation to the Common Day-Ahead Market of OTE and the Exchange without fee.
2. By entering into a Participation Agreement, the Trading Participant agrees that the Central Counterparty may issue tax documents for deliveries of the commodity in an electronic form, in accordance with valid legal regulations, for the registered hourly products concluded on the Common Day-Ahead Market of OTE and the Exchange (hereinafter the “**Counterparty for the Spot Market**”). This also applies to invoices issued by the Counterparty for the Spot Market on behalf of the Trading Participant for supplies of the commodity by the Trading Participant to the Counterparty for the Spot Market.
3. The Counterparty for the Spot Market will send issued electronic invoices to the Trading Participant with an electronic mark and a qualified time stamp established on the basis of the qualified system certificate.
4. A Trading Participant is obliged to provide the Counterparty for the Spot Market with its e-mail address for the delivery of invoices issued according to the paragraph above. The Trading Participant shall notify the Counterparty for the Spot Market of any changes regarding such address by the last day of the calendar month of the invoice period. Invoices shall be deemed delivered upon the receipt of a “Confirmation of E-mail Delivery Message”.
5. If the place of performance in relation to the commodity deliveries to the Trading Participant is the registered office of the Trading Participant, then the commodity shall be provided to the Counterparty for the Spot Market directly by the Trading Participant. If the aforementioned place of performance is the registered office of the Trading Participant’s organizational unit, then the commodity shall be provided to the Central Counterparty by the Trading Participant via such organizational unit.
6. If the place of performance is changed, the Trading Participant shall notify the Counterparty for the Spot Market in writing not later than by the 15th day of the calendar month preceding the calendar month during which the deliveries with the changed place of performance shall be carried out for the first time. The Trading Participant hereby acknowledges that the Counterparty for the Spot Market shall only reflect the changed place of performance for the purpose of issuing tax

documents if the period for the notification of such a change is adhered to. Notwithstanding the aforementioned, the Trading Participant must comply with the rules concerning value-added tax settlement and the place of performance regarding the deliveries of electricity as established in the Exchange Rules and Regulations.

7. The Exchange declares that for the purposes of the value-added tax the Counterparty for the Spot Market has designated the place of performance regarding the deliveries of the commodity by the Trading Participant to the Counterparty for the Spot Market as the registered office of the Counterparty for the Spot Market.
8. The Counterparty for the Spot Market may change the place of performance within the limits of the law; a notification regarding such a change shall be sent to the Trading Participant not later than by the 15th day of the calendar month preceding the calendar month during which the deliveries with the changed place of performance shall be carried out for the first time.

Článek 15

Liability for Damage

1. Each Contracting Party shall be responsible, in accordance with the Commercial Code, for damage caused to another Contracting Party as a consequence of a violation of its obligations.
2. The Trading Participant acknowledges that the Exchange or the Counterparty for the Spot Market shall not be liable for damage caused to the Trading Participant in connection with termination of ECC's or ECC Clearing Participant's activities. Further, the Exchange or the Counterparty for the Spot Market are not liable for damage due to extraordinary and unforeseeable and insurmountable obstacles arising independently of the will, which prevented them from fulfilling their obligations.
3. The Trading Participant acknowledges that the Trading System may not be entirely free of errors and that its functioning may be interrupted and agrees that if the Exchange is unable to allow the conclusion of trades or use of Associated Services due to errors or an interruption in the Trading System's operation this shall not constitute a breach of the Exchange's obligations. Nevertheless, should such circumstance arise, the Exchange shall make all necessary efforts to remedy the matter in the shortest time possible.
4. This shall be without prejudice to the Contracting Parties' liability for damage caused to third parties.

Článek 16

Other Covenants

1. Any information, notices or communications to be delivered by one Contracting Party to another Contracting Party shall be deemed duly delivered
 - a) in the case of delivery in person at the time of delivery to the other Contracting Party and
 - b) in the case of sending by registered mail or fax on the day of delivery to the other Contracting Party or, in case of doubts concerning the delivery, 2 working days after being sent to the addresses provided in the heading of the Participation Agreement or notified by the other Contracting Party.

This provision shall not apply to electronic communication between the Contracting Parties.

Článek 17

Terminating the Participation Agreement

1. A Participation Agreement may be terminated by any Contracting Party with a one-month notice period commencing on the first day of the calendar month following the month in which a written termination notice was delivered to the other Contracting Party.
2. Either of the Contracting Parties (the "**withdrawing party**") is entitled to withdraw from the Participation Agreement if the other Contracting Party (the "**violating party**") (i) repeatedly violates any of the obligations resulting from the Participation Agreement or the Exchange Rules and

Regulations, (ii) is in default with settlement of any sum pursuant to the Participation Agreement or the Exchange Rules and Regulations for a period of more than 14 days, or (iii) violates an obligation resulting from the Participation Agreement or Exchange Rules and Regulations and the violating party does not resolve such violation within 14 days from obtaining a written notice from the withdrawing party for correction. Withdrawal from the Participation Agreement must be effected in writing.

3. The effectiveness of the Participation Agreement shall also end in the event that either of the Contracting Parties loses its qualifications to be a Contracting Party to the Participation Agreement under generally binding legal regulations.
4. Furthermore, the Participation Agreement may be terminated by mutual agreement between the Contracting Parties.
5. The Participation Agreement shall also be terminated in the event of cancellation or loss of the authorization to act as a Trading Participant, occurring in accordance with generally binding law, the Statutes or the Exchange Rules.
6. The Participation Agreement shall be governed by, and interpreted in accordance with, the laws of the Czech Republic.
7. The right to trade on the Exchange shall not pass automatically to a Trading Participant's legal successor, unless the Trading Participant's legal successor demonstrates that it has fulfilled all conditions for participation in trading on the Exchange within the transfer period of the rights and obligations.
8. Unless otherwise stipulated in the arrangements between the Contracting Parties, the Participation Agreement may be changed or amended solely as agreed between the Contracting Parties in the form of written amendments.

HLAVA IV TEMPORARY AND FINAL PROVISIONS

Článek 18 Liability

The Exchange shall not be liable for any damages caused to Trading Participants or to third parties due to a breach of these Participation Rules by another Trading Participant.

Článek 19 Disputes Resolution

Any disputes between Trading Participants and disputes with the Exchange concerning exchange trading shall be resolved by the relevant courts.

Článek 20 Amendments to the Exchange Rules and Exchange Regulations

1. Amendments to the Exchange Rules and amendments to the Exchange Regulations shall be approved by the Exchange Chamber.
2. The Exchange Rules shall come into effect as of the date set by the Exchange Chamber.
3. Updated wording of the Exchange Rules and the Exchange Regulations also shall be published on the Exchange's website.

Článek 21

Effectiveness of the Participation Rules

These Participation Rules were approved by the Exchange Chamber per rollam on 15th November, 2017 and take effect on 8th December 2017.