



**Rules for the Clearing and Settlement
of Exchange Transactions Concluded
in Trading in Electric Power on Wiener
Börse as a General Commodity
Exchange – Clearing and Settlement
Rules Electric Power**

NONCOMMITTAL TRANSLATION
ONLY THE GERMAN VERSION HAS LEGAL FORCE



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Section 1: General Provisions for Financial Clearing and Settlement

§ 1 Scope of Application and Clearing and Settlement Agent

(1) These Rules regulate the settlement of exchange transactions concluded in trading in electric energy products on Wiener Börse in its function as a general commodity exchange. The exchange operating company commissions the EXAA Abwicklungsstelle für Energieprodukte AG (hereinafter “EXAA” or “Clearing and Settlement Agent”) in its function as clearing and settlement agent pursuant to Article 26 paragraph 3 Stock Exchange Act with the settlement of these exchange transactions.

(2) In its function as Clearing and Settlement Agent, EXAA shall be responsible for the financial clearing, the settlement and risk management of the exchange transactions named in paragraph 1. Within the context of risk management, EXAA shall conduct credit assessments of the exchange members.

(3) Exchange transactions as defined in Art. 1 par. 1 of these Rules are concluded through the Trading System exclusively between EXAA and one exchange member in each case.

(4) EXAA shall be empowered to commission individual tasks and functions named in paragraph 2 to third parties; this shall not apply to activities named in paragraph 3 if these are tasks to be fulfilled and executed under the ultimate responsibility and control of the Clearing and Settlement Agent.

(5) The technical implementation of the financial clearing and settlement as well as the credit assessment shall be commissioned by EXAA to Oesterreichische Kontrollbank Aktiengesellschaft (hereinafter OeKB) in accordance with paragraph 4.

§ 2 Requirements for the Participation in Financial Clearing and Settlement

(1) Exchange members who participate in trading with electric power pursuant to Article 1 Trading Rules Electric Power must at the same time participate in the financial clearing and settlement either directly or indirectly as Non-clearing Members or via an Agent Clearing Member. EXAA shall conclude a clearing and settlement agreement for financial transactions (hereinafter “Clearing and Settlement Agreement”) with each company that meets the present requirements for financial clearing and settlement.

(2) The exchange operating company, EXAA and the third party commissioned pursuant to Article 1 (OeKB), paragraph 4 shall cooperate in conducting an investigation and check to determine if the requirements for exchange membership in Wiener Börse in its function as a general commodity exchange are met for participating in trading in electric energy as well as for participating in the clearing and settlement of exchange transactions concluded in trading in electric energy. The institutions named above shall exchange any information necessary to determine if the admission and participation requirements are met within the scope of the membership admission procedures. Applicants and exchange members shall be obligated in accordance with Articles 4 and 7 of the Participation Rules Electric Power to provide the named entities with the required information.

§ 3 Credit Assessment

(1) The credit assessment of exchange members or applicants for membership serves to evaluate their economic, financial and personnel situation. As the Agent Clearing Member assumes the task of providing the





collateral for the financial settlement for the contractually bound Non-clearing Members, a credit assessment is made only of the Agent Clearing Member.

(2) The evaluation shall be carried out on the basis of the indicators named in paragraph 5 as well as the annual financial statements including the notes thereto and the annual reports for the past two business years (in the case of shorter exchange membership, the last business year).

(3) In cases in which this data is not available, the member shall automatically be assigned to rating category 5. The submittal of guarantees or letters of support by affiliated undertakings (group companies) within the meaning of Article 228 paragraph 3 Austrian Companies Act shall have the effect of also including the respective affiliated undertaking in the credit assessment. EXAA shall be entitled to procure additional evidence and information within the context of the credit assessment.

(4) Once the credit assessment has been completed, the member shall be assigned to one of the rating categories 1 to 5, with category 1 comprising the companies with the highest creditworthiness and category 5 the companies with the lowest creditworthiness.

(5) The assessment for the classification by credit category shall be based on the following indicators:

- I. Equity ratio;
- II. Return on total assets;
- III. Cash flow pursuant to the Company Reorganisation Act in percentage of operating output (of sales);
- IV. Fictitious debt redemption period pursuant to the Company Reorganisation Act.

(6) For the purpose of the ongoing monitoring of creditworthiness, the exchange member shall submit to EXAA its financial statements compiled in accordance with the accounting standards applicable in the respective case within six months as of the end of the respective business year. Moreover, depending on the applicability of the respective accounting standards, the member shall also submit its annual report and consolidated financial statement.

§ 4 Termination of the Clearing and Settlement Agreement

(1) The exchange member may terminate the Clearing and Settlement Agreement in writing and without stating reasons at any time effective as of the following exchange trading day. This termination notice shall also be considered an application to rescind membership status pursuant to Art. 8 par. 3 of the Participation Rules Electric Power.

(2) EXAA shall be obligated to supervise compliance with the Clearing and Settlement Agreement. OeKB shall send to EXAA any and all information providing evidence of a breach of the Clearing and Settlement Agreement.

(3) The exchange member hereby agrees to the sending of data relating to a breach of the Clearing and Settlement Agreement by EXAA to OeKB and the exchange operating company, by OeKB to EXAA and the exchange operating company, and by the exchange operating company to EXAA and OeKB. The exchange member hereby agrees to release OeKB, who has been charged to carry out specific tasks pursuant to Article 1 paragraph 5, in its function as credit institution within the meaning of the Austrian Banking Act from its bond to banking secrecy and data secrecy for purposes relating to the notification of suspected violations of the Clearing and Settlement Agreement by way of a written declaration. The exchange member hereby agrees to allow EXAA to send data relating to the occurrence of default (Articles 19 – 21) to Elektrizitäts-Control GmbH





for the purpose of its performing its supervisory function pursuant to Article 9 Settlement Agencies Act, Federal Law Gazette I No.: 121/2000, Article 8 Energy Liberalisation Act. The exchange member shall agree to the sending of data relating to its default (Articles 19 – 21) by EXAA to the Elektrizitäts-Control GmbH for the purpose of exercising the supervision of trading participants pursuant to Art. 2 par. 1 letters a through e of the Participation Rules Electric Power, pursuant to Art. 9 Electricity Control Act (E-Control-Gesetz) Art. 8 of Electricity Liberalisation Act, Federal Law Gazette 2000/121.

(4) EXAA shall have the right to terminate the Settlement Agreement with immediate effect if it becomes known afterwards that the requirements for concluding a Settlement Agreement were not met at the time the Agreement was signed or if these cease to be given at a later date.

(5) EXAA shall be entitled to terminate the Agreement with immediate effect if the respective exchange member despite reminder repeatedly violated the present Rules or the Trading Rules Electric Energy or if bankruptcy or similar proceedings have been initiated against the exchange member or the opening of such petition has been rejected for lack of assets or if a credit institution has been placed under receivership pursuant to Article 83 Austrian Banking Act or other similar proceedings have been instituted against a credit institution.

(6) Moreover, EXAA shall have the right to terminate the Clearing and Settlement Agreement with immediate effect if there are reasons indicating that the concerned exchange member is or might be at risk of failing to fulfill exchange transactions.

(7) Any termination with immediate effect by EXAA shall be communicated in writing including a statement of the reasons.

(8) Exchange members without a valid Settlement Agreement with EXXA are not allowed to place new orders into the trading system; EXXA will take the technical measures to interrupt access to the trading system for placing orders. All existing orders are to be deleted by the exchange member. If the deletion of the orders is not carried out within an adequate period as specified by EXAA in each case, EXAA shall delete such orders on behalf of the exchange operating company.

(9) The termination of the Clearing and Settlement Agreement shall not release the respective exchange member from its rights and duties arising from already concluded exchange transactions. The termination of the Settlement Agreement means that one of the requirements pursuant to Art. 19 par. 1 and 20 par. 5 Stock Exchange Act as well as Art. 7 and 8 of the Participation Rules Electric Power ceases to be given.

(10) EXAA shall immediately inform the exchange operating company and OeKB of any termination of a Clearing and Settlement Agreement. Article 4 paragraph 2 second sentence shall apply mutatis mutandis.

(11) If a Clearing Agreement of an Agent Clearing Member is terminated or if the Agent Clearing Agent terminates the Clearing Agreement, then the provisions of Art. 4 of said Agreement shall apply to the Non-clearing Member having a contractual relation with the Agent Clearing Member.

§ 5 Assignment of Rights and Duties

Any assignment of rights or duties under the Clearing and Settlement Agreement by an exchange member shall require the consent of EXAA.





§ 6 Obligations under Exchange Transactions

(1) The exchange members shall be obligated to meet their financial obligations arising under their membership pursuant to the Schedule of Fees and under their exchange transactions including taxes. The Agent Clearing Member is under the obligation to fulfill the financial obligations of the Non-clearing Members with whom it has a contract and shall be jointly and severally liable.

(2) For the collateralisation of the claims arising under paragraph 1, the exchange members shall be obligated to deposit an adequate amount of collateral pursuant to Section 3 of these Rules. In the case of Non-clearing Members, the contractually bound Agent Clearing Member is under the obligation to deposit the required collateral in time.

§ 7 Objections

Objections against trade confirmations can only be raised within the context of the procedures laid down in the Trading Rules Electric Energy.

§ 8 Liability

(1) Exchange transactions in the trading products named in Article 1 paragraph 1 lit. a of the Participation Rules Electric Energy shall be concluded exclusively between EXXA and an exchange member in each case.

(2) Exchange members shall be liable for the timely and orderly financial settlement of their obligations pursuant to Article 6.

(3) In the event an exchange member is prevented from carrying out the orderly financial clearing and settlement of transactions (especially if owing to technical disorders), the corresponding exchange member shall be obligated to immediately inform the OeKB or other third parties commissioned in accordance with Article 1 paragraph 4 thereof. Any measures initiated by the clearing house shall be binding for the exchange members concerned (Article 16 paragraph 2 Trading Rules Electric Energy) and shall be based on the instructions issued by the exchange operating company.

(4) The exchange member shall be obligated to immediately follow the instructions of EXXA or the third party (OeKB) commissioned by the exchange operating company and to ensure that the orderly financial clearing and settlement of transactions is reinstated as soon as possible.

(5) The exchange member shall be liable for damages arising from any breach of the duties named in paragraphs 2, 3 and 4.

(6) Any liability of EXXA in its role as a party charged by the exchange operating company, of OeKB or other parties charged by EXXA for damages arising due to circumstances outside of their control or for damages outside of the control of EXXA or other parties charged by EXXA shall be excluded. Any liability of EXXA and OeKB as well as other parties charged by EXXA for the orderly and appropriate nature of the measures initiated shall remain unaffected within the scope of paragraph 7 below.

(7) EXXA, OeKB and other parties charged by EXXA shall not be liable for any losses, profits foregone or damages vis-à-vis exchange members, unless such losses, profits foregone or damages have been caused by willful conduct or by gross negligence. Liability for consequential damages shall be excluded in all cases.





(8) Unless expressly provided for otherwise under these Rules, EXAA, OeKB and third parties charged by EXAA shall in no case be liable vis-à-vis other parties that are not themselves exchange members for possible losses, damages, consequential damages or profits foregone arising from or in connection with exchange transactions concluded in trading in electric energy on Wiener Börse in its function as a general commodity exchange.

(9) EXAA, OeKB and other parties charged by EXAA shall not be liable for damages resulting from operational disruptions caused by force majeure, riot, war or natural catastrophes or damages that are due to any other incidents or circumstances outside of their control (e.g. strikes, legal lockouts, traffic obstructions) or which are due to restraints imposed by state authorities.

(10) This shall also apply to damages suffered by exchange members as a consequence of technical problems or due to the partial or complete inoperability of the computer systems used by the members or due to errors in data input within the context of trading or clearing and settlement and the management of collateral provided inasmuch as said circumstances are not caused by willful conduct or by gross negligence on the part of EXAA, OeKB or other third parties charged by EXAA. The third parties charged by EXAA shall have tested the computer systems and other technical equipment in their responsibility sufficiently before putting them into operation and shall be responsible for their adequate maintenance.

Section 2: Financial Clearing and Settlement

§ 9 Cash Accounts and Securities Accounts

(1) For the purposes of financial clearing and settlement, each exchange member that participates directly in financial settlement must maintain a bank account with an Austrian bank or a credit institution within the EEA that permits automatic debit orders. The Austrian Bank and/or the credit institution from the EEA must guarantee the settlement of debits and credits within a period of T+3).

(2) OeKB commissioned in accordance with Article 1 paragraph 4 guarantees the clearing and settlement of debit and credit entries with value date T+3 and upon request maintains for each exchange member the settlement account required pursuant to paragraph 1 for the clearing and settlement of exchange trades concluded under the Trading Rules Electric Energy.

(3) OeKB commissioned in accordance with Article 1 paragraph 4 shall maintain for each exchange member that takes part directly in financial settlement a securities account and/or a pledged account for EUR cash deposits and/or securities on which the collateral that needs to be furnished in accordance with Section 3 of the present Rules must be deposited in cash and/or securities.

(4) A prior lien in favour of EXAA shall be set up in writing on the assets deposited in the securities account or pledged account. This agreement must include the renouncement of any rights of lien and netting and withholding rights of the credit institution carrying the cash account or securities account, which may have arisen or may arise under the General Terms and Conditions or other contractual agreements of the credit institution carrying the cash account or securities account.

(5) Collateral in the form of cash deposits or securities shall be deemed as deposited if the clearing agent has received from the respective exchange member that takes part directly in financial settlement a





corresponding Pledge Declaration for Cash and/or Securities including evidence of an acknowledgement of the credit institution carrying the cash account or securities account of the fact that the assets deposited are pledged (assignment of ownership) and the collateral has been transferred and booked into the securities account and/or pledged account.

(6) The exchange member that takes part directly in financial settlement may charge an Austrian bank or a credit institution from the EEA to set up and maintain a settlement account for the exchange member and to charge it with the management of the collateral on the collateral account or pledged account of the exchange member.

(7) In the case of indirect participation in the financial settlement, the obligations pursuant to par. 1 to 6 of these Rules shall apply to the Agent Clearing Member that has a contract with the Non-clearing Member. The Agent Clearing Member shall need an account for all Non-clearing Members with whom it has contractual agreements. The calculation of the collateral required of the Agent Clearing Member is based on the sum of the transactions executed by the Non-clearing Member with whom it has a contractual relationship

§ 10 Settlement

(1) The financial settlement is based on the obligations listed in Article 6.

(2) Financial settlement is effected electronically by means of debiting and crediting procedures.

(3) Invoices and credit bookings relating to the exchange transactions carried out by the exchange members shall be made available to the members electronically via the clearing and settlement application of the third parties commissioned in accordance with Article 1 paragraph 4 and it shall be possible to print these if required. The Agent Clearing Member shall be able to inspect all invoices, credits and fees of all Non-clearing Members with whom it has contractual agreements.

(4) Value date (settlement date) for debits and credits shall be the respective date fixed in the contract specifications (Annex 1 Trading Rules Electric Power) or the date fixed or specified in the Schedule of Fees.

(5) The exchange member that takes part directly in financial settlement shall be responsible for the timely cover in sufficient amounts on its settlement account. As regards the obligations in this context, please refer to Article 8 of the present Rules. In the event of indirect participation in settlement, this obligation shall only apply to the Non-clearing Member with whom it has a contractual relationship.

§ 11 Debiting and Crediting Operations

(1) The settlement of all financial obligations shall be effected through automatic debiting procedures. The exchange member that participates directly in financial settlement undertakes to set up an automatic debit order in the favour of EXXA for its settlement account.

(2) The exchange members that take part directly in financial settlement shall be responsible for sufficient cover being available on the settlement date (Article 10 paragraph 4) on the settlement account (Article 9 paragraph 1) and that the collateral in the amount stipulated in accordance with Article 12 has been deposited on the securities accounts pursuant to Article 9 paragraph 3.

(3) In the case of credits, special fees as well as taxes and duties shall be transferred to the settlement account specified by the exchange member on the settlement date after the deduction of the transaction fees.





(4) In the case of indirect participation in financial settlement, the obligations pursuant to par. 1 to 3 of these Rules shall apply to the Agent Clearing Member that has a contract with the Non-clearing Member.

Section 3: Collateral

§ 12 General

(1) Each exchange member that participates directly in financial settlement is, in accordance with Article 6 paragraph 2, obligated to provide collateral as a cover for liabilities to EXAA. Agent Clearing Members must meet these obligations for the Non-clearing Members with whom they have contractual agreements. The Agent Clearing Member may deposit the collateral collectively for all Non-clearing Members with whom it has contractual relations.

(2) The collateral that has to be provided shall be calculated separately for each exchange member by risk for proprietary trades and agent trades. The calculation of the collateral is based on the assumption that the exchange members shall require their customers to deposit collateral for their trading activities in at least equal amounts as computed on the basis of the calculation method given in Annex 1.

(3) As soon as EXAA learns of the non-compliance with the provisions of paragraph 2, EXAA shall be entitled to increase the collateral required from the respective exchange member by the corresponding amount.

(4) Collateral with the exception of guarantees within the meaning of Article 14 paragraph 1 item III must be deposited in securities accounts and the cash accounts pursuant to Article 9 paragraph 3.

§ 13 Risk Assessment

(1) The objective of the risk assessment is to determine the default risk of each exchange member that takes part directly in financial settlement. The default risk consists in the potential loss that may arise in the event of an exchange member failing to meet its obligations pursuant to Article 6 paragraph 1. In the case of an Agent Clearing Member, the object of the risk assessment is the default risk of the Non-clearing Members with whom the Agent Clearing Member has contractual relationships.

(2) The calculation method to determine the collateral required to cover the default risk in trading with the trading products named in Article 1 paragraph 1 lit. a of the Participation Rules Electric Power is set forth in Annex 1.

§ 14 Type of Collateral Provided

(1) Exchange members that take part in financial settlement and Agent Clearing Members may meet the requirement to deposit collateral with the following types of collateral:

- I. Euro cash deposits
- II. Securities in accordance with the criteria of paragraph 2
- III. Bank guarantees by EEA or Swiss banks

(2) Securities must meet the following criteria:

- I. Government debt securities of the Netherlands, Germany, France, Italy or Austria, and





- II. Category 1 (tier 1) in accordance with the publication by the European Central Bank “The Single Monetary Policy in Stage Three“ of November 2000 as amended, with item I. being applicable to government debt and
 - III. securities pursuant to item I. and II. must be listed on one of the following exchanges: Amsterdam, Berlin, Bremen, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich, Stuttgart, Paris, Milan or Vienna, and
 - IV. the remaining term to maturity of these securities must be at least two years.
- (3) In the case of collateral provided by securities, 90% of the current market value of the securities shall be credited against the collateral required.
- (4) The clearing agent shall reserve the right to examine accounts receivable and securities as to whether they meet the principles governing eligible collateral and their immediate realisability and to reject them on the basis of these criteria or to adjust the crediting rate set forth in paragraph 3 if required. It shall immediately notify the exchange member(s) in the case of a rejection or a change. Any security that has not been accepted as collateral or any account receivable that has not been accepted as collateral shall be excluded from the calculation of the required collateral.

§ 15 Amount of Collateral

- (1) The collateral furnished and accepted pursuant to Article 14 shall serve as security to guarantee the fulfilment of the obligations pursuant to Article 2 paragraph 1.
- (2) The amount of the collateral required must have an adequate relation to the obligations entered into pursuant to Article 6 paragraph 1 and the risks implied therein. The amount of the collateral shall be determined by EXAA on every exchange trading day.
- (3) Bank guarantees accepted as collateral must be issued in the name of EXAA and must include the unconditional, open-ended and irrevocable obligation of the credit institution to transfer the guaranteed amount if required on the first demand by EXAA to an EXAA account.
- (4) Collateral in cash or securities shall be furnished by a Pledge Declaration for Cash and/or Securities issued by the exchange member in favour of EXAA; the respective exchange member shall disclose this vis-à-vis the credit institution carrying the cash account or securities account by way of assignment of ownership effective under property law. The bank will block the security deposit accounts and pledged accounts to the extent required by the pledge.

§ 16 Calculation of Collateral

- (1) The collateral shall be calculated separately for proprietary accounts and agent accounts. Within the individual account groups, purchase and sale transactions shall be netted on a daily basis.
- (2) Based on the balance of the trading volume of exchange members and their customers (calculated separately), the fluctuation in trading volume and the required collateral per account category shall be calculated and reported for the respective exchange trading day in accordance with the method set forth in Annex 1.
- (3) After calculating the collateral requirements at the level of the account categories, these shall be summed up, with the total representing the collateral that must be deposited by the respective exchange member.





§ 17 Required Collateral

- (1) The required collateral shall be calculated by EXAA for each exchange member that takes part directly in financial settlement and for an Agent Clearing Member on each exchange trading day in accordance with Annex 1 after the end of the exchange trading day and immediately communicated to the exchange members. The exchange member that takes part directly in financial settlement or an Agent Clearing Member shall be obliged to inform itself of the amount of the required collateral and, in the event of a shortfall, to increase the cover without being requested to do so by the next settlement day by 11:00 a.m. local time, Vienna.
- (2) If the recalculation of the collateral required after the end of the exchange trading day shows that the deposited and calculated collateral of an exchange member that takes part directly in financial settlement or of an Agent Clearing Member has been used up to more than 80%, the Clearing and Settlement Agent shall communicate such fact to the exchange member. The exchange member shall generally be obligated to keep the utilisation rate of the collateral deposited below this threshold and to comply with the respective conditional margin call by EXAA in accordance with paragraph 1.
- (3) EXAA shall have the right to demand additional collateral of a participant in trading on the grounds of special circumstances that lie within the sphere of influence of a trading participant in energy products or at any time – even during an exchange trading day – if the computed collateral is fully used up. The respective exchange member shall furnish such additional collateral immediately upon receiving an unconditional margin call by EXAA.

§ 18 Return of Collateral

- (1) Excess coverage of the calculated collateral shall be released by EXAA upon request of the respective exchange member that takes part directly in financial settlement or of an Agent Clearing Member. Collateral shall be released only in the event of an excess coverage of 15% or more, at least, however, of EUR 2,000. Collateral in the form of maximum amount guarantees shall not be released for the term of exchange membership.
- (2) In the event an exchange member that takes part directly in financial settlement changes its status within the meaning of Article 8 Participation Rules Electric Power, the member's obligations to provide collateral shall expire 14 days as of the time the change takes effect, but at the earliest following the day on which the obligations of the exchange member pursuant to Article 6 paragraph 1 have been met.

Section 4: Default

§ 19 Occurrence of Default

- (1) Default of an exchange member shall occur if the member's settlement account, or the settlement account of the Agent Clearing Member with whom it has a contractual agreement, on the settlement day pursuant to Article 10 paragraph 4, fails to show sufficient coverage to meet its payment obligations pursuant to Article 11 paragraph 2.





- (2) Default shall also occur if an exchange member that takes part directly in financial settlement or an Agent Clearing Member fails to meet its obligation to deposit sufficient collateral in due time.
- (3) Exchange members shall be obligated to inform the Clearing and Settlement Agent immediately of any failure to meet obligations pursuant to Article 6 paragraphs 1 and 2. This shall apply in particular in the case of imminent insolvency or imminent over indebtedness of an exchange member.
- (4) Exchange members shall be assigned the status of being in default by electronic, written or telefax notification of the Clearing and Settlement Agent.
- (5) In the event that an exchange member fails to meet its obligations pursuant to Article 6 paragraphs 1 and 2 of these Rules or fails to comply with an order to change the composition of its collateral, EXAA shall have the right to apply with the exchange operating company for a suspension of membership of the exchange member concerned pursuant to Article 8 of the Participation Rules Electric Power.
- (6) The Clearing and Settlement Agency shall from this point on, retain as collateral any credit-side cash balances of the exchange member concerned.
- (7) For the duration of the default, a daily penalty interest in the amount of 1 percent of the amount outstanding, as a minimum, however, EUR 75 per day shall be payable to EXAA.

§ 20 Technical Default

- (1) If an exchange member provides proof to the Clearing and Settlement Agent that the default pursuant to Article 19 paragraph 1 is not due to insolvency and that the member will meet its obligations without delay, the Clearing and Settlement Agency may refrain from reporting such member to the exchange operating company (technical default). In this case, the Clearing and Settlement Agent shall declare the exchange member to be in technical default.
- (2) Immediately following the occurrence of the technical default, the defaulting exchange member shall submit to the Clearing and Settlement Agency a written statement.
- (3) The defaulting exchange member must immediately remedy the causes of the default.
- (4) The Clearing and Settlement Agent shall have the right of recourse for losses caused to the Clearing and Settlement Agent or other exchange members by a member's technical default. Moreover, the Clearing and Settlement Agent shall have the right in accordance with Article 19 paragraph 7 to levy penalty interest in the amount specified from the defaulting exchange member.

§ 21 Realisation of Collateral and Default Handling

- (1) In the case of insufficient coverage of a settlement account (Article 9 par 1), the collateral deposited by the respective exchange member that takes part directly in financial settlement or of the respective Agent Clearing Member shall be realised by the Clearing and Settlement Agent after having been given notice once. The exchange member shall be informed by EXAA about the realisation of its collateral.
- (2) In the event that recourse is taken to the collateral provided by the exchange members who take part directly in financial settlement or by an Agent Clearing Member, the respective exchange member or Agent Clearing Member shall be obligated to deposit and increase the collateral by the amount required within one exchange trading day.





(3) In the event of a realisation of collateral the Clearing and Settlement Agent shall realise the collateral provided by the defaulting exchange member pursuant to Article 14 only to the extent required and in the order of sequence set forth in Article 14 paragraph 1.

(4) In the event of default, EXAA shall have the right to increase the risk amount applicable to the defaulting exchange member as calculated pursuant to Article 13. The progression, amount and term of application of the increased risk amount shall be determined by the Clearing and Settlement Agent.

(5) In the event of default or other material breaches of these Rules and any obligations arising thereunder, the exchange operating company shall have the right to exclude an exchange member with immediate effect wholly or partly from exchange trading. Such exclusion shall be temporarily limited provided the nature of the breach or the accompanying circumstances permit this. For the duration of the exclusion of an exchange member from trading, EXAA shall take immediate technical measures to interrupt access to the trading system for the respective exchange member and its exchange traders.

(6) In the event of exclusion of an exchange member pursuant to paragraph 5, EXAA shall immediately inform Elektrizitäts-Control GmbH.

Section 5: Physical Fulfillment

§ 22 Fulfillment Obligations

(1) Exchange members are under the obligation to fulfill all liabilities that may arise from exchange transactions concluded in their name and for their account – irrespective of whether executed directly or indirectly through a broker.

(2) The details regarding the physical delivery of cash market products in trading in electric energy pursuant to Art. 1 par. 1 lit. a of the Participation Rules Electric Power on the Vienna Stock Exchange as a general commodity exchange are governed by Articles 28 to 30 of the Trading Rules for Spot Market Products Electric Energy.

Section 6: Final Provisions

§ 23 Court of Arbitration of Wiener Börse

(1) All disputes arising from or in connection with the fulfillment of exchange transactions including the issue of whether or not a transaction has been concluded between parties shall be decided by the Court of Arbitration of Wiener Börse under exclusion of the regular courts of justice and in agreement with the decree of the Federal Ministry of Finance and of the Federal Ministry for Economic Affairs and Labour as accorded with the Federal Ministry of Justice on the implementation of Art XIII Introductory Law to the Code of Civil Procedure (Rules of Arbitration of Wiener Börse) Federal Law Gazette II No. 230/2000 in its function as the statutory compulsory court of arbitration

(2) All other disputes shall be decided by the competent commercial courts of Vienna as the only competent courts.





§ 24 Supplements

(1) In the event that individual provision of these Rules should be or become wholly or partly invalid or non-executable, this shall not affect the validity or executability of the remaining provisions.

(2) Null and void provisions shall be replaced by mutual consent by provisions that are best suited to meet the economic purpose intended.

§ 25 Applicable Law

All exchange transactions concluded shall be subject to Austrian law (with the exception of the provisions of International Private Law).

§ 26 Entry into Force

These rules shall enter into force on the day following their promulgation.

Noncommittal translation of the German Abwicklungsbedingungen Elektrische Energie released with the Official Notice of the exchange operating company Wiener Börse AG Nr. 204 of 13 March 2002 and amended by Official Notice No. 99 of 5 February 2003 (changes effective as of 10 February 2003), Official Notice No. 1231 of 22 October 2003 (amendment effective as of 27 October 2003) and amended by Official Notice No. 1722 of 6 December 2006 (effective as of 11 December 2006) except for the amendment in Art. 3 par. 3, which entered into force as of 1 January 2007), Official Notice No. 1687 of 29 October 2007 (changes effective as of 1 November 2007) and No. 2095 of 19 December 2007 (changes effective as of 1 January 2008).





Annex 1: Collateral on the Spot Market

Calculation of trading collateral for exchange transactions concluded in trading in the trading products named in Article 1 of the Participation Rules Electric Power.

The minimum collateral required of a participant in an account category is as set out below irrespective of the volume of transactions:

€ 100,000

The amount of collateral shall depend on the credit rating of the exchange member that takes part directly in financial settlement and on the trading volumes of said exchange member.

Calculation of the trading volume-linked collateral portion:

The fluctuation in trading volume represents the possible bandwidth of the trading volume in a specific account category of a participant (proprietary trading or agent trading) calculated on the basis of the distribution of the trading volumes in money for the daily spot market purchases within a specified period of exchange trading days.

The trading volume fluctuation for a participant shall be calculated on the basis of trading volume in money (only net purchase transactions, i.e., after netting all accounts within a category, otherwise zero) of the respective participant (S_i) in an account category over the last 30 exchange trading days. For this purpose, the distribution of the participant's trading volume in money for power purchases shall in a first step be calculated within the simple leadtime (1 day) (δS_i):

$$\delta S_i = S_i - S_{i-1}$$

From the distribution of (δS_i) over the past 30 exchange trading days in one of the account categories of the participant (exchange trading week Monday through Sunday) or the number of effective exchange trading days in which the participant attained trading volumes, the standard deviation (trading volume fluctuation) after (σ_{30m}):

$$\sigma_{30m} = \sqrt{\frac{\sum_{i=1}^{30} \delta S_i^2}{30}}$$

shall be calculated for each participant (m) in the respective account category (exchange trading day = exchange trading day with net purchases since start of trading). The fluctuation thus determined (σ_{30m}) must



always attain a minimum value of EUR 1,000 for calculating the collateral in an account category. If the value calculated is below this minimum fluctuation, it shall be fixed at

$$\sigma_{30\min} = 1.000 \text{ €}$$

From these distributions, the respective 99% value of an account category shall be determined (assuming normally distributed trading volumes) (I_{99m}).

$$I_{99m} = \sigma_{30m} * 3$$

I_{99m} is therefore the fluctuation bandwidth (in EUR) to which the following applies: 99 % of all net purchase-related trading volume in the distribution (δS_i) in an account category are within the measured value of I_{99m} . Owing to the fixed lower limits, this value always amounts to EUR 3,000 as a minimum.

The median value (μ_{30m}) is the average value (in EUR) of the distribution of net purchases of the respective participant in an account category over the last 30 exchange trading days. For the purpose of calculating the trading volume-linked collateral for an account category, the median value of these purchase transactions in an account category must always attain a value ($\mu_{30\min}$) of EUR 3,000 as a minimum. If the value calculated is below this amount it shall be fixed at

$$\bar{\mu}_{30\min} = 3.000 \text{ €}$$

for an account category.

Based on the I_{95m} values, the trading volume-linked collateral requirement (margin) for an account category is then calculated for a specific participant (m) for a period of up to four business days (C_{4m}). C_{4m} thus covers the liabilities in an account category of the participants, which may have uncovered settlement requirements of up to four exchange trading days as a maximum.

$$C_{4m} = \bar{\mu}_{30m} * 4 + I_{99m} * \sqrt{4}$$

The trading volume-linked collateral component (R^{secure}) is calculated in accordance with the following formula, with the value:

$$R^{secure} = \text{Int} \left\{ \frac{C_{4m} + 500}{500} \right\} \cdot 500$$

always rounded up to the next EUR 500.

The calculation of the effective collateral to be deposited by an exchange member for an account category shall be done by adding a 20% risk premium on the amount of the trading-volume-linked collateral component



if it exceeds the minimum collateral of EUR 100,000. If the trading volume-linked collateral component is smaller than the minimum collateral amount, the risk premium is added to the minimum collateral. The following discounts are deducted in accordance with the credit category from the total amount thus calculated up to the maximum amount of the risk premium:

Credit class I:	Discount 2% on own funds
Credit class II:	Discount 1.5% on own funds
Credit class III:	Discount 1% on own funds
Credit class IV:	Discount 0.5% on own funds
Credit class V:	Discount 0% on own funds

The credit classes and own funds are recognized in accordance with the credit assessment pursuant to Art. 3 of this Agreement.

