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Instruction 5

on the determination of Physical Delivery Margin Values

Valid from 20.03.2025

1. Margins for physical delivery

During the delivery period, the total required guarantees consist of:

- Initial Margin for open positions entered in the Delivery Period
- Variation Margin if it is *negative* on a Contract
- Physical Delivery Margin for the Delivery Period of a Contract

2. Release of Guarantees in the Delivery Period

2.1 Initial Margin is released on the first day after the end of the Delivery Period.

2.2 *Negative* Variation Margin and Physical Delivery Margin shall be **released in equal, pro-rata installments for each day of the Delivery Period** according to the following algorithm:

Value of a tranche= (Negative Variation Margin + Physical Delivery Margin)/n

and

transaction n is released on Day n of the Delivery Period

- Where n is the number of delivery days in a Delivery Period (*7 for week and 28/29/30 or 31 for month*)
- The first installment will be released on the first day of Delivery Period.
- The last installment will be released on the last Day of the Delivery Period.

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3. How to issue Guarantees on the MC account at the Clearing House depending their type:

3.1 Release of cash funds deposited by the CM or withheld by *Direct Debit* for the Physical Delivery Margin at the entry of the delivery period and for the Variation Margin with negative value before the entry of delivery of a Contract

- Cash withheld by Direct Debit or deposited by payment order is automatically assimilated to Guarantees
- The cash withheld by Direct Debit is shown in the Account Balance together with the cash deposited by the CM by payment order
- The funds on the MC account in cash, either withdrawn by Direct Debit or deposited by payment order, are analytically highlighted in the Account Balance
- The release of cash guarantees is pro-rata based on the principles set out in point 2.2
- The effective withdrawal of funds from the MC account to the banking system is made only on the basis of a cash withdrawal request addressed to BRM for the Romanian Market and BETP for the Bulgarian Market and only within the limit of the available cash, not blocked in margins at the time of payment
- The actual cash withdrawals from the CM account to the banking system are not made separately from the payments and receipts for the Underlying Asset in the Delivery Period

3.2 Release of Guarantees other than cash funds

- Any other Collateral deposited by the participant in favor of BRM shall be treated as a unit in terms of release
- The Release of Guarantees) will be done automatically according to point 2 in an MC Account