TRADING RULES

FOR A SCHEME OF FUTURES CONTRACTS ON THE WIG.GAMES5* INDEX

Statement of the Polish Financial Supervision Authority in connection with the decision to approve the "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES Index":

Pursuant to § 15 of the Minister of Finance's Regulation of 11 October 2005 on the admission to trading on the regulated market of financial instruments that are not securities (Journal of Laws [Dziennik Ustaw] No. 205, item 1699), the Polish Financial Supervision Authority represents that the "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES Index", as mentioned in Resolution No. 416/2019 of the Management Board of the Warsaw Stock Exchange dated 15 May 2019, presented for approval contain all information and data required by law. The Polish Financial Supervision Authority is not liable for any investment risk involved in the trading in futures contracts described in these "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES Index".

*** The name was changed from WIG.GAMES as of 21 March 2022**

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These Trading Rules have been updated as at 21 March 2022

Definitions and Abbreviations

underlying instrument - WIG.GAMES5 index;

contract series – futures contracts representing a standard set by the Exchange, having the same underlying instrument and the same expiry date;

contract class – a class comprises all the futures contract series that have the same underlying instrument and comply with the same standard;

multiplier – monetary unit multiplied by one index point of WIG.GAMES5;

contract value – contract price times multiplier;

expiry date – date of determining the final settlement price for contracts of a series; it is the same day as the last trading day;

contract price – value of WIG.GAMES5 adopted by the parties to a futures transaction on the transaction date;

long position – a purchase of a futures contract;

short position – a sale (writing) of a futures contract;

close-out – cessation of the rights and obligations relating to a purchase or sale of a futures contract. Close-out is by sale where the contract has been purchased, and by purchase where it has been sold. The closing contract must be of the same series as the contract being closed;

opposite position – long position is the opposite position to short position for contracts of the same series; short position is the opposite position to long position for contracts of the same series;

clearing account – registration device operated by KDPW_CCP in the transaction clearing system for a participant to clear transactions to which the participant is a counterparty or clearing counterparty and to record positions of the participant;

collateral account – registration device operated by KDPW_CCP in the transaction clearing system to record maintenance margins;

settlement balance – the amount an investor must pay or is entitled to receive as a result of daily marking to the market or the final settlement.

Abbreviations used in the text:

PFSA – the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego);

Exchange – the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.);

KDPW – Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.);

KDPW_CCP - KDPW_CCP S.A.

Trading Rules – these Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES5 Index;

the Trading Act – the Act on Trading in Financial Instruments of 29 July 2005 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2018, item 2286, as amended);

the Public Offer Act – the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of 29 July 2005 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2019, item 623, as amended);

the Regulation – the Minister of Finance's Regulation of 11 October 2005 on the admission to trading on the regulated market of financial instruments that are not securities (Journal of Laws [*Dziennik Ustaw*] of 2005, No. 205, item 1699);

the Exchange Rules – the Warsaw Stock Exchange Rules as adopted by the Exchange Supervisory Board by Resolution No. 1/1110/2006 of 4 January 2006, as amended (the current text of Exchange Rules is published on the Exchange website: www.gpw.pl/regulations);

the Detailed Trading Rules – the Detailed Exchange Trading Rules in UTP System adopted by the Exchange Management Board by Resolution No. 1038/2012 of 17 October 2012, as amended (the current text of the Detailed Trading Rules is published on the Exchange website: www.gpw.pl/regulations).

1. Introduction

Futures contracts whose underlying instrument is the WIG.GAMES5 index ("futures contracts") are a derivatives scheme within the meaning of § 4.2 of the Regulation.

Pursuant to the provisions of Article 2.1(2)(c) of the Trading Act, the futures contracts subject to these Trading Rules are financial instruments that are not securities.

Under § 58 of the Exchange Rules, a futures contract is an agreement executed on the Exchange between the seller of a future right and the buyer of this future right, on terms and conditions determined by the Exchange in the derivatives standard, in which the parties set the value of the underlying instrument, such value to be the agreed price. For futures contracts on the WIG.GAMES5 index, the agreement is settled by means of a cash payment.

Futures contracts are traded in series with delivery dates in the nearest three months of the March quarterly cycle. The March quarterly cycle comprises March, June, September and December.

There are three contract series traded at all times. Expiry of a series is followed by introduction of the series with expiry date in 9 months, as per the March quarterly cycle. The expiry date of the first contract series may be less than 9 months.

Marking to the market, i.e., determining the rights and obligations of parties having open positions on the derivatives market and computing the settlement balances, is conducted by KDPW_CCP on each day when clearing is performed. Daily settlement values constitute the basis for daily marking to the market. On the last trading day, transactions are cleared and settled on the basis of the final settlement value.

Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules contains detailed principles of securing claims arising from futures contracts subject to the Trading Rules, calculating margins, and clearing futures contracts.

The entity authorised to apply to have the Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES5 Index approved is the Warsaw Stock Exchange with its seat in Warsaw, ul. Książęca 4, 00-498 Warsaw.

The Exchange Management Board in its resolution shall set the date on which trading in the first series of futures contracts subject to the Trading Rules shall commence, such date to be not more than 7 days earlier and not more than 30 days later than the date of publication of the resolution. Trading in a futures contract series with a new expiry date within a class shall commence on the first trading day following the expiry date of the previous series.

Trading in a futures contract series shall cease on the trading day which is the third Friday of the series' delivery month. For details on determining the first and last trading days for futures contracts subject to the Trading Rules, see Chapter 3 "Information on the Trading Rules."

The Warsaw Stock Exchange shall not be held liable in respect of investment risk involved in trading in futures contracts subject to the Trading Rules. Potential purchasers and issuers of futures contracts are advised to pay particular attention to the risks involved in investing in futures contracts subject to the Trading Rules, as described in Chapter 3.1 of the Trading Rules.

These Trading Rules were drafted on 23 July 2019 and updated on 1 December 2019. The Trading Rules will be in force until the expiry date of the last series of futures contracts subject to these Trading Rules.

Statement of the Polish Financial Supervision Authority in connection with the decision to approve the "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES5 Index":

Pursuant to § 15 of the Minister of Finance's Regulation of 11 October 2005 on the admission to trading on the regulated market of financial instruments that are not securities (Journal of Laws [Dziennik Ustaw] No. 205, item 1699), the Polish Financial Supervision Authority represents that the "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES Index", as mentioned in Resolution No. 416/2019 of the Management Board of the Warsaw Stock Exchange dated 15 May 2019, presented for approval contain all information and data required by law. The Polish Financial Supervision Authority is not liable for any investment risk involved in the trading in futures contracts described in these "Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES Index".

The Trading Rules will be made public on the Exchange website (www.gpw.pl/en-home) no later than 7 days before the first trading day of the first series of futures contracts subject to the Trading Rules.

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2. PERSONS RESPONSIBLE FOR THE INFORMATION IN THE TRADING RULES

2.1 Particulars of the entity applying for approval of the Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES5 Index and preparing Chapters 1 to 3 of the Trading Rules

Name	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Seat	Warsaw
Address	00-498 Warsaw, ul. Książęca 4
Phone	(0 22) 628 32 32
Fax	(0-22) 628 17 54
E-mail	gpw@gpw.pl
Website:	www.gpw.pl/en-home.

2.2 Authorised representatives of the Exchange

1. Izabela Olszewska – Member of the Management Board
2. Piotr Borowski – Member of the Management Board

2.3 Representation of authorised representatives of the applicant preparing Chapters 1 to 3 of the Trading Rules

Acting on behalf of the Exchange, the entity applying for approval of the Trading Rules for a Scheme of Futures Contracts on the WIG.GAMES5 Index, we, the undersigned members of the Exchange Management Board, represent that information contained in the Trading Rules is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Furthermore, acting on behalf of the Exchange, the entity preparing the Trading Rules, we represent that information contained in Chapters 1 to 3 of the Trading Rules prepared by the Exchange is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Izabela Olszewska	Piotr Borowski
Member of the Management Board	Member of the Management Board

2.4 Particulars of the entity preparing Chapter 4 of the Trading Rules ("Exhibit: Clearing guarantees")

Name	KDPW_CCP Spółka Akcyjna
Seat	Warsaw
Address	00-498 Warsaw, ul. Książęca 4, room 6089A
Phone	(022) 537 93 23
Fax	(022) 537 93 01
E-mail	ccp@kdpw.pl
Website:	http://www.kdpwccp.pl

2.5 Authorised representatives of KDPW_CCP

1. Maciej Trybuchowski – President of the Management Board of KDPW_CCP S.A.

2. Sławomir Panasiuk – Vice-President of the Management Board of KDPW_CCP S.A.

2.6 Representation of authorised representatives of KDPW_CCP

Acting on behalf of KDPW_CCP, we, the undersigned members of the Management Board of KDPW_CCP, represent that information contained in Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Maciej Trybuchowski	Sławomir Panasiuk
President of the Management Board of KDPW_CCP S.A.	Vice-President of the Management Board of KDPW_CCP S.A.

3. Information on the Trading Rules

3.1 Description of risks for purchasers and issuers of futures contracts

3.1.1 Liquidity risk

High market participant activity and commitment should not be counted on in the first period of trading in futures contracts subject to the Trading Rules. Thus, it may be that a sizeable transaction will prove impossible to make or will produce a material price fluctuation. In addition, liquidity will depend on the number of market makers and their activity. Investors should also consider the liquidity of shares participating in the WIG.GAMES5 index.

3.1.2 Market risk

Market risk relates to futures contract price fluctuations. Futures contract prices depend on the price of the underlying instruments. Market risk is increased by leverage in that the value of the initial investment is low in comparison to the value of the contract. Consequently, relatively small fluctuations of cash market prices of shares participating in the WIG.GAMES5 index have a proportionally bigger material effect on the deposited funds. If the amount of the margin falls below a certain pre-determined minimum, an investor holding open positions is subject to a margin call. If the payment is not made within the prescribed time, the positions of that investor will be closed out. As a result, losses may be incurred that exceed the initial investment.

3.1.3 Risk of material change, suspension or termination of the provision of the WIG.GAMES5 index

Investors should consider the risk of material change, suspension or termination of the provision of the WIG.GAMES5 index by the entity authorised to provide and calculate it. In that case, the Exchange Management Board may decide to suspend trading in futures contracts or stop the introduction of further series of futures contracts to trading or set a last trading day different than set in the standard and, after consulting KDPW_CCP, set a final settlement price different than set in the standard for the futures contracts. In the event of material change, suspension or termination of the provision of the WIG.GAMES5 index, the Exchange Management Board will determine the course of action and immediately disclose it to the public.

3.1.4 Risk inherent in transaction costs

Combined with a low value of margins and the contract tick size, fees charged on transactions (purchase and sale of futures contracts) may have a major impact on the profitability of investments in futures contracts. Therefore, investors should review transaction costs before making a transaction. The actual gain on any investment in futures contracts may only be assessed taking into account transaction costs.

3.2 Requirements for investors selling or purchasing futures contracts

Both residents and non-residents, within the meaning of the Foreign Exchange Law Act of 27 July 2002 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2019, item 160, as amended), may be sellers (writers) and purchasers of futures contracts subject to the Trading Rules. Such investors must hold futures accounts.

3.2.1 Futures accounts

Financial instruments that are not securities, including futures contracts subject to the Trading Rules, must be recorded on derivatives accounts.

The terms and procedures of opening, operating and closing derivatives accounts and the terms of providing the services of executing orders referring to derivatives are set out in the Minister of Finance's Regulation of 30 May 2018 on terms and procedures for investment firms, banks referred to in Article 70.2 of the Act on Trading in Financial Instruments, and custodian banks (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2018, item 1112) and in the applicable rules issued by investment firms and banks pursuant to the provisions of the above Regulation.

3.2.2 Fees

Entities engaged in the brokerage business collect transaction fees from investors for whom they operate futures accounts, as per the fee schedules incorporated by reference to the accounts' operating rules.

3.3 Rights and obligations arising from futures contracts

Under the Exchange Rules, a futures contract subject to the Trading Rules is an agreement executed on the Exchange between the seller of a future right and the buyer of this future right, on terms and conditions set out in the Standard Specification of a Scheme of Futures Contracts on the WIG.GAMES5 Index (as determined in Resolution No. 416/2019 of the Exchange Management Board of 15 May 2019), in which the parties set the value of the underlying instrument, such value to be the agreed price, settled only in cash.

A futures contract may be traded on the regulated market operated by the Exchange in accordance with the Exchange Rules and other regulations governing the market.

Marking to the market, i.e., determining the rights and obligations of parties having open positions on the derivatives market and computing the settlement balances, is conducted on a daily basis. Daily settlement values constitute a basis for daily marking to the market. On the last trading day, transactions are cleared and settled on the basis of the final settlement value. Settlement values are expressed in Polish zlotys.

Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules contains detailed principles of securing claims arising from futures contracts and clearing futures contracts on delivery.

Persons investing in futures contracts should pay special attention to Chapters 4.6 – 4.8 of the Trading Rules ("Exhibit: Clearing guarantees") which describe the liabilities of the investor to a clearing participant and the principles of determining liabilities to parties of a transaction.

3.4 Manner in which first and last trading days for futures contracts are set

The Exchange Management Board in its resolution shall set the date on which trading in the first series of futures contracts subject to the Trading Rules shall commence, such date to be not more than 7 days earlier and not more than 30 days later than the date of publication of the resolution.

Trading in further series of futures contracts shall commence on the first trading day following the expiry date of the previous series.

Trading in a futures contract series shall cease on the third Friday of the series' delivery month. If this date is not a trading day according to Exchange regulations, then the expiry date is the last trading day before the third Friday of the delivery month.

The Exchange may set the last trading day to fall on a different date, but must disclose such information to the public at least 4 weeks in advance. A different last trading day may in particular be set in the event of adoption by the Exchange Management Board of a decision to withdraw from the further trading of futures contracts of a given class due to business-related circumstances, or due to circumstances beyond the Exchange's control concerning, for example, the legal status or structure of the underlying instrument. Such a decision may also be necessary to ensure the security of trading on the exchange.

If the Exchange Management Board decides to discontinue the introduction of further series of futures contracts for a specific underlying instrument, the Exchange will disclose such information to the public and notify PFSA not later than 3 weeks before the scheduled date of introduction of further series according to the standard specification.

3.5 Futures contracts expiry date

The expiry date of futures contract series is the date on which the final settlement price is determined. According to the standard specification of futures contracts subject to the Trading Rules, it is the last trading day.

3.6 Futures contracts delivery dates

The delivery date of futures contracts of a series is the series' last trading day and the contract expiry date, i.e., the date on which the final settlement price is determined.

3.7 Manner in which the daily settlement price of futures contracts is determined

Daily settlement price is set after each session starting from the date on which the first transaction of a contract series was made, exclusive of the expiry date. Daily settlement price shall be the closing price of contracts of a series. If no closing price is determined during a session, the last settlement price will be deemed the daily settlement price. However, if the order book at closing contains at least one order with a limit price better (i.e., higher for buy and lower for sell orders) than the settlement price arrived at as per the above and such an order is entered at least 5 minutes before the close of trading, the limit price of the best of such orders will be deemed the settlement price. For buy orders, this is the best limit price of a buy order above the price arrived at as per the above. In contrast, for sell orders it is the lowest limit price of a sell order below the price arrived at as per the above. If the limit in the aforementioned order is higher than the upper price collar or lower than the bottom price collar as applicable at closing, then the upper or, as appropriate, bottom price collar as applicable at closing will be deemed the daily settlement price.

In justified cases, in order to ensure the safety of exchange trading, in particular when due to extant circumstances the setting of a daily settlement price in accordance with the aforementioned conditions might threaten the liquidity of settlements for futures contracts, the Exchange may, following consultation with KDPW_CCP, determine a daily settlement price differing from that determined in accordance with the aforementioned conditions. Such circumstances include, among others, a failure of the exchange IT systems which may affect the reliability of the calculation of the daily settlement price, as well as any other event which may, in the view of the Exchange and KDPW_CCP, compromise the reliability of the daily settlement price determined in accordance with the standard specification of the futures or the correctness of the determination of that price.

3.8 Manner in which the final settlement price is determined

The final settlement price is determined on the expiry date as the final closing value of the WIG.GAMES5 index on the expiry date. If the final closing value referred to above cannot be determined on the expiry date, the Exchange shall decide to determine the final settlement price in another manner, after consultation with KDPW_CCP, other market institutions and trading participants, taking into account market data, in compliance with the principles which ensure universal and equal investor access to market information. GPW will immediately disclose the course of action to the public, in particular the method of determining the final settlement price of the instruments.

3.9 Basic futures contracts trading rules

3.9.1 Exchange trading in futures contracts

Futures contracts are traded on the main market operated by the Exchange in accordance with the Exchange Rules and other regulations governing the market.

3.9.2 Admission of futures contracts to exchange trading

1. The Exchange Management Board decides on the admission of futures contracts to exchange trading.
2. Futures contracts are admitted to exchange trading by having their standard specification determined, and on condition that their trading rules have been approved by PFSA and disclosed by the Exchange to the public.
3. Futures contracts subject to this document were conditionally admitted to public trading in Resolution No. 416/2019 of the Exchange Management Board of 15 May 2019.

3.9.3 Introduction of futures contracts to exchange trading

The Exchange Management Board shall decide on the introduction of futures contracts to exchange trading and set the first trading day of the first series of futures contracts.

3.9.4 Detailed futures contracts trading rules

Detailed trading rules for futures contracts are set out in the Detailed Trading Rules.

3.9.5 Amendments to the Exchange Rules or other exchange regulations relating to futures contracts trading

1. The Exchange Supervisory Board has the power to decide by resolution on amendments to the Exchange Rules.
2. As per Article 29 of the Trading Act, the consent of PFSA is required for any amendments to the Exchange Rules. PFSA shall refuse its consent to any amendments to the Rules if the proposed amendments are in breach of law or may violate the security of trading.
3. The Exchange Management Board has the power to decide on amendments to the Detailed Trading Rules. To the extent of trading rules for futures contracts, such amendments should be disclosed to the public at least 2 weeks before their effective date.

3.9.6 Parties to an exchange transaction

1. Only an exchange member and, in situations described in the Exchange Rules, KDPW_CCP may be a party to an exchange transaction.
2. General exchange membership rules are laid down in the Exchange Rules.

3.10 Standard Specification of Futures Contracts on the WIG.GAMES5 Index

The standard specification of futures contracts on the WIG.GAMES5 index as determined in Resolution No. 416/2019 of the Exchange Management Board of 15 May 2019:

Abbreviated contract name	FGMSkrr where: F – type of instrument, GMS – abbreviated name of underlying instrument, k – delivery month code (as per the Exchange Management Board resolution), rr – two last digits of delivery year,
Contract code	Assigned by the Central Securities Depository of Poland (KDPW) in accordance with the ISO06166 standard.
Underlying instrument	WIG.GAMES5
Multiplier	PLN 1
Contract value	Multiplier * contract price
Trading unit	Index points
Delivery months	Three nearest months of the cycle: March, June, September, December.
Last trading day	The third Friday of the delivery month for the given series. If in accordance with binding regulations this date is not a trading day, then the last trading day before the third Friday of the delivery month. The Exchange may set the last trading day to fall on a different date but must disclose such information to the public at least 4 weeks in advance. Determination of a different last trading day may occur in particular should the Exchange Management Board decide to discontinue trading of a particular class of futures contracts with regard to circumstances of a business nature or with regard to circumstances independent of the Exchange, for example relating to the legal status or construction of the underlying instrument. Such a decision may also result from the need to ensure the safety of exchange trading.
Expiry date	The date on which the final settlement price is determined. The same date as the last trading day.
First trading day of a new series	The first trading day following expiry of the previous contract. Set out by the Exchange Management Board in the event of first series.

Daily settlement price	Daily settlement price is set after each session starting from the date on which the first transaction of a contract series was made, exclusive of the expiry date. Daily settlement price shall be the closing price of contracts of a series. If no closing price is determined during a session, the last settlement price will be deemed the daily settlement price. However, if the order book at closing contains at least one order with a limit price better (i.e., higher for buy and lower for sell orders) than the settlement price arrived at as per the above and such an order is entered at least 5 minutes before the close of trading, the limit price of the best of such orders will be deemed the settlement price. For buy orders, this is the best limit price of a buy order above the price arrived at as per the above. In contrast, for sell orders it is the lowest limit price of a sell order below the price arrived at as per the above. If the limit in the aforementioned order is higher than the upper price collar or lower than the bottom price collar as applicable at closing, then the upper or, as appropriate, bottom price collar as applicable at closing will be deemed the daily settlement price. In justified cases, in order to ensure the safety of exchange trading, in particular when due to extant circumstances the setting of a daily settlement price in accordance with the aforementioned conditions might threaten the liquidity of settlements for futures contracts, the Exchange may, following consultation with KDPW_CCP, determine a daily settlement price differing from that determined in accordance with the aforementioned conditions. Such circumstances include, among others, a failure of the exchange IT systems which may affect the reliability of the calculation of the daily settlement price, as well as any other event which may, in the view of the Exchange and KDPW_CCP, compromise the reliability of the daily settlement price determined in accordance with the aforementioned conditions or the correctness of the determination of that price.
Final settlement price	The final settlement price is determined on the expiry date as the final closing value of the WIG.GAMES5 index on the expiry date.
Daily settlement value	The product of the daily settlement price and the multiplier.
Final settlement value	The product of the final settlement price and the multiplier.
Settlement date	The first business day following the contract expiry date (the last trading day).
Publication of the daily and final settlement values	Immediately following the close of trading.

Settlement method	In cash in Polish zlotys.
Investor's margin	The investment firm or custodian bank determines the required investor's margin.
Special cases	In special cases, in particular in the case of material change, suspension or termination of the provision of the WIG.GAMES5 index, the Exchange Management Board determines the course of action and immediately discloses it to the public. In particular, the Exchange Management Board may decide to suspend trading in futures contracts or stop the introduction of further series of futures contracts to trading or set a different last trading day and, after consulting KDPW_CCP, set a different final settlement price for the futures contracts.

3.11 The underlying instrument: WIG.GAMES5 index

3.11.1. Index profile

The WIG.GAMES5 index was calculated and published by the Warsaw Stock Exchange till 30 November 2019 based on the value of the portfolio of shares of the 5 most liquid companies in the game development and publication industry. The initial value of the index was 10,000 points as at 28 December 2018.

Starting from the 1 December 2019, the WIG.GAMES5 index is a benchmark calculated and published by GPW Benchmark, in accordance with the relevant Stock Exchange Index Regulations.

GPW Benchmark is the administrator of capital market benchmarks placed in the register of administrators at www.esma.europa.eu. GPW Benchmark operates as an administrator of stock exchange indices from the Warsaw Stock Exchange (WSE) Main Market, NewConnect and the TBSP market, including WIG20, mWIG40, sWIG80 and WIBOR critical benchmark.

The takeover of the role of index administrator by GPW Benchmark is related to the requirement to comply with the Regulation (EU) 2016/1011 of the European Parliament and the Council issued on 8th June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure fund performance investment (BMR). Compliance with the BMR involves providing an appropriate framework for managing index calculation in line with the requirements of the Regulation.

The WIG.GAMES5 is a price-based index and thus when it is calculated it accounts only for prices of underlying shares whereas return on stocks (dividend and subscription rights) is excluded. The participation of each company in the index as at the ranking date is capped at 40 percent.

3.11.2. Index calculation principles

$$\text{WIG.GAMES5} = \frac{\Sigma\, P(i)*S(i)}{\quad} *10\,000.00$$

$$\Sigma\ (P(0)*S(0))*\ K(t)$$

S(i) – Weighting of index participant 'i' at a session
P(i) – Price of index participant 'i' at a session
S(0) – Weighting of index participant 'i' at the reference date session
P(0) – Price of index participant 'i' at the reference date session
K(t) - Index adjustment factor at a session

The current calculation methodology of the WIG.GAMES5 index is available at https://www.gpwbenchmark.pl/en-home

3.11.3. Publication principles

Opening value, as long as session transactions allow to price at least 65% of portfolio capitalisation, but not earlier than 1 minute and not later than 1 hour after trade opens. Current values during continuous trading every 15 seconds. Closing value after trade closes at 17:10 (preliminary) and 17:15 (final).

WIG.GAMES5 index values are available at https://www.gpwbenchmark.pl/en-home

If the cancellation of exchange transactions had an impact on the value of WIG.GAMES5, then the opening and closing values of the index as well as the daily maximum and minimum values of the index are recalculated and made public following the trading session. During the trading session, GPW Benchmark S.A. does not recalculate the index values.

3.11.4. Periodic modifications

Modifications to index participants are made after the trading session on the third Friday of March, June, September, and December.
WIG.GAMES5 index participants are selected on the basis of data as at the end of February, May, August and November.

3.11.4.1. Preliminary selection

The index may comprise companies which participate in the indices WIG20, mWIG40 and sWIG80.

3.11.4.2. Index ranking

A ranking is prepared for the WIG.GAMES5 index on the basis of the average spread weighted with the value of trading and the daily average number of transactions, calculated for the last 12 months (including the month of the ranking). Companies with the lowest average spread and the highest average number of transactions rank the highest in the WIG.GAMES5 index ranking.

The average spread weighted with the value of trading is calculated according to the following formula:

$$S = \frac{\sum_{i=1}^{N} O_i * S_i}{\sum_{i=1}^{N} O_i} \qquad \textit{where:}$$

$$S_i = 20000 * \left| \frac{k(b) - \left(\frac{k+s}{2}\right)}{\frac{k+s}{2}} \right|$$

O_i – value of i-th transaction

k(b) – current price of i-th transaction

k – best bid quote before i-th transaction

s – best ask quote before i-th transaction

3.11.4.3. Index participants

The WIG.GAMES5 index includes companies in the highest positions in the index ranking. If two or more companies score the same number of points in the ranking, the company in whose shares the highest number of exchange transactions were made in the ranking period is included in the index portfolio.

The size of weightings is reduced proportionally as at the ranking date if the value of shares of an index participant exceeds 40% of index value.

3.11.4.4. Weightings of index participants

Weightings of all index participants are determined based on the number of shares in free float and rounded off to the nearest whole thousand. If the number of shares in free float is greater than the number of shares introduced into stock exchange trading, then the weighting is the number of shares introduced into stock exchange trading.

The weighting of an index participant is modified if the participant's number of shares in free float used to calculate the weighting increases or decreases by a number of shares worth the PLN equivalent of at least EUR 250 million.

For foreign companies that are also listed on foreign exchanges (dual listing), the number of shares in free float is calculated as the median of shares deposited with KDPW in the last three months.

3.11.5. Extraordinary modifications

3.11.5.1. Deleting a company from the list of index participants

In special cases, an extraordinary adjustment of index participants may be carried out to delete a company from the list of index participants.

The deleted company is replaced by a company in the highest position in the last ranking which was not included in the index. Following the extraordinary modification, the index adjustment factor is recalculated using the formula presented below:

$$K(t) = \frac{M(t) - Z(t) + Q(t)}{M(t)} * K(t')$$

M(t) - capitalisation of index portfolio before modification
Z(t) - value of weighting of a company deleted from the list of index participants
Q(t) - value of weighting of new index participant
K(t) - new value of adjustment factor
K(t') - previous value of adjustment factor

3.11.5.2. Change of weightings of index participants

The weightings of index participants are changed if:

- two or more index participants have merged,
- an index participant has been split into two or more companies.

The change of the weighting of a participant involves the summing up of the weightings of previous index participants in case of a merger, or their split in the case of a spin-off:

$$S(i) = S(i1) + S(i2)$$

S(i) – new number of shares of participant "i" in index portfolio
S(i1) – previous number of shares of participant "i1" in index portfolio
S(i2) – previous number of shares of participant "i2" in index portfolio

3.11.5.3. Modifications driven by market transactions

Indices are modified pursuant to the following market transactions:

- change of the nominal value of shares,
- shares traded without subscription rights.

In the event of a change of the nominal value of shares of an index participant, the modification of an index involves the determination of a new weighting of the index participant using the following formula:

$$S(i) = S(i') * N$$

S(i) – new number of shares of participant "i" in index portfolio following the change of the nominal value of shares
S(i') – previous number of shares of participant "i" in index portfolio
N – split/reverse split ratio

If shares of a company are first traded "without subscription rights" with a reference price lower than the last closing price, the weighting of that company is not included in the WIG.GAMES5 index portfolio at the first session "without subscription rights". The expected change in the index portfolio due to that operation may be disclosed to the public 1 day before the last trading day of shares of the company with subscription rights. The completion of the operation is disclosed to the public after the close of the trading session where the shares of the company are last traded with subscription rights.

3.11.5.4 Changes due to suspension of trading in shares at the request of the Polish Financial Supervision Authority (PFSA)

If trading in shares of a company participating in the WIG.GAMES5 index is suspended at the request of PFSA, the company may be immediately removed from the list of index participants without being replaced by another company. If trading in shares of the company is resumed not later than 10 days after the suspension, the company is re-entered into the list of index participants. If trading in shares of the company is not resumed 10 trading days after the suspension at the latest, the company in the highest position in the last ranking which was not included in the index becomes a participant of the WIG.GAMES5 index.

The specific principles governing the structure and publication of stock exchange indices and sub-indices (including WIG.GAMES5) are available at https://www.gpwbenchmark.pl/en-home

The Exchange shall not be liable for any loss incurred by trading participants due to any delay, suspension or incorrect publication of the index value during a session or due to discontinuation of index computation.

3.12 Taxes

3.12.1 Personal income tax

Income earned in the Republic of Poland by natural persons from a sale for consideration of futures contracts and exercising rights arising from such contracts is subject to taxation under special rules at a rate of 19%.

Detailed taxation rules for such income are specified in the Personal Income Tax Act of 26 July 1991 (Journal of Laws [*Dziennik Ustaw*] of 2018, item 1509, as amended).

3.12.2 Corporate income tax

Income earned in the Republic of Poland by corporate entities from a sale for consideration of futures contracts and exercising rights arising from such contracts is subject to taxation under general rules specified in the Corporate Income Tax Act of 15 February 1992 (Journal of Laws [*Dziennik Ustaw*] of 2018, item 1036, as amended).

The information above is general and does not constitute tax advisory services. In order to clarify details of tax matters, potential investors should engage authorised tax advisors.

3.13 Amendments to the Trading Rules

1. The Exchange must submit any amendment to the Trading Rules to the Polish Financial Supervision Authority and disclose it to the public.

2. If any amendment to the Trading Rules could have a material effect on the futures contract price, the Exchange must disclose the amendment to the public following the procedure set out in Article 56 of the Public Offer Act.

4. Exhibit: Clearing guarantees

Clearing is guaranteed pursuant to the Co-operation Agreement of 12 April 2013 (as amended) concluded by and between the Warsaw Stock Exchange, the Central Securities Depository of Poland and KDPW_CCP S.A.

4.1 Clearing futures transactions

4.1.1 Guaranteeing the clearing of futures transactions - general information

KDPW_CCP is the entity authorised to clear WIG.GAMES5 futures contracts and to organise and manage the clearing guarantee system.

1. Once a derivatives transaction is recorded, KDPW_CCP becomes a party to the clearing of the transaction. The other party to the clearing are clearing participants acting on the account of clients or on their own account.
2. Only KDPW_CCP participants may be clearing participants.
3. KDPW_CCP participants are eligible to operate derivatives accounts.
4. A client may only engage in business operations on the derivatives market after it has opened a derivatives account with an entity authorised to operate derivatives accounts and KDPW_CCP has granted it, on request of the relevant clearing participant, a client classification number (NKK). This condition shall not apply to clients holding an assigned client classification number.

5. As part of the clearing process, KDPW_CCP:
   a) records all transactions and other operations involving futures contracts executed during the day;
   b) computes the net credits or debits due to the final clearing of futures contracts;
   c) conducts the daily marking to the market and margin credit and debit computations for entity accounts of a clearing participant;
   d) performs a net of the clearing participant's credits and debits vis-à-vis KDPW_CCP, the net being the sum of credits and debits computed for clearing accounts and collateral accounts assigned to the clearing participant;
   e) manages the liquidity guarantee system for the clearing of transactions on the derivatives market. For that purpose, it sets up and manages a clearing liquidity guarantee system described in the KDPW_CCP regulations.

4.2 Detailed rules for clearing of futures contracts

4.2.1 Determining the final settlement value of a contract

1. The final settlement price is determined on the expiry date as the final closing value of the WIG.GAMES5 index on the expiry date.
2. The final settlement value is determined by the Warsaw Stock Exchange as the product of the final settlement price and the multiplier.

4.3 Detailed rules for guaranteeing the clearing of futures contracts

4.3.1. Initial security deposit

1. Every clearing participant must pay an initial security deposit to KDPW_CCP. No participant will be allowed to clear any transaction on the derivatives market until this margin has been deposited. This requirement does not apply where the clearing participant has paid the required initial security deposit to KDPW_CCP in connection with clearing of other derivatives.
2. KDPW_CCP sets out the minimum initial security deposit requirement. The security deposit may be covered by cash or securities collateral approved by KDPW_CCP.
3. After a clearing participant pays the initial security deposit, they will be entitled at any date to open positions in derivatives cleared by them, provided always that the total value of these positions must be computed in accordance with the appropriate KDPW_CCP regulations contained in the Detailed Rules of Transaction Clearing (organised trading).
4. The purpose of the initial security deposit is to hedge the risk of the clearing participant's default in due payment to KDPW_CCP of maintenance margins securing the participant's derivatives positions and the risk of their default in due payment of their liabilities resulting from the daily marking to the market.

4.3.2. Maintenance margin

The value, method and manner of payment and replenishment of the maintenance margin by investors are determined, subject to rules set out by KDPW_CCP, by:

a) investment firms, in the derivatives buy or sell order execution rules;
b) custodian banks, in the derivatives account operating rules.

4.3.3. KDPW_CCP margin

1. The maintenance margin to be deposited by a clearing member with KDPW_CCP is the sum total of all the margin requirements computed for the individual collateral accounts of that clearing member, as per the rules laid down and published by KDPW_CCP.
2. The clearing system records maintenance margins posted to secure positions recorded in collateral accounts as per the account structure defined by the clearing member.
3. KDPW_CCP allows the following methodologies to be applied in the calculation of initial security deposits:
   1) SPAN® methodology;
   2) Portfolio Risk Calculation Model (MPKR);
   3) Other methodology approved by KDPW_CCP.
4. Risk parameters are distributed daily to participants in KDPW_CCP messages.
5. A maintenance margin may be covered by cash or securities approved by KDPW_CCP.
6. Non-cash collateral (securities) may cover the part of the maintenance margin determined as a percentage by KDPW_CCP.
7. Financial instruments deposited as collateral are subject to transfer of title according to KDPW_CCP regulations.

4.4 Concentration limits and position exposure limits

KDPW_CCP imposes position concentration limits and may impose limits on exposure to open positions according to KDPW_CCP regulations as required to ensure the security of trading.

4.5 Daily marking to the market

4.5.1 KDPW_CCP conducts daily marking to the market. Computations are made of funds to be paid to KDPW_CCP in respect of open positions with unfavourable price trends and of funds to be paid by KDPW_CCP in respect of opposite positions.

4.5.2 The debits and credits of the parties to a futures transaction are computed on each day when clearing is performed after the session's transactions and other operations submitted for execution on that day are recorded, subject to the following terms and conditions:

1. The first marking to the market is conducted on the same day after positions have been opened. The resulting amount (the settlement balance), which is loss for one side and gain for the other, is the product of the difference between the contract value and the daily settlement value, multiplied by the number of contracts transacted and recorded on a clearing account.
2. On the other trading days, excluding the contract expiry date, the amount resulting from the marking to the market (the settlement balance) is the product of the difference between the previous daily settlement value and the current daily settlement value, multiplied by the number of contracts recorded on a clearing account, excluding contracts referred to in point (1).

3. Where an open position is closed, the amount resulting from the marking to the market (the settlement balance) is the product of the difference between the contract value for the close-out and the previous daily settlement value, multiplied by the number of contracts.
4. Where an open position is closed on the same session, the amount resulting from the marking to the market (the settlement balance) is the product of the value differences on close-out and opening, multiplied by the number of contracts.

4.5.3 In the transaction clearing guarantee system, KDPW_CCP conducts the daily marking to the market for parties to transactions on the derivatives market.

4.5.4 If a client takes a position opposite to the position they have previously held on the same clearing account, the position will be liquidated.

4.6 Detailed rules for determining the liabilities arising from open positions

The liability to pay the settlement balance resulting from daily marking to the market in respect of both long and short positions and the final settlement price means that the settlement balance will be debited to the investor’s margin account.

4.6.1 Liability of an investor holding a long position

1. On the day the position is opened, the investor must pay the settlement balance to KDPW_CCP if the daily settlement value is lower than the opening contract value.
2. On the other days, the investor must pay the settlement balance if the daily settlement value on a given day is lower than the previous daily settlement value.

4.6.2 Liability of an investor holding a short position

1. On the day the position is opened, the investor must pay the settlement balance if the daily settlement value is higher than the opening contract value.
2. On the other days, the investor must pay the settlement balance if the daily settlement value on a given day is higher than the previous daily settlement value.

4.7 Detailed rules for determining liabilities of parties to a futures transaction closing their positions

4.7.1 Liability of an investor closing a long position

1. The investor closing a long position that was opened before the close-out date must pay the settlement balance if the closing contract value is lower than the previous daily settlement value.
2. The investor closing a long position on the same day the position is opened must pay the settlement balance if the closing contract value is lower than the opening contract value.

4.7.2 Liability of an investor closing a short position

1. The investor closing a short position that was opened before the close-out date must pay the settlement balance if the closing contract value is higher than the previous daily settlement value.

2. The investor closing a short position on the same day the position is opened must pay the settlement balance if the closing contract value is higher than the opening contract value.

4.8 Detailed rules for determining liabilities of parties to a futures transaction on expiry date

On the contract expiry date, KDPW_CCP will compute and record the liabilities on the accounts of the parties to the contract, and such liabilities will equal the product of the difference between the previous daily settlement value and the final settlement value, multiplied by the number of contracts recorded in the clearing account.

4.8.1 Liability of an investor holding a long position

1. The investor holding a long position that was opened before the expiry date must pay the settlement balance if the final settlement value is lower than the most recent daily settlement value.
2. The investor holding a long position that was opened on the expiry date must pay the settlement balance if the final settlement value is lower than the opening contract value.

4.8.2 Liability of an investor holding a short position

1. The investor holding a short position that was opened before the expiry date must pay the settlement balance if the final settlement value is higher than the most recent daily settlement value.
2. The investor holding a short position that was opened on the expiry date must pay the settlement balance if the final settlement value is higher than the opening contract value.

4.9 Settlements between clearing participants and KDPW_CCP

4.9.1 Clearing participants shall settle their maintenance margin liabilities, liabilities resulting from marking to the market, payments to the clearing fund and additional margins no later than 15 minutes before futures contract quotations start on the next trading day. Failure to meet this obligation will prevent the participant from being admitted to the clearing process, which in consequence will lead to order placement halt.

4.9.2 If a Clearing Participant is short of the margin requirement before a session starts, they may be admitted to the clearing process on a conditional basis. The initial security deposit paid by that participant shall be netted of any non-paid liabilities.

4.10 Clearing Fund

4.10.1 The Clearing Fund is created at KDPW_CCP under Articles 65-67 and Article 48.7 of the Trading Act.

4.10.2 The Clearing Fund secures obligations arising from KDPW_CCP's clearing of transactions made on the regulated market and potential default in respect of such transactions. The Clearing Fund is funded by payments from clearing members.

4.10.3 The detailed rules of participation in and use of the Clearing Fund are set out in the Clearing Fund Rules and the Rules of Transaction Clearing (organised trading) available on the KDPW_CCP website (www.kdpwccp.pl).

4.11 Breach of the rules of participation by a clearing member

4.11.1 In the event that a clearing member is in a breach of the rules of participation in the KDPW_CCP clearing system defined in the Rules of Transaction Clearing (organised trading), in particular fails to meet the day's liabilities as computed by KDPW_CCP, KDPW_CCP will start closing the clearing member's positions and for that purpose KDPW_CCP will use the resources of the clearing guarantee system.

4.11.2 KDPW_CCP uses the following resources in order to clear transactions to which the participant breaching the rules of participation in the clearing system is a party to clearing (the order in which the following resources are used is set in the Rules of Transaction Clearing (organised trading)):

1. amounts due to the insolvent KDPW_CCP clearing member;
2. margins of the insolvent KDPW_CCP clearing member;
3. contributions of the insolvent KDPW_CCP clearing member to the Clearing Fund.
4. dedicated resources of KDPW_CCP at least equal to 25% of the capital requirement taking into account the allocation of such resources to the fund;
5. contributions of other KDPW_CCP clearing members to the Clearing Fund;
6. other own funds of KDPW_CCP up to 110% of the capital requirement;
7. additional contributions of other KDPW_CCP clearing members to the Clearing Fund (maximum 50% of the last basic contribution);
8. other assets of KDPW_CCP.

4.11.3 According to the Rules of Transaction Clearing (organised trading), margins may only be used to meet liabilities arising from positions recorded in clearing accounts linked by the participant to the collateral account in which such margins are recorded unless the margin is recorded in a collateral account linked to an own position account.