

Rules for determining the ROBID and ROBOR reference rates

1. General Provisions

These rules define the principles, the manner of determining and publishing reference rates, as well as the rights and obligations of the parties involved in the determination of ROBID and ROBOR reference rates.

Under the present rules, the terms stated below shall have the following meanings:

Business Day – any day, with the exception of Saturdays, Sundays and public holidays, on which the Fixing Participants conduct their activity on the interbank money market.

Fixing – the activities conducted to define ROBID and ROBOR reference rates for RON deposits on the interbank money market.

Organiser – National Bank of Romania.

Proxy – an entity with the required experience, technical and administrative knowledge that has been charged to conduct the Fixing as per the terms defined by the present rules.

Banking Law – Government Emergency Ordinance 99/2006 on credit institutions and capital adequacy, approved by Law 227/2007.

Rules – the Rules for determining the ROBID and ROBOR reference rates, including all changes and amendments.

Participant – the credit institution which has been invited to participate in the Fixing and which fulfils the requirements of the present rules.

ROBID (Romanian Interbank Bid Rate) – the reference rate calculated in accordance with the provisions of section 3.5 hereof.

ROBOR (Romanian Interbank Offer Rate) – the reference rate calculated in accordance with the provisions of section 3.6 hereof.

2. Fixing Participant Status

- 2.1 Fixing involves ten participants, which fulfil the following requirements cumulatively:
- a) have been invited by the Organiser to participate in the Fixing,
 - b) have submitted an agreement of participation (appendix no.1) to the Organiser's headquarters, undertaking to participate in determining the ROBID and ROBOR reference rates and to observe the provisions of the present rules,
 - c) have been awarded the status of Fixing Participant by the Organiser,
 - d) have not withdrawn the agreement of participation,
 - e) have not been deprived of/cancelled the Participant status.

- 2.2 The Organiser shall award the Participant status to a credit institution, on the basis of the following criteria:
 - a) the activity on the interbank money market,
 - b) the limits for RON deposits granted by the credit institution to other Participants,
 - c) the other credit institutions' limits for RON deposits granted to this credit institution.
- 2.3 The Organiser shall review the Participants' and candidates' activity at least once a year, according to NBR statistical data.
- 2.4 Subject to the results of the review and the fulfilment of the criteria stipulated in sections 2.1 and 2.2 of the present rules, the Organiser shall provide or deny the Fixing Participant status.
- 2.5 If the candidate fulfils the requirements stipulated in section 2.2 above, the Organiser may invite that candidate to participate in the Fixing, in accordance with section 2.1 a) of the present rules.
- 2.6 The Fixing invitation shall define the proposed date for joining the Fixing procedure. Enclosed to the invitation shall be a template agreement of participation (appendix no.1).
- 2.7 The Fixing invitation remains valid for 30 days from the date of issue by the Organiser. In case the invitation has been accepted, the candidate shall submit the agreement of participation, in accordance with section 2.1 b) of the present rules, at the Organiser's headquarters.
- 2.8 The Fixing Organiser is the only entity authorised to grant the Participant status to candidates.
- 2.9 The number of Fixing candidates is established by the Organiser in accordance with section 2.1 of the present rules.

3. Fixing

- 3.1 The ROBID and ROBOR reference rates are established for the following time deposits:
 - a) O/N – one day starting with the fixing date
 - b) T/N – one day starting with the next Business Day after the fixing date
 - c) 1W – 1 week over spot
 - d) 1M – 1 month over spot
 - e) 3M – 3 months over spot
 - f) 6M – 6 months over spot
 - g) 9M – 9 months over spot
 - h) 12M – 12 months over spot
- 3.2 The RON deposit rates quoted by the Participants in the Fixing, as well as the ROBID and ROBOR reference rates, are presented in percentage form valid for the interbank money market and accurate to the second decimal.
- 3.3 Unless the Organiser decides otherwise, the Fixing of ROBID and ROBOR rates for RON deposits takes place on every Business Day at 11:00 AM local time. The value date will be the Fixing date for O/N, the next day for T/N and spot for other maturities. The day-count convention will be Actual / 360. The maturity date will be calculated using modified business day convention.

- 3.4 The difference between offer rates and bid rates for a given time deposit, as quoted by each Participant in the Fixing, shall not exceed (except for the the provisions of section 10.2):
- a) 50 basis points for O/N, T/N, 1W, 1M and 3M deposits,
 - b) 75 basis points for 6M, 9M and 12M deposits.
- 3.5 The ROBID rate for each maturity is calculated by the Proxy as the arithmetical average of the last rates quoted by each Participant in the Fixing for the RON deposits accepted within 15 minutes before the Fixing after rejecting the extreme rates. The rate quoted by each Participant in the Fixing represents the rate at which the RON deposits are accepted from the other Participant for 15 minutes from the publication of ROBID and ROBOR rates by the Proxy.
- 3.6 The ROBOR rate for each maturity is calculated by the Proxy as the arithmetical average of the last rates quoted by the each Participant in the Fixing for the RON deposits offered within 15 minutes before the Fixing after rejecting extreme rates. The rate quoted by each Participant in the Fixing represents the rate at which the RON deposits are offered to the other Participant for 15 minutes from the publication of ROBID and ROBOR rates by the Proxy.
- 3.7 The ROBID and ROBOR rates established at the Fixing are published by the Proxy on the same day within 5 minutes from the Fixing.

4. Conclusion of Transactions

- 4.1 Every Fixing Participant shall guarantee telephone connections or those connections of the agreed transaction system, in order to enable other Participants to:
- a) contact a given Participant, and
 - b) conclude transactions on the interbank money market, within 15 minutes from the publication of ROBID and ROBOR rates by the Proxy.
- 4.2 Every Fixing Participant shall be under the obligation to:
- a) respond to another Participant's inquiry, within 15 minutes from the publication of ROBID and ROBOR rates by the Proxy,
 - b) provide another Participant the offer and bid rates quoted at the Fixing for a RON deposit, within 15 minutes from the publication of ROBID and ROBOR rates by the Proxy.
- 4.3 Participants shall be exempt from the above obligations if:
- a) the limit for the RON deposits granted to the inquiring Participant has been exceeded (only the rate at which a given Participant shall accept the deposit is quoted),
 - b) an event, defined as force majeure, which could significantly influence interest rates on the interbank money market, has occurred. Force majeure includes any act, event or circumstance not reasonably under the Participants' control, including but not limited to an act or regulation of any governmental or supranational body or authority, or the breakdown, failure or malfunction of any telecommunications or computer services.
- 4.4 The provided quotations, in accordance with section 4.2 above, are binding for:
- a) O/N, T/N, 1W, 1M and 3 M deposits for a transaction value of up to RON 5 million,
 - b) 6M deposits for a transaction value of up to RON 3 million,
 - c) 9M and 12M deposits for a transaction value of up to RON 2 million.

- 4.5 Within 15 minutes from the publication of ROBID and ROBOR rates by the Proxy, a Participant may conclude at its own initiative one transaction at the most for one selected tenor with any other Participant based on the latter's quotations.

5. Other Obligations of Fixing Participant

- 5.1 The participants not taking part in the Fixing shall provide the Organiser with a written explanation regarding their absence from the Fixing on a given day by the third Business Day from the absence.
- 5.2 If requested by the Organiser, the Participant shall fill out a questionnaire regarding its limits for RON deposits granted to other Participants or candidates.
- 5.3 If the limit for RON deposits granted to another Participant has been cancelled or lowered below a reasonable value, the Participant shall directly provide to the Organiser a written notification concerning any such decision.

6. Relinquishment of Fixing Participant Status

- 6.1 A Fixing Participant has the right to relinquish its status by withdrawing its agreement of participation in the Fixing under which it has undertaken to observe the provisions of the present rules.
- 6.2 A Fixing Participant may withdraw the agreement of participation by sending a written notice of relinquishment to the Organiser.
- 6.3 The withdrawal of the agreement of participation and the relinquishment of Fixing Participant status become effective after 30 days from the date the Organiser has been notified, in accordance with section 6.2 above, with a reservation for the provisions of section 6.5 of the present rules.
- 6.4 The Organiser shall directly notify other Participants and the Proxy of the Participant's withdrawal of the agreement of participation, specifying the date on which the Fixing Participant status shall be cancelled.
- 6.5 If the number of Fixing Participants falls below the number defined in section 2.1 above after a Fixing Participant withdraws its agreement of participation, the withdrawal becomes effective as of the date the Organiser grants the Participant status to another credit institution, so as to obtain the required minimum number of Participants.

7. Breach of Rules

- 7.1 If the Organiser finds that a Fixing Participant is in breach of the present rules, the Organiser has the right to give a warning to the Participant for the breach. The Organiser shall notify the Participant in writing and shall indicate the specific provisions of the present rules which have been violated, including the circumstances of the breach.
- 7.2 If the Participant continues to be in breach of the present rules or if, in the Organiser's opinion, the Participant's continued involvement in the Fixing poses a threat to the Fixing

due to the nature and significance of the committed breach, the Organiser may deprive the Participant of its status in accordance with the provisions of section 8 hereunder.

- 7.3 If the Organiser finds that the Proxy is in breach of the present rules and after consulting the Fixing Participants, it may deprive the Proxy of its status and appoint a new Proxy, in accordance with the provisions of section 9 of the present rules.

8. Cancellation of Participant Status

- 8.1 The Organiser has the right to deprive the Fixing Participant of its status if:
- a) the Participant fails to take part in a Fixing more than twice in a month, or
 - b) at least one third of Participants notify the Organiser of available limits decreasing for RON deposits granted to a given Participant, or
 - c) the Participant reports available limits decreasing for RON deposits granted to at least one third of Participants, or
 - d) the Participant is twice in breach of the present rules within 90 days, or
 - e) dealers representing the Participant seriously violate the provisions of the market practice Code recommended by ACI Romania – The Financial Markets Association, or
 - f) the Participant is in breach of the present rules and the breach, in the Organiser's opinion, is of the nature defined in section 7.2 of the present rules.
- 8.2 If the Organiser decides to deprive a given Participant of its status, the Organiser shall directly notify the Participant, by specifying the grounds for the decision.
- 8.3 The Organiser's decision to deprive the Fixing Participant of its status is final.
- 8.4 The cancellation of the Fixing Participant's status becomes effective on the day indicated in a written notice submitted by the Organiser to that Participant. If the above notice does not specify a date for cancelling the Participant's status, the decision shall become effective within 14 days from the day of notification.
- 8.5 The Organiser shall directly notify the Proxy and the remaining Fixing Participants in writing of the decision regarding the cancellation of the Participant status, specifying the date for cancelling a given Participant's status.

9. Obligations of the Proxy

- 9.1 The Organiser shall appoint a Proxy responsible for conducting the Fixing under the provisions of the present rules.
- 9.2 The Organiser shall inform the Fixing Participants of the decision to appoint or change the Proxy.
- 9.3 The Proxy is under the obligation to:
- a) organise the procedure of submitting Participant quotations to Fixing,
 - b) calculate the ROBID and ROBOR reference rates in accordance with the provisions of the present rules,
 - c) directly announce (within 5 minutes from the Fixing at the latest) all reference rates calculated during the Fixing and quotations submitted to Fixing by the Participants.

10. Change of Circumstances, Extraordinary Events

- 10.1 The ROBID and ROBOR rates Fixing for given time deposits shall not take place if the Participants quoted less than 3 offer or bid rates for a given tenor (except for the extreme rates previously rejected).
- 10.2 If rates are subject to a significant increase on interbank money market, the allowable difference between offer and bid rates, stipulated at section 3.4 of the present rules, will be the following :
- double spreads, if the quoted offer exceeds the NBR policy rate by more than 30%,
 - triple spreads, if the quoted offer exceeds the lombard rate for credit facility,
 - no maximum spread, if the quoted offer exceeds 1.5 times the lombard rate for credit facility.
- 10.3 If ROBID and ROBOR reference rates cannot be calculated and announced in the specified interval, the Fixing hour may be shifted, but not later than 3:00 PM. On the day of the shifting, but not later than 11:05 AM, the Proxy shall directly notify the Organiser and the Participants of the shifting and shall make a public announcement explaining the reasons for the shifting.

11. Final Provisions

- 11.1 The Organiser is under the obligation to observe the confidentiality requirement with regard to information submitted by the Participants and candidates in respect of their mutual transaction limits.
- 11.2 All amendments to present rules shall be made in the form of Organiser decision. Amended rules shall be submitted to all Participants and the Proxy with a notice.
- 11.3 Amendments to present rules shall be enforced on the date indicated in the notice to Participants, but not earlier than 60 days from the date of delivering the amended rules.
- 11.4 If any Participant finds the amended rules to be unacceptable, the said Participant shall notify the Organiser in writing of its rejection upon 30 days from the delivery of the amended rules. If no rejection notices are submitted, the changes are deemed accepted in the form suggested by the Organiser.
- 11.5 The Participant's notice submitted to the Organiser by the date indicated in section 11.4 above and informing that the amended rules are unacceptable implies the Participant's withdrawal of the participation agreement to the Fixing and observe the provisions of the present rules, as well as the loss of the Participant status upon the enforcement of the amended rules. The Organiser shall directly notify the remaining Participants and the Proxy in writing of the above fact.
- 11.6 If the number of Participants falls below the required minimum hereunder after a Participant submits a notice of rejection in accordance with section 11.5 above, the change in the rules shall become effective on the day the Organiser grants the Participant status to a new candidate to increase the number of Fixing Participants to the required number by the amended rules.

Appendix no. 1 – Agreement of participation to the Rules for determining the ROBID and ROBOR reference rates

(BANK HEADING)
(place, date)

AGREEMENT OF PARTICIPATION

..... (name of the credit institution) hereby undertakes to participate to the ROBID and ROBOR reference rates Fixing and to observe the Rules for determining the ROBID and ROBOR reference rates.

(signatures and stamp)