R E G U L A T I O N S

of the Express Elixir System

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CHAPTER I.

GENERAL PROVISIONS

§ 1.

These Regulations specify the principles of operation of the Express Elixir system by Krajowa Izba Rozliczeniowa S.A. (joint-stock company), particularly:

1)   tasks of Krajowa Izba Rozliczeniowa S.A. related to running the Express Elixir system;

2)   principles of exchange and clearing of Payment Orders in the Express Elixir system;

3)   principles of participation in the Express Elixir system and obligations of the Participants in the Express Elixir system;

4)   scope of mutual responsibility of the Participants in the Express Elixir system and Krajowa Izba Rozliczeniowa S.A.

§ 2.

The expressions used in the Regulations and other contractual models binding to the Participants and issued by Krajowa Izba Rozliczeniowa S.A. shall have the following meaning:

1/ Authorisation	-	action in the process of completion of Transaction in which the Participant's Unit accepting the Payment Order states that the account of the Payment Recipient exists, is active and may be credited;
2/ BIC	-	BIC (Business Identifier Code) – code defined in the ISO 9362 standard;
3/ BOK	-	appropriate organisational unit of KIR responsible for handling the Participants in the Express Elixir system;
4/ KIR gate	-	system for the teletransmission exchange of data with the Participant's Units;
5/ Transaction Identifier	-	unique sequence of characters in the Express Elixir system that clearly defines the Transaction associated with a given Payment Order; the principles of creating the Transaction Identifier are set forth in Technical Specification of the Express Elixir No. 2;
6/ Participant's Unit	-	unit submitted by the Participant and clearly identified with clearing number or numbers which sends and receives Payment Orders and for which the following parameters are defined separately: Static Availability Table, standard of Message exchange, technical

		-	parameters, supported Types of Service and Transaction Limits for Payment Orders with a given Code. One Participant may have one or more Participant's Units;
7/	KIR	-	Krajowa Izba Rozliczeniowa S.A. (joint-stock company);
8/	Payment Order Code or Code	-	sequence of characters that clearly determines the type of a given Payment Order. There are four Payment Order Codes: RTTR, MP2P, RTSP and RTUS;
9/	Message	-	single information about the Payment Order sent between the Participant's Unit and the Express Elixir system in one of the standards supported by the Express Elixir system, prepared in the form of electronic document according to the requirements of the Express Elixir system set forth in Technical Specification of the Express Elixir system No. 2;
10/	Internal Account	-	account in the records kept in the Express Elixir system where the changes in the balance of funds entrusted to KIR by the Participant and gathered in the Fiduciary Account are recorded. Every Participant may have more than one Internal Account. One Internal Account may have more than one Participant's Unit assigned.
11/	Minimum Amount to be Paid	-	minimum amount of surplus above the Basic Limit defined for the Internal Account that may be transferred from the Fiduciary Account to the Participant's Account in the Liquidity Adjustment Process;
12/	Lower Limit	-	amount limit defining the balance of the Internal Account which, when exceeded (downwards), causes that an alert is sent to the Participant; this limit cannot be lower than 20% of the Basic Limit and cannot be less than PLN 500,000;
13/	Basic Limit	-	amount limit, not lower than the Lower Limit, defining the balance of the Internal Account which, when exceeded (upwards), causes that in the course of Liquidity Adjustment Process the surplus above such limit is transferred from the Fiduciary Account to the Participant's Account, if the surplus exceeds the Minimum Amount to be Paid. Surplus is understood as a positive difference between the Available Balance and the Basic Limit;

14/ Transaction Limit	-	amount limit defining the maximum amount of a single Payment Order submitted by a given Participant's Unit that may be entered to the Express Elixir system. The Transaction Limit defined for a given Participant's Unit for Payment Orders with RTTR Code, Payment Orders with RTSP Code and Payment Orders with MP2P Code cannot exceed the System Transaction Limit set forth for the Express Elixir system. The Transaction Limit defined for a given Participant's Unit for Payment Orders with RTUS Code cannot exceed the RTUS System Transaction Limit set forth for the Express Elixir system. The Transaction Limit is defined separately for Payment Orders with a given Code handled by the Participant's Unit;
15/ MP2P	-	Code of the Payment Order identifying mobile instant transfer where the payment account number of the Payment Recipient is determined with the use of the Alias Database;
16/ Payment Sender	-	natural person, legal person or organisational unit without legal personality that, according to the law, has the legal capacity and submits payment order (credit transfer to be executed via the Express Elixir system;
17/ NBP	-	National Bank of Poland;
18/ Payment Recipient	-	natural person, legal person or organisational unit without legal personality that, according to the law, has the legal capacity and is the recipient of funds being the subject of payment order executed via the Express Elixir system;
19/ Ognivo	-	service which enables the exchange of information, particularly with regard to interbank clearings, by the agency of KIR's dedicated online app;
20/ Network Operator	-	external entity providing ICT services;
21/ Reconciliation File	-	reconciliation report provided by KIR to the Participant's Units, generated daily, and containing a list of all Transactions regarding the Participant's Unit in the reported period;
22/ Liquidity Adjustment Process	-	process involving the verification of the Available Balance of the Internal Account at the time of starting the process against the Basic Limit for

		such Internal Account, and the transfer of possible surplus above the Basic Limit from the Fiduciary Account to the Participant's Account, if such surplus is not lower than the Minimum Amount to be Paid;
23/ Transfer to Mobile Phone	-	Type of Service that includes Payment Orders with MP2P Code;
24/ Instant Transfer	-	Type of Service that includes Payment Orders with RTTR Code, Payment Orders with RTSP Code and Payment Orders with RTUS Code. In the case of this Type of Service the payment account number of the Payment Recipient cannot be determined with the use of the Alias Database;
25/ Fiduciary Account	-	bank account kept for KIR by the National Bank of Poland in the SORBNET2 system to settle Payment Orders in the Express Elixir system, being a trust account within the meaning of Article 59 of the Act of 29 August 1997 on the Banking Law where the funds entrusted to KIR by the Participants are gathered;
26/ Participant's Account	-	Participant's account kept by the National Bank of Poland in the SORBNET2 system, and, in the case of NBP being the Participant, account kept by NBP to which the surplus determined in the Liquidity Adjustment Process is transferred;
27/ Regulations	-	Regulations of the Express Elixir system;
28/ GDPR	-	Regulation of the European Parliament and of the Council (EU) of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
29/ Clearing in the Express Elixir system	-	clearing of the Payment Order in the Express Elixir system which simultaneously includes: - decrease in the amount of Participant's funds entrusted to KIR and gathered in the Fiduciary Account by the amount of Payment Order submitted by the Participant's Unit of such Participant and cleared in the Express Elixir system (decrease, by the amount of Payment Order, of the Participant's liabilities towards KIR with regard to the return of the Participant's funds gathered in the Fiduciary Account), and

		- increase in the amount of Participant's funds entrusted to KIR and gathered in the Fiduciary Account by the amount of Payment Order cleared in the Express Elixir system and authorised by the Participant's Unit of such Participant (increase, by the amount of Payment Order, of the Participant's liabilities towards KIR with regard to the return of the Participant's funds gathered in the Fiduciary Account). Upon Clearing in the Express Elixir system, the result of the completed clearing of a given Payment Order is recorded in the Internal Account of the Participant's Unit that submitted the cleared Payment Order (decrease of balance of the Internal Account of such Participant's Unit) and in the Internal Account of the Participant's Unit that received the Payment Order (increase of balance of the Internal Account of such Participant's Unit);
30/ RTSP	-	Code of Payment Order identifying instant transfer with the use of the split payment mechanism referred to in Article 108a of the Act of 11 March 2004 on Tax on Goods and Services;
31/ RTTR	-	Code of Payment Order identifying instant transfer other than instant transfer to customs and tax authorities;
32/ RTUS	-	Code of Payment Order identifying instant transfer to customs and tax authorities;
33/ Available Balance	-	balance of the Internal Account of a given Participant decreased by the value of blockades currently applied to such Internal Account;
34/ SORBNET2	-	electronic platform run by the National Bank of Poland where interbank settlement takes place in real time in PLN;
35/ Static Availability Table	-	time periods when the Participant's Unit is available within the scope of sending and receiving Payment Orders in the Express Elixir system, as set forth by the Participant;
36/ System Transaction Limit	-	limit defining the maximum amount of single Payment Order with RTTR Code, Payment Order with RTSP Code and Payment Order with MP2P Code that may be entered to the Express Elixir system. This limit amounts to PLN 100,000;

37/ RTUS System Transaction Limit	-	limit defining the maximum amount of a single Payment Order with RTUS Code that may be entered to the Express Elixir system. This limit amounts to PLN 250,000;
38/ Transaction	-	sequence of actions that involve the exchange of Messages between the Participant's Unit submitting the Payment Order, the Express Elixir system and the Participant's Unit receiving the Payment Order, with the aim of clearing of a given Payment Order. All Messages in one Transaction are identified with a single unique Transaction Identifier in the Express Elixir system;
39/ Type of Service	-	type of Payment Orders handled by the Participant's Unit. There are two Types of Service: Instant Transfer and Transfer to Mobile Phone. The Participant's Unit handling the Type of Service: Instant Transfer may send and receive Payment Orders with RTTR Code, Payment Orders with RTSP Code and Payment Orders with RTUS Code. The Participant's Unit handling the Type of Service: Transfer to Mobile Phone may send and receive Payment Orders with MP2P Code;
40/ Participant	-	entity being a payment service provider within the meaning of Article 4 of the Act of 19 August 2011 on Payment Services that may be a participant in the payment system within the meaning of Article 1 point 5 of the Act of 24 August 2001 on Settlement Finality in Payment Systems and Settlement Systems for Securities and Principles of Supervision over these Systems, concluded an Agreement with KIR and met the conditions for inclusion in the Express Elixir system, as set forth in the Regulations;
41/ Agreement	-	agreement for participation in the Express Elixir system;
42/ AML Act	-	Act of 1 March 2018 on Combating Money Laundering and Financing Terrorism;
43/ Synthetic Statement from Internal Account	-	reconciliation report delivered by KIR to the Participants, generated daily and containing, among other things, a summary list of operations changing the balance of the Internal Account and Available Balance in the reported period;

44/ Base Datasets	-	set of identification data of Participants and Participants' Units and Static Availability Tables;
45/ Payment Order	-	order of the Participant's Unit submitted to the Express Elixir system in the form of Message, transfer of funds – in the amount equal to the amount of payment order submitted by the Payment Sender – to another Participant's Unit, containing particularly the information about payment account numbers of the Payment Sender and the Payment Recipient.

CHAPTER II.

GENERAL INFORMATION ABOUT THE EXPRESS ELIXIR SYSTEM

§ 3.

1. The Express Elixir system works in a constant mode, that is on every day of the year, twenty-four hours a day, subject to § 30 point 8.

2. The subject of clearings in the Express Elixir system are Payment Orders in PLN.

3. The Payment Orders may be submitted by the Participants at any time of operation of the Express Elixir system and are cleared promptly upon their receipt, subject to § 12.

CHAPTER III.

PARTICIPATION IN THE EXPRESS ELIXIR SYSTEM

§ 4.

The Participant may be operating in the Express Elixir system after meeting the following conditions:

1) conclusion of the Agreement;

2) having a Participant's Account;

3) familiarizing Technical Specifications of the Express Elixir system;

4) introduction of necessary changes to the ICT systems of the Participant's Units to enable proper handling of Messages exchanged with the Express Elixir system;

5) having the status of Ognivo participant;

6) payment of fee for joining the Express Elixir system in accordance with the Price List of Services of the Express Elixir system;

7) submitting to KIR data of the Participant and Participant's Units, and data referred to in § 6, at least one month before the planned date of commencement of clearings in the Express Elixir system;

8) agreeing with KIR on the mode of ICT connection of the Participant's Units with the Express Elixir system;

9) positive result of tests of the Participant's Units on Express Elixir compatibility conducted in line with the principles and within the scope set forth in Technical Specification of the Express Elixir System No. 8;

10) agreeing with KIR on the date of inclusion of the Participant and Participant's Units submitted by it to the Base Datasets provided by KIR to all Participants;

11) crediting the Fiduciary Account with the amount not lower than the sum of Basic Limits of Internal Accounts according to the data set forth in § 6 section 1 points 2 and 3.

§ 5.

1. The Participant sets the amount of Basic Limit of Internal Account on the basis of estimated turnover from Payment Orders submitted for clearing in the Express Elixir system by the Participant's Units assigned to such Account and Transaction Limits declared by such Participant for the Payment Orders with a given Code handled by the Participant's Units assigned to such Account.

2. The Participant may change the Basic Limit in the mode set forth in § 6 section 3.

§ 6.

1. Within the deadline set forth in § 4 point 7, the Participant shall send to KIR the following data necessary for proper configuration in the Express Elixir system:

   1) Participant's BIC;

   2) number of Internal Accounts;

   3) data concerning individual Internal Accounts:

      a) Participant's Account number,

      b) numbers of accounts from which the Participant shall fund the Fiduciary Account (different accounts must be indicated for every Internal Account),

      c) Basic Limit,

      d) Lower Limit,

      e) Minimum Amount to be Paid;

   4) data concerning individual Participant's Units:

      a) assignation to one of the Internal Accounts of such Participant,

      b) clearing number or numbers,

      c) Transaction Limits for Payment Orders with a given Code supported by the Participant's Unit,

      d)   Static Availability Tables,

      e)   Message exchange standard,

      f)   Types of Services supported by the Participant's Unit;

   5)   other data set forth in Technical Specification of the Express Elixir system No. 1.

2. Data referred to in section 1 are submitted in the registration form available in Technical Specification of the Express Elixir system No. 1.

3. Data referred to in section 1 are updated in a way set forth in Technical Specification of the Express Elixir system No. 1.

§ 7.

For each Type of Service supported, every Participant's Unit must act in the Express Elixir system as the Participant's Unit submitting Payment Orders and the Participant's Unit receiving Payment Orders.

§ 8.

1. The inclusion of the Participant's Unit in the clearings in the Express Elixir system starts at the date agreed upon by KIR and the Participant.

2. KIR informs the Participant about the inclusion of its Participant's Unit in the clearing process in the Express Elixir system.

3. The Participant may submit other Internal Accounts. The provisions of § 6 section 1 point 3 shall apply accordingly.

4. The Participant may submit other Participant's Units. The provisions of § 4 points 4, 7, 8, 9 and 10 and § 6 section 1 point 4 shall apply accordingly.

§ 9.

The Base Datasets are updated according to the following principles:

1) deadlines for updating the Base Datasets are set by KIR;

2) the Participant reports changes of data of the Participant's Units referred to in § 6 section 1 point 4 at least one month in advance;

3) the proposed date of updating data referred to in point 2 should be consistent with the dates of updating the Base Datasets;

4) the date of updating data referred to in point 2 given by the Participant that is not consistent with the dates of updating the Base Datasets shall be moved accordingly; KIR shall inform the interested Participant about the date being moved;

5) in special cases KIR may waive the deadline for updating data indicated in point 2;

6) the current Base Datasets are stored at KIR and made available to every Participant's Unit via the KIR Gate.

§ 10.

KIR includes the submitted Participant's Unit in the Base Datasets with the indication of the date from which such Unit shall participate in the clearings in the Express Elixir system.

CHAPTER IV.

CLEARING PRINCIPLES

§ 11.

Payment Orders may be exchanged between:

1)   Participant's Units of different Participants;

2)   Participant's Units of the same Participant.

§ 12.

1.   The exchange of Messages between the Participants' Units takes place at the time periods set forth in Static Availability Tables, subject to § 27 section 1.

2.   The Participants' Units are obliged to participate in the exchange of Messages every day, at least between 6:00 AM and 10:00 PM, subject to section 3.

3.   In the case of planned maintenance breaks, the Participant is obliged to notify about the temporary unavailability of the Participant's Unit, at least one month in advance, in the mode set forth in Technical Specification of the Express Elixir system No. 1.

§ 13.

1.   Every Message exchanged between the Participant's Unit and the Express Elixir system contains information about only one Payment Order. The exchanged Messages are not merged into blocks or collections.

2.   The Messages may be exchanged between the Participant's Unit and the Express Elixir system only in one standard agreed upon with KIR and set forth in Technical Specification of the Express Elixir system No. 2.

3.   The content, format and mechanisms of exchange of Messages and other information in the Express Elixir system are set forth in Technical Specification of the Express Elixir system No. 2. The Messages that do not meet the requirements set forth in Technical Specification of the Express Elixir system No. 2, including particularly Payment Orders, shall not be included in the clearings and shall be rejected with a relevant error code.

§ 14.

1.   The Participants are obliged to implement the handling of all Messages necessary to complete the Transaction in the ICT systems of the Participant's Units.

2. The scheme of exchange of Messages between the Participant's Unit submitting the Payment Order, the Express Elixir system and the Participant's Unit receiving the Payment Order in the course of Transaction execution, with the indication of Messages used at every stage, is set forth in Functional Specification of the Express Elixir system.

§ 15.

1. The Participant may send Payment Orders with the RTTR Code, Payment Orders with the RTSP Code and Payment Orders with the MP2P Code for clearing in the Express Elixir system up to the amount not greater than the System Transaction Limit.

2. In the case of sending a Payment Order with the RTTR Code, Payment Order with the RTSP Code or Payment Order with the MP2P Code for the amount greater than the System Transaction Limit, the Express Elixir system shall reject such Payment Order, with the indication of a relevant error code.

3. The Participant may send Payment Orders with the RTUS Code for clearing in the Express Elixir system up to the amount not greater than the RTUS Transaction System Limit.

4. In the case of sending a Payment Order with the RTUS Code for the amount greater than the RTUS Transaction System Limit, the Express Elixir system shall reject such Payment Order, with the indication of a relevant error code.

§ 16.

For the purposes of registration of the Messages processed in the Express Elixir system, the system date and time used in the Express Elixir system shall be adopted.

§ 17.

1. The Payment Orders submitted in the Express Elixir system by the Participant's Unit shall have the effect of ordering settlement within the meaning of Article 1 point 12 of the Act of 24 August 2001 on Settlement Finality in Payment Systems and Settlement Systems for Securities and Principles of Supervision over these Systems.

2. The Participant whose Participant's Unit submitted the Payment Order in the Express Elixir system shall be released from obligation towards the Participant whose Participant's Unit performed the Authorisation of such Payment Order upon the completion of Clearing in the Express Elixir system.

§ 18.

1. The Payment Order is considered as entered to the Express Elixir system upon its registration in the named KIR computer identified with the communication address indicated by KIR.

2. The Payment Order cannot be cancelled after being entered to the Express Elixir system.

3. If the Payment Order entered to the Express Elixir system is verified with a positive result in the Express Elixir system, including, if the Participant's Unit submitting the Payment Order ensures appropriate Available Balance in its Internal Account, the Express Elixir system shall block the funds in the Internal Account of such Participant's

Unit in the amount equal to the amount of received Payment Order and send confirmation of acceptance of such Payment Order to the Participant's Unit.

4. If the Participant's Unit does not ensure appropriate Available Balance in its Internal Account that enables the clearing of the submitted Payment Order, the Express Elixir system shall reject such Payment Order with the indication of cause of such rejection.

5. If the Participant's Unit submitting the Payment Order does not receive from the Express Elixir system confirmation of acceptance for execution of the Payment Order submitted to the Express Elixir system within a period of time set forth in Technical Specification of the Express Elixir system No. 3, the Participant's Unit shall be obliged to send the Payment Order again in line with the principles set forth in Technical Specification of the Express Elixir system No. 3.

6. The authorisation of Payment Order received from the Express Elixir system by the Participant's Unit receiving the Payment Order shall be the obligation of such Participant's Unit to credit the account of the Payment Recipient immediately after receiving the information referred to in section 9 from the Express Elixir system, and shall be final.

7. The obligation referred to in section 6 shall expire upon crediting the payment account of the Payment Recipient with the amount of a given Payment Order and if, before the crediting of such account from the Reconciliation File received by the Participant's Unit and covering the period to which such Authorisation pertains, it seems that the authorised Payment Order has not been cleared, upon the receipt of such Reconciliation File.

8. After the Authorisation of the Payment Order by the Participant's Unit, the Clearing takes place in the Express Elixir system. The date of Clearing in the Express Elixir system is the date of currency.

9. The information about the clearing of the Payment Order in the Express Elixir system is provided to the Participant's Unit submitting the Payment Order and the Participant's Unit accepting the Payment Order.

10. The Participant's Unit that has submitted the Payment Order is obliged to debit the account of the Payment Sender promptly after receiving the information referred to in section 9 from the system.

11. The Participant's Unit that has Authorised the Payment Order is obliged to credit the account of the Payment Sender promptly after receiving the information referred to in section 9 from the Express Elixir system.

12. No Authorisation (including particularly Authorisation refusal, no response of the Participant's Unit to the Message with request for Authorisation or no technical possibility to deliver Authorisation confirmation to the Express Elixir system) causes that the Payment Order is not cleared. The information about the impossibility to clear such Payment Order is provided to the Participant's Unit that has submitted such Payment Order. At the same time the blockade referred to in section 3 is released.

§ 19.

1. KIR has the right to temporarily block the possibility to send or receive Messages to/from the Express Elixir system by a given Participant's Unit if technical problems with this Unit are found and prevent proper handling of the clearings in the Express Elixir system.

2. The possibility to send or receive Messages referred to in section 1 is restored when the technical problems with this Unit that prevented the handling of clearings in the Express Elixir system are fixed.

CHAPTER V.

LIQUIDITY MANAGEMENT AND CLEARING OF PAYMENT ORDERS IN THE EXPRESS ELIXIR SYSTEM

§ 20.

1. The Payment Orders are cleared with the use of the Fiduciary Account.

2. The funds gathered in the Fiduciary Account are used by KIR only for clearing Payment Orders purposes.

3. The debiting of the Fiduciary Account is made on the basis of the KIR's order and may only take place:

    1) to return the amount received from the account that is not the account referred to in § 6 section 1 point 3 letter b and assigned to any of the Participants, or in the case of payment to the Fiduciary Account non-compliant with the principles of crediting the Internal Account set forth in Functional Specification of the Express Elixir system;

    2) to return the surplus funds recorded in the Internal Account of a given Participant in the Liquidity Adjustment Process;

    3) to return the funds to the account indicated by the Participant in the case of termination or expiry of the Agreement concluded with such Participant.

§ 21.

1. KIR calculates the amount of funds due to the Participants on an ongoing basis and reflects it in Internal Accounts.

2. The sum of funds of the Participant reflected in its Internal Accounts determines the amount of the Participant's funds entrusted to KIR and gathered in the Fiduciary Account at a given time.

3. The Participants make payments to the Fiduciary Account from accounts referred to in § 6 section 1 point 3 letter b.

4. The payment made by the Participant from an account different than the account referred to in § 6 section 1 point 3 letter b shall not be registered in the Internal Account of the Participant and shall be returned from the Fiduciary Account to the same account from which the payment was made not later than on the following working day.

5. The payments referred to in section 3 are registered in relevant Internal Accounts of the Participants and increase the balances in such Internal Accounts.

§ 22.

The records of operations affecting the Available Balance are kept in accordance with the following principles:

1) after the verification of Payment Order received from the Participant's Unit submitting the Payment Order in the Express Elixir system, the amount equal to the received Payment Order is blocked in the Internal Account of such Participant; the blockade decreases the Available Balance;

2) after the Authorisation of this Payment Order, the balance of the Internal Account of the Participant's Unit submitting the Payment Order is decreased with the amount of the Payment Order referred to in point 1; at the same time the blockade referred to in point 1 is lifted, and the balance of the Internal Account of the Participant's Unit receiving the Payment Order is increased with the amount equal to the amount of this Payment Order;

3) every credit to the Fiduciary Account in the mode referred to in § 21 section 3 is registered in the Internal Account of a given Participant increasing its balance with the amount of the credit made;

4) every debit of the Fiduciary Account arising from the execution of the Liquidity Adjustment Process is registered in the Internal Account of the Participant to which the Process pertains decreasing the balance of its Internal Account with the amount of the debit made.

§ 23.

1. The Participant is obliged to constantly monitor the Available Balances on its Internal Accounts.

2. The information about the Available Balances and the balances of the Participant's Internal Accounts is provided via Ognivo and BOK.

3. The information provided via Ognivo is updated periodically at the times set forth in Technical Specification of the Express Elixir system No. 5.

§ 24.

1. The Liquidity Adjustment Process is periodically launched in the Express Elixir system at times set forth in Functional Specification of the Express Elixir system.

2. The Liquidity Adjustment Process leads to the transfer of potential surplus over the Basic Limit from the Fiduciary Account to the Participant's Account, if such surplus is greater than the Minimum Amount to be Paid. As a result of this Process, the Balance of the Participant's Internal Account is decreased with the amount of surplus referred to above.

CHAPTER VI.

HANDLING ALERTS

§ 25.

1. KIR notifies the Participant about the occurrence of important events in the Express Elixir system, particularly:

1) crediting the Participant's Internal Account;

2) transfer of funds from the Fiduciary Account to the Participant's Account as a result of execution of the Liquidity Adjustment Process;

3) exceeding the amount of Lower Limit in the Internal Account;

4) impossibility to execute the Transaction due to non-assurance of sufficient funds in the Internal Account;

5) Significant number of Participant's Transactions with the status: "to be clarified in the claims procedure";

6) other events referred to in Technical Specification of the Express Elixir system No. 6.

2. The notifications referred to in section 1 are provided to the Participant in a way and according to the principles set forth in Technical Specification of the Express Elixir system No. 6.

§ 26.

The Participant shall be obliged to ensure the right handling of notifications generated by the Express Elixir system and referred to in § 25 section 1, and to undertake appropriate actions promptly after receiving such notifications.

CHAPTER VII.

CLAIM MODE

§ 27.

1. KIR has the right to temporarily block the possibility for the Participant's Unit to submit or receive Payment Orders in cases described in Specifications of the Express Elixir system, particularly in the case of:

1) exceeding the time for the response of the Participant's Unit to a specific type of Message;

2) no response to a specific type of Messages;

3) Incorrect format of data in the Messages;

4) irregularities in the types of data in the Messages;

5) sending to the Express Elixir system a type of Message that is not expected at a given stage of handling the Transaction;

6) security violation measures within the scope of communication with the Express Elixir system.

2. In the case of any doubts concerning the Transaction executed in the Express Elixir system, the Participant is obliged to promptly undertake actions aimed at the clarification of the status of the Transaction in question with KIR.

CHAPTER VIII.

RECONCILIATION FILES

§ 28.

1. KIR shall share with the Participants Reconciliation Files according to the principles set forth in Technical Specification of the Express Elixir system No. 7 and Synthetic Statements of Internal Account according to the principles set forth in Functional Specification of the Express Elixir system.

2. The Participant shall be obliged to verify data included in the Reconciliation Files and Synthetic Statements of Internal Account, and promptly report to KIR any irregularities found, but not later than till the next working day following the KIR's sharing of Reconciliation File/ Synthetic Statement of Internal Account to which the irregularity pertains.

CHAPTER IX.

OBLIGATIONS OF PARTIES AND PRINCIPLES OF LIABILITY

§ 29.

The Participant shall be obliged to act in accordance with the provisions of the Regulations, Agreement, Functional Specification of the Express Elixir system and Technical Specifications of the Express Elixir system, and particularly to:

1) submit Payment Orders to the Express Elixir system and receive Payment Orders in accordance with the Static Availability Tables for the Participant's own Units and Participant's Units of other Participants;

2) ensure ICT connection meeting the conditions set forth in Technical Specification of the Express Elixir system No. 4;

3) observe the correctness of entering Polish characters in the process of creating Transactions and other data submitted to the Express Elixir system, as set forth in Technical Specification of the Express Elixir system No. 1;

4) conduct Express Elixir compatibility tests at the date and within the scope specified by KIR;

5) ensure proper handling of Messages in accordance with the scheme included in Functional Specification of the Express Elixir system;

6) accept and receive Messages exchanged with the Express Elixir system as part of the supported Types of Service on all days of the week, at least from 6:00 AM to 10:00 PM, subject to § 12;

7) include the planned maintenance breaks in the Static Availability Tables;

8) keep the appropriate balance in the Internal Account that is sufficient to cover the Payment Orders sent for clearing in the Express Elixir system not lower than the Lower Limit, and to monitor the Available Balances of

its Internal Accounts;

9) promptly report to KIR any changes of its data that have been provided to KIR;

10) update the possessed data about the Participants' Units of other Participants with the help of Base Datasets delivered by KIR;

11) not use Base Datasets for purposes other than cooperation with KIR.

§ 30.

KIR shall be obliged to act in accordance with the provisions of the Regulations, Agreement, Functional Specification of the Express Elixir system and Technical Specifications of the Express Elixir system, and particularly to:

1) ensure the operation of the Express Elixir system in accordance with the conditions described in Functional Specification of the Express Elixir system and Technical Specifications of the Express Elixir system;

2) verify every Payment Order submitted to the Express Elixir system in terms of meeting the conditions referred to in Functional Specification of the Express Elixir system, and particularly to verify whether the Available Balance of a given Internal Account allows for the execution of such Payment Order;

3) provide the Participant's Unit submitting the Payment Order that has submitted the Payment Order to the Express Elixir system with the information whether the Payment Order is accepted for execution or rejected;

4) secure the funds of the Participant whose Participant's Unit submits the Payment Order for the purposes of clearing of the Payment Order accepted for clearing in the Express Elixir system, in the amount corresponding to the amount of such Payment Order, by blocking these funds and recording the blockade in the Internal Account (decrease of the Available Balance);

5) provide the Participant's Unit submitting the Payment Order and the Participant's Unit receiving the Payment Order with information about the status of Transaction execution;

6) constantly keep records of changes in the balances of funds entrusted to KIR by the Participants on an ongoing basis to reflect all Payment Orders cleared in the Express Elixir system;

7) submit orders for the payment of funds gathered in the Fiduciary Account only to the Participants, to their Participants' Accounts, in line with the principles and in the amount set forth in the Regulations and the Agreement;

8) inform the Participants about temporary unavailability of the Express Elixir system, e.g. due to planned technical break, one month in advance.

§ 31.

1. KIR shall not be liable for the clearing of the Payment Order for whose execution the Participant has failed to secure funds from its Payment Sender.

2. KIR shall particularly not be liable for:

1) no crediting, untimely crediting or crediting of the payment account of the Payment Recipient with an amount other than the one specified in the Payment Order despite the receipt of information referred to in § 18 section 9 by the Participant's Unit accepting the Payment Order;

2) no debiting, untimely debiting or debiting of the payment account of the Payment Sender with an amount other than the one specified in the Payment Order despite the receipt of information referred to in § 18 section 9 by the Participant's Unit submitting the Payment Order;

3) crediting of the payment account of the Payment Recipient or debiting of the payment account of the Payment Sender, also with an amount other than the one specified in the Payment Order, despite the non-receipt of information referred to in § 18 section 9 by the Participant's Unit.

§ 32.

1. KIR shall be liable only for the damage resulting from the culpable non-performance or improper performance of its obligations towards the Participant. KIR shall be liable for the actions and omissions of its employees and subcontractors as for its own actions or omissions.

2. KIR shall not be liable for the damage the Participant may incur in relation to the disruptions in the operation, temporary unavailability or partial availability of the Express Elixir system or functionalities related thereto in the case of occurrence of circumstances caused by force majeure or emergency independent of KIR.

3. The Participant shall cooperate with KIR in the execution of actions counteracting the effects of improper actions, particularly in order to minimise the losses of the Participants.

4. Within the limits referred to in section 1 KIR's liability for damages shall be limited only to actual, documented losses incurred by the Participant and shall not cover the benefits that it could have achieved if the damage had not taken place.

§ 33.

1. The Participant shall be liable only for the damage resulting from the culpable non-performance or improper performance of its obligations towards KIR.

2. The Participant shall be liable towards KIR for damage caused by the Participant's Units as for its own actions and omissions.

3. The Participants shall be liable towards each other for:

1) no crediting, untimely crediting or crediting of the payment account of the Payment Recipient with an amount other than the one specified in the Payment Order despite the receipt of information referred to in § 18 section 9 by the Participant's Unit accepting the Payment Order;

2) no debiting, untimely debiting or debiting of the payment account of the Payment Sender with an amount other than the one specified in the Payment Order despite the receipt of information referred to in § 18 section 9 by the Participant's Unit submitting the Payment Order;

3) crediting of the payment account of the Payment Recipient or debiting of the payment account of the Payment Sender, also with an amount other than the one specified in the Payment Order, despite the non-receipt of information referred to in § 18 section 9 by the Participant's Unit.

CHAPTER X.

SUSPENSION OF ACTIVITIES, BANKRUPTCY AND EXCLUSION OF THE PARTICIPANT FROM CLEARINGS

§ 34.

1. As soon as KIR receives the information that the Polish Financial Supervision Authority, Bank Guarantee Fund or another competent supervisory authority has decided to suspend the activities of the Participant, KIR shall suspend the Participant in clearings in the Express Elixir system.

2. When the Participant is suspended from clearings in the Express Elixir system, KIR shall reject Payment Orders submitted by the Participant's Units of such Participant from clearings. Payment Orders sent to such Participant are subject to clearings.

3. KIR shall inform all participants about the suspension of the Participant in clearings in the Express Elixir system in relation to the suspension of activities of the Participant.

4. If needed, KIR shall make new Base Datasets available to the Participants, with consideration given to changes arising from the suspension of the Participant in clearings in the Express Elixir system.

5. The suspension of the Participant in clearings in the Express Elixir system is temporary. If the grounds for suspension do not cease for a period of 30 working days, KIR shall have the right to terminate the Agreement concluded with the Participant with immediate effect.

6. The provisions of sections 1, 2 and 5 shall not apply to NBP acting as a Participant.

§ 35.

1. Immediately after receiving the information about the Participant being declared bankrupt, KIR shall exclude the Participant from clearings in the Express Elixir system.

2. When the Participant is excluded from clearings in the Express Elixir system:

   1) the Participant's access to clearings in the Express Elixir system is blocked and the Participant does not participate in the exchange of Payment Orders;

   2) all messages concerning this Participant are rejected with a relevant error code.

3. Upon receiving the information referred to in section 1, KIR informs all Participants about the exclusion of the Participant from clearings in the Express Elixir system in relation to the Participant's bankruptcy and provides them with new Base Datasets with consideration given to changes arising from the exclusion of the Participant from clearings in the Express Elixir system.

4. If the Participant's Account has not been closed, the Participant may be re-included in the clearings in the Express Elixir system in line with the principles set forth in section 5.

5. The official receiver shall inform KIR about the intention to re-include the Participant in the clearings in the Express Elixir system at least 3 working days before the envisaged date of re-inclusion, with the indication of the Participant's units that are to be re-included in the clearings in the Express Elixir system.

6. The information referred to in section 5 is sent by the Participant in the registration forms whose templates are presented in Technical Specification of the Express Elixir system No. 1.

7. Pursuant to the information provided by the official receiver, KIR verifies who is authorised to submit Payment Orders on behalf of the Participant in bankruptcy.

8. New Base Datasets are issued for the Participants promptly after receiving information referred to in section 5, with consideration given to the changes arising from the Participant being re-included in the clearings in the Express Elixir system.

9. The provisions of sections 1, 2 and 4-7 shall not apply to NBP acting as a Participant.

§ 36.

1. KIR starts to monitor the clearings of the Participant in accordance with section 5 promptly after receiving from the Bank Guarantee Fund or another relevant authority the information about the initiation of compulsory restructuring of the Participant, if it does not lead to the closure of its Participant's Account.

2. Pursuant to the information provided by the Bank Guarantee Fund or another relevant authority, KIR verifies who is authorised to submit Payment Orders on behalf of the Participant undergoing restructuring.

3. KIR starts to monitor the clearings of the Participant in accordance with section 5 promptly after receiving the information from NBP about the Participant's suspension by NBP in the system which handles the Participant's Account. The monitoring period is agreed with NBP.

4. If needed, KIR makes new Base Datasets available to the Participants, with consideration given to changes that arise from the initiation of compulsory restructuring of the Participant or the suspension of the Participant by NBP in the system which handles the Participant's Account, as submitted accordingly by the Bank Guarantee Fund, another relevant authority or NBP.

5. Monitoring of the Participant involves:

    1) on the day when KIR receives the information about compulsory restructuring, informing the other Participants about the status of a given Participant's participation in the Express Elixir system agreed by the Bank Guarantee Fund or another relevant authority;

    2) providing information about the current state of clearings in the Express Elixir system for the Participant for whom the compulsory restructuring has been initiated within the scope agreed upon with the Bank Guarantee Fund or another relevant authority.

§ 37.

1. Pursuant to the written information about the closure of the Participant's Account, as provided by NBP, KIR shall exclude the Participant from clearings in the Express Elixir system.

2. On the date of closure of the Participant's Account:

   1) the Participant's access to clearings in the Express Elixir system is blocked;

   2) the Participant does not participate in the exchange of Payment Orders.

3. If the Participant is excluded from clearings in the Express Elixir system, all Payment Orders concerning such Participant shall be rejected with a relevant error code.

4. Upon receiving the information referred to in section 1, KIR informs all Participants about the exclusion of the Participant from clearings in the Express Elixir system in relation to the closure of the Participant's Account and provides them with new Base Datasets with consideration given to changes arising from the exclusion of the Participant from clearings in the Express Elixir system.

5. The provisions of sections 1-4 shall not apply to NBP acting as a Participant.

§ 38.

1. If KIR finds out that the Participant's Unit fails to comply with the Regulations or Specifications of the Express Elixir system, KIR shall send a reminder to such Participant's Unit and a copy for the attention of the Participant and NBP.

2. The reminder shall include the indication of irregularities found and set the deadline for their removal if it is possible to remove them with consideration given to their nature.

3. If the Participant does not remove the irregularities included in the reminder, interfering with the operation of the Express Elixir system and affecting other Participants, within the set deadline, KIR may exclude the Participant's Unit from participation in the clearings in the Express Elixir system.

4. KIR shall inform all Participants about the exclusion of the Participant's Unit from clearings in the Express Elixir system and provide them with new Base Datasets with consideration given to changes arising from the exclusion of the Participant's Unit.

5. If the Participant's Unit is excluded from clearings in the Express Elixir system, all Messages concerning such Participant's Unit shall be rejected with a relevant error code.

6. The Participant's Unit shall be re-included in the clearings in the Express Elixir system when the Participant meets the requirements set forth for the newly included Participant's Unit.

§ 39.

1. On the date of termination of the Agreement, KIR shall exclude the Participant from clearings in the Express Elixir system, effective as of the end of this date.

2. Starting from the calendar day following the date of termination of the Agreement, the Participant's access to clearings in the Express Elixir system is blocked and the Participant does not participate in the exchange of Payment Orders.

3. In the case of termination of the Agreement by KIR with immediate effect, new Base Datasets are made available for the Participants on the date of termination of the Agreement, with consideration given to the changes arising from the termination of the Agreement with a given Participant.

4. In the case of termination of the Agreement by the Participant or by KIR with notice, the Base Datasets, with consideration given to the changes arising from the termination of the Agreement with a given Participant, are made available to the Participants in accordance with the principles set forth in § 9.

5. If the Participant is excluded from clearings in the Express Elixir system, all Messages concerning such Participant shall be rejected with a relevant error code.

CHAPTER XI.

DATA ARCHIVING AND REPORTING

§ 40.

1. KIR shall archive the data concerning all Transactions executed in the Express Elixir system for a period of time referred to in section 2.

2. Upon the lapse of 5 (five) years, starting from the end of the calendar year in which the Payment Order related to a given Transaction was entered to the Express Elixir system, KIR shall promptly delete the archive data in a way preventing their recovery.

§ 41.

1. At the request of the Participant, KIR shall provide the data about the Transaction referred to in § 40 in line with the principles set forth in Functional Specification of the Express Elixir system.

2. The data referred to in section 1 are made available in a way agreed upon with the Participant.

3. KIR shall not accept requests:

   1) from an unauthorized person;

   2) concerning data for which the archiving period has elapsed;

   3) not including information that allows for the identification of the Transaction.

§ 42.

1. Upon the request of NBP, Participants and authorised supervision authorities, KIR shall make available the source data about the Transaction.

2. KIR may keep the statistics concerning Transactions executed in the Express Elixir system.

CHAPTER XII.

PRINCIPLES OF PERSONAL DATA PROCESSING

§ 43.

1. The Participant entrusts KIR with the processing of personal data within the meaning of Article 28 of GDPR.

2. The Participant declares that it is a personal data controller within the meaning of Article 4 section 7 of GDPR with regard to personal data entrusted to KIR for processing.

3. KIR shall process the entrusted personal data included in the Messages in order to:

   1) execute clearings in the Express Elixir system to meet the obligations set forth in the Agreement;

   2) ensure security;

   3) conduct statistical analysis;

   4) enhance the operation of the payment system

   with the observance of regulations on personal data protection, bank secrecy protection and professional secret protection for savings and credit unions.

4. The scope of entrusted data shall particularly cover, but not be limited to, personal data included in the Messages. The scope of data entrusted for processing includes:

   1) payment account number;

   2) name – including:

      a) first name and last name,

      b) address,

      c) series and number of identity document, PESEL (personal identification number), NIP (tax identification number),

      e) other data provided by the Participant's clients.

5. The scope of operations performed on the data entrusted by the Participant includes: entering, presenting, sending, storing, archiving and deleting data.

6. KIR processes the entrusted personal data only upon the documented order of the Participant, where the Participant is not authorised to issue orders in a mode or of a character different than those provided for in the Agreement.

7. KIR shall cooperate with the Participant in meeting the Participant's obligation to:

1) respond to the request of the data subject within the scope of execution of their rights, with the use of appropriate technical and organisational measures, and with consideration given to the nature of processed data;

2) report the breach of data protection and notify the data subjects about the personal data breach;

3) assess the effects on data protection;

4) conduct consultations with the supervision authority.

8. KIR keeps the register of all categories of processing actions for the entrusted personal data referred to in Article 30 section 2 of GDPR.

§ 44.

1. KIR is obliged to cooperate with the Participant within the scope of responding to the requests of data subject referred to in Chapter III of GDPR, in the mode set forth in sections 2 and 3.

2. KIR is obliged to promptly provide the Participant with information about the requests of data subjects, not later than on the fifth working day after their receipt by KIR, where KIR is not authorised or obliged to accept any requests, petitions or queries from data subject or to respond to such requests, petitions or queries.

3. KIR shall be closely cooperating and supporting the Participant in relation to the submitted claim or request from the data subject within the scope of personal data processing in accordance with the Agreement.

§ 45.

1. KIR shall provide the Participant with all information necessary to prove that the obligations referred to in this Chapter are met and to enable it to conduct control within this scope, upon prior notification about the control at least seven working days before its commencement or immediately in the case of data breach occurrence. The control may be conducted by persons indicated by name by the Participant, on working days, in places of data processing. KIR shall cooperate on verification and repair actions.

2. The information about the planned control shall be provided to KIR at least seven working days before its commencement, with the simultaneous indication of persons authorised by the Participant to conduct the control.

3. KIR shall promptly inform the Participant about:

1) the intention, course and results of control of compliance of entrusted personal data processing with personal data protection laws conducted by a relevant supervision authority;

2) decisions and orders issued for KIR by a relevant supervision authority with regard to the processing of entrusted personal data;

3) complaints with regard to the KIR's observance of personal data protection laws on the processing of entrusted personal data.

§ 46.

1. The Participant entrusts KIR with the processing of personal data exclusively for the period necessary to execute

the Agreement, subject to § 40.

2. KIR erases the processed personal data from its ICT systems upon the lapse of the period of time referred to in § 40 section 2.

§ 47.

1. Considering the current state of technical knowledge, cost of implementation and nature, scope, context and purposes of processing, and the risk of infringement of rights or freedoms of natural persons with various degrees of likelihood and importance, KIR implements adequate technical and organisational measures to ensure the level of security corresponding to the risk, as referred to in Article 32 of GDPR. The Participant and KIR shall cooperate within the scope of implementing security measures for the personal data processing and storage operation.

2. KIR ensures that the processing of personal data shall be performed only by persons with relevant authorisation granted by KIR who are obliged to keep the confidentiality of personal data, banking secret and security measures employed at KIR.

3. KIR shall acquaint the persons referred to in section 2 with the legal provisions referred to in § 43 section 3.

4. After becoming acquainted with the provisions referred to in § 43 section 3, the persons referred to in section 2 shall make written statement that they have read the provisions on personal data protection and are obliged to observe them, also that they are obliged to keep the confidentiality of personal data, banking secret, professional secret of savings and credit unions and security measures employed at KIR.

5. KIR maintains records of persons authorised to process personal data.

§ 48.

1. KIR shall report to the Participant every breach of personal data entrusted to KIR by the Participant promptly but not later than within 36 hours of its occurrence. The report must include at least the information specified in Article 33 section 3 of GDPR, that is:

   1) describe the nature of personal data breach, including, as far as possible, indicate categories and approximate number of data subjects, as well as categories and approximate number of personal data records affected by the breach;

   2) indicate the first name, last name and contact details of Data Protection Officer at KIR;

   3) describe possible consequences of personal data breach;

   4) describe the measures employed or proposed by KIR to deal with personal data breach, including, as the case may be, measures aimed at the minimisation of its possible negative results.

2. KIR shall be obliged to update the information provided in the report and to promptly inform the Participant about this.

3. The information referred to in sections 1 and 2 should be sent to the email address of the person responsible

for contacts with KIR indicated in the Express Elixir Participant Data Form whose template is presented in Appendix No. 1 to Technical Specification of the Express Elixir system No. 1, and the email address of the person responsible for contacts with KIR indicated in the Personal Data Processing Form whose template is presented in Appendix No. 4 to Technical Specification of the Express Elixir system No. 1.

§ 49.

1. Pursuant to Article 106d section 1 point 3 of the Act of 29 August 1997 on the Banking Law, the Participant makes personal data available to KIR:

   1) for KIR to employ financial security measures and conduct and document the results of ongoing analysis of executed transactions referred to in Article 43 section 3 of the AML Act, pursuant to the agreement referred to in Article 48 section 1 of the AML Act and concluded with a bank or a savings and credit union;

   2) for KIR to perform actions for banks or savings and credit unions necessary for banks or savings and credit unions to employ financial security measures and conduct and document the results of ongoing analysis of executed transactions referred to in Article 43 section 3 of the AML Act.

2. KIR shall exercise due diligence while processing personal data that are made available and shall process them in accordance with the provisions of GDPR and other commonly applicable provisions of the law that protect the rights of the data subjects.

3. KIR shall employ security measures meeting the requirements of GDPR, and shall particularly secure personal data by implementing relevant technical and organisational means that ensure appropriate level of security corresponding to the risk related to personal data processing referred to in Article 32 of GDPR.

4. KIR shall only grant authorisation to process personal data to all persons who process the data that are made available.

§ 50.

KIR may transfer the entrusted personal data to a third country or international organisation for the purposes referred to in § 49 section 1. If data are transferred to a third country or international organisation, KIR shall ensure the appropriate security measures for the transfer of data and effective legal protection measures, and particularly transfer of data on the basis of decision of the European Commission ascertaining the appropriate level of protection and standard contractual clauses adopted by the European Commission.