

KELER CCP Ltd's announcement (Vol. 6-2015)

Procedure of financial settlement and settlement of paid interest and forwarded negative interest by ECC on the Energy Market

Effective from 26 January 2015

On basis of its General Business Rules point 5.2. KELER CCP Ltd. specifies the procedure of financial settlement on the Energy Market as follows.

SETTLEMENT CURRENCY

The currency of the energy market settlement: EURO

FINANCIAL SETTLEMENT

According to its General Business Rules point 5.2.4. KELER CCP Ltd. specifies daily energy market net financial settlement position per non-clearing members based on the consolidated financial receivables/payables (Day-Ahead Market purchase price, Physical Futures Market variation margin and delivery purchase price, fees collected by ECC, interest paid by KELER CCP Ltd.).

KELER CCP Ltd. debits energy market non-clearing member's account with high priority to cover net financial debit position and credits **KELER CCP Ltd.'s energy market technical purchase price bank account**.

Credit payments are fulfilled on the energy market non-clearing member's own euro bank account held with KELER Ltd.

MARGIN SETTLEMENT

According to its General Business Rules point 5.2.5. KELER CCP Ltd. specifies daily energy market margin requirement payable in cash per energy market non-clearing members. Method of the margin requirement calculation is based on KELER CCP Ltd.'s Announcement.

KELER CCP Ltd. debits energy market non-clearing member's account with high priority to cover daily margin requirement to be forwarded to ECC payable in cash and credits **KELER CCP Ltd.'s energy market technical margin bank account**.

Credit payments are fulfilled on the energy market non-clearing member's own euro bank account held with KELER Ltd.

Margin requirements exceeding the amount to be forwarded to ECC are performed on the energy market non-clearing member's own euro bank account by freezing euro in favour of KELER CCP Ltd. due for energy market, by placing forint on the margin sub-account, by freezing securities in favour of KELER CCP Ltd. due for energy market or by providing bank guarantee.

SETTLEMENT PROCEDURE

Financial and margin settlement performed by the energy market non-clearing members, with the performance deadlines taken into consideration, is carried out in the following method and order by KELER Ltd under KELER CCP Ltd.'s General Business Rules.

- 1) If there is enough EUR cover on the energy market non-clearing member's own foreign currency account held with KELER Ltd. at the deadline of the performance, KELER Ltd. automatically deprives the amount to be performed.
- 2) If there is not enough EUR cover for the performance on the energy market non-clearing member's own foreign currency account held with KELER Ltd., however there is enough cover on the HUF account held with KELER Ltd., until the deadline of the performance the full or the missing EUR cover can be performed with conversion (free of charge) by the client, which according to point 1) will be deprived by KELER Ltd.

3) If there is not enough EUR cover for the performance on the energy market non-clearing member's own foreign currency account held with KELER Ltd., and the member did not arrange for converting the amount debiting its own HUF account held with KELER Ltd. until the deadline of the performance, then KELER Ltd. ensures the full or the missing EUR cover from compulsory conversion (subject to fees) charging the energy market non-clearing member's own HUF account, which according to point 1) will be deprived by KELER Ltd.

According to the procedure above the financial and margin settlement of the energy market non-clearing member is considered performed if the EUR and/or HUF cover was available at the deadline of the settlement on the own foreign currency / HUF account in accordance with the amount to be performed independently of the creation of the EUR coverage.

1) The energy market non-clearing member's financial and margin settlement is to be considered non-performed, if the EUR and/or HUF cover available on the EUR and/or HUF account was not in accordance with the amount to be performed at the deadline of the settlement.

FULFILMENT OF THE BASIC FINANCIAL COLLATERAL

The Basic Financial Collateral performed in EUR determined by KELER CCP Ltd. is to be transferred to the Energy Market settlement account of KELER CCP Ltd.:

IBAN: HU27 14400018 72420607 00000000 (account-holding bank: KELER Ltd.)

An annual account balance statement of the performed Basic Financial Collateral is provided by KELER CCP Ltd. for the energy market non-clearing member.

SETTLEMENT OF THE INTEREST PAID / COLLECTED BY ECC

ECC pays interest or forwards negative interest¹ to its clients based on the daily interest level.

KELER CCP Ltd. distributes or collects the paid or forwarded negative interest between the energy market non-clearing members received after the daily closing balance of the collected energy market turnover and initial margin cash euro collaterals of the energy market non-clearing members placed at ECC.

Rules of distribution:

1) Energy market non-clearing members are entitled to receive paid interest or obliged to fulfil forwarded negative interest set by ECC daily, after the daily closing balance of their cash euro collaterals placed at ECC, pro rata their contribution.

2) KELER CCP Ltd. calculates and distributes paid or forwarded negative interest annually regarding information provided by ECC.

3) Paid or forwarded negative interest resulting from the calculation is settled by KELER CCP Ltd. in line with present Announcement's point Financial settlement until 31 January of the following year. Paid or forwarded negative interest not reaching the amount of EUR 10.00 (that is euro ten) are not settled.

¹ For more information, please, read: ECC Clearing-Circular No. 13/2014 regarding negative interest rates; ECC Price List 5.3.

SETTLEMENT OF THE FEES COLLECTED BY ECC

ECC - together with cooperating exchanges' and its own fees - directly debits KELER CCP Ltd.'s account with clearing house and exchange related fees charged for energy market non-clearing members. These fees are invoiced by ECC Luxembourg S.à.r.l. for each trading members.

The fees presented on the invoice prepared by ECC Luxembourg S.à.r.l. are to be paid in EUR and in a lump sum to KELER CCP Ltd in line with present Announcement's point Financial settlement.

Budapest, 21 January 2015

KELER CCP Ltd.