



Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.

1. INTRODUCTION

This document is for information purposes only. It is intended for Customers of BNP Paribas Bank Polska Spółka Akcyjna (further: **we**) who use or intend to use the following investment services (further: **Investment Services**) provided by our Global Markets Line:

- buying or selling financial instruments on own account (*dealing on own account*) to execute Customer orders,
- offering financial instruments,
- receiving and transmitting orders to buy or sell financial instruments.

The rules for the provision of each of these Investment Services are set forth in:

- the contracts we conclude with you as our Customers, and
- the regulations – unless we are not required by law to draw up regulations. In such case, the rules for the provision of the Investment Service are set forth by contract.

2. INFORMATION ABOUT US

2.1. BASIC INFORMATION

We are listed on Giełda Papierów Wartościowych S.A. (Warsaw Stock Exchange).

We are a member of BNP Paribas, an international banking group.

Our registration data can be found at: www.bnpparibas.pl

2.2. CONTACT DATA

BNP Paribas Bank Polska Spółka Akcyjna

Global Markets Line

ul. Grzybowska 78, 00-844 Warszawa

The list of branches is available at: www.bnpparibas.pl

2.3. LANGUAGES OF COMMUNICATION

We communicate with you in Polish. In this language, we:

- draft and conclude a contract with you,
- formulate and communicate to you the regulations and other documents and information relating to financial instruments and the Investment Service.

In some cases, we may use English as the language in which documents are formulated and the contract is drafted and executed. However, this must be the result of arrangements between us that are set forth in the contract.

Transactions on financial instruments are executed in Polish or English.

2.4. MANNER OF COMMUNICATION

The method of communication between us is determined by contract or regulations.

In addition, you can communicate with us:

- via the contract form at: www.bnpparibas.pl,
- by phone at the following phone numbers:
 - +48 500 990 500 – for domestic calls,
 - +48 22 134 00 00 – for domestic and foreign calls (operator rates apply),
- in person – at the branch where you signed the contract.

2.5. PERMIT

We provide investment services pursuant to Article 70(2) of the Act of 29 July 2005 on Trading in Financial Instruments (further: **Act on Trading**).

We operate within the scope described in the Articles of Association as approved by the Polish Financial Supervision Authority.

In addition, we have the following permits:

- permit to conduct brokerage activities – decision of the Securities and Exchange Commission (now the Polish Financial Supervision Authority)
number KPWiG-4021-18/2001-6027 of 7 August 2001,
- permit to conduct trust activities – decision of the Securities and Exchange Commission (now the Polish Financial Supervision Authority)
number KPWiG-4051-1/2002 of 14 May 2002.

We are supervised by the Polish Financial Supervision Authority.

Important!

Details of the Polish Financial Supervision Authority:
ul. Piękna 20, 00-549 Warszawa
Phone: +48 22 262 50 00, +48 22 262 58 00
email: knf@knf.gov.pl

2.6. SYSTEM TO PROTECT YOUR ASSETS

Your claims against us under contracts pursuant to which we provide you with Investment Services are not protected by the statutory guarantee system as set forth in the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring.

2.7. RULES FOR THE PROVISION OF AN INVESTMENT SERVICE

The rules for the provision of a particular Investment Service are set forth in the relevant contract or the relevant regulations.

2.8. NO OPERATION THROUGH AN AGENT

We do not operate through an investment company's agent within the meaning of Article 79 of the Act on Trading.

2.9. REPORTS ON THE PROVISION OF AN INVESTMENT SERVICE

We prepare and provide you with reports on the provision of the Investment Service. Rules, frequency or dates of reporting are set forth in the relevant contract or the relevant regulations.

2.10. OUR RULES OF CONDUCT IN THE EVENT OF A CONFLICT OF INTEREST

Our rules of conduct when a conflict of interest arises are set forth in the [Policy on the management of conflicts of interest in the course of carrying out operations on financial instruments and providing investment services](#).

You will find the overview of this policy further on in this document.

2.11. RULES OF FILING AND HANDLING COMPLAINTS

Rules applicable to the filing and handling of complaints are set forth by contract or regulations. You can also find them at: www.bnpparibas.pl.

2.12. COSTS AND FEES RELATED TO AN INVESTMENT SERVICE

All costs and fees you pay are described in the contract or the regulations. Both of these documents may include a reference to the commission and fee schedule.

In addition, in some cases – before we enter into a contract with you – we will provide you with a breakdown of estimated costs and fees, including those relating to:

- the Investment Service,
- the products to which the Investment Service relates.

Once a year, we will provide you with a summary of the costs you incurred in a given year (ex-post cost report).

If you are a Professional Customer or Eligible Counterparty, your contract or the regulations may contain provisions that limit the scope of information on costs.

3. INFORMATION ABOUT MiFID

3.1. KEY INFORMATION

The full title of **MiFID** is Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
MiFID stands for “*markets in financial instruments directive*”.

MiFID applies to the financial instruments market and establishes a uniform legal framework for investment firms concerning the provision of Investment Services in the territory of:

- the European Union,
- Iceland,
- Norway and
- Liechtenstein.

The conditions for carrying out investment activities and providing Investment Services are also determined in the MiFID implementing regulations adopted by European Union bodies.

MiFID's main purpose is to:

- provide increased investor protection,
- promote competitiveness in the financial services sector and
- ensure transparency in the operations of investment firms in the European Union capital market.

In Poland, MiFID has been transposed by, amongst others, the following legal acts:

- the Act on Trading together with its implementing acts,
- the Act of 29 August 1997 – Banking Law together with its implementing acts.

We apply MiFID whenever we offer you financial instruments and Investment Services. In this regard, we have an obligation:

- to offer you financial instruments and Investment Services that are appropriate to your knowledge and experience and fitting for the target group to which we have assigned you,
- to provide you with information about products and the risks of investing in financial instruments which is clear and not misleading,
- to act honestly, fairly and professionally in accordance with your best interest.

4. RULES OF CUSTOMER CLASSIFICATION

MiFID requires that, before we enter into a contract with you or before you execute your first transaction, we classify you into one of three Customer categories. These categories are:

1. **Retail Customer** – this category entitles you to the highest level of protection. It is granted to entities other than Professional Customers and Eligible Counterparties.
2. **Professional Customer** – you are entitled to a lower level of protection than when you are classified as a Retail Customer. We assume that, as a Professional Customer, you have the knowledge and experience to properly assess the risks associated with your investment decisions. This category is granted to entities that operate in the financial markets and are Professional Customers by law.

These are:

- a) banks,
- b) investment firms,
- c) insurance companies,
- d) investment funds, alternative investment companies, investment fund companies or fund management companies ASI within the meaning of the Act on investment firms,
- e) pension funds or pension societies within the meaning of the Act of 28 August 1997 on the organisation and operation of pension funds,
- f) commodity brokerage houses,
- g) entities that conclude on their own account, in the ordinary course of business, option transactions, futures or other transactions in derivatives, or transactions on money markets for the sole purpose of hedging positions taken in these markets, or acting for that purpose for the account of other members of such markets, provided that the responsibility for the performance of obligations arising from those transactions is assumed by clearing participants of these markets,
- h) financial institutions other than those specified under (a)-(g),
- i) institutional investors other than those specified under (a)-(h), who conduct regulated activity on the financial market,
- j) entities outside of the Republic of Poland engaged in activities equivalent to the activity conducted by entities specified under (a)-(i),
- k) entrepreneurs who meet at least two of the following requirements, provided that the equivalent of the amounts indicated in EUR is calculated using the average EUR exchange rate set by the National Bank of Poland as of the date of preparation of financial statements by the entrepreneur:
 - balance sheet total of at least EUR 20,000,000,
 - turnover of at least EUR 40,000,000,
 - own funds of at least EUR 2,000,000,

- l) public bodies that manage public debt, central banks, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank or other international organisations with similar functions,
 - m) other institutional investors whose main business is investing in financial instruments, including entities engaged in securitisation of assets or entering into other types of financial transactions,
 - n) entities other than those specified in (a)-(m), who are treated as professional customers under Article 3a(1) of the Act on Trading.
3. **Eligible Counterparty** – you are entitled to the lowest level of protection. We assume that, as an Eligible Counterparty, you have extensive knowledge of how financial instrument markets and Investment Services work. We will not assign this category to you if you use or intend to use the Investment Service consisting in the offering of financial instruments.
- The **Eligible Counterparty** category is granted to three types of Customers:
- Professional Customers – this concerns Customers referred to in (a)-(j) and (l)-(m) above – with whom we enter into or mediate transactions as part of the Investment Service consisting in:
 - buying or selling financial instruments on own account to execute Customer orders, or
 - receiving and transmitting orders to buy or sell financial instruments,
 - entities from other Member States who have Eligible Counterparty status under the law of the Member State in which they have their registered office or place of residence,
 - Professional Customers referred to in (k) above, whom we regard, at their request, as **Eligible Counterparties** and with whom we enter into or mediate transactions as part of the Investment Service consisting in:
 - buying or selling financial instruments on own account to execute Customer orders, or
 - receiving and transmitting orders to buy or sell financial instruments.

5. THE SCOPE OF INFORMATION AND PROTECTION FOR DIFFERENT CATEGORIES OF CUSTOMERS

Scope of information and protection	Retail Customers	Professional Customers	Eligible Counterparties
Information on: - our bank, - our operations and - the Investment Service to be provided by us to you	✓	✓	✓
Information on MiFID	✓	✓	✓
Assessing the appropriateness of financial instruments and the Investment Service – based on the information provided by you	✓		
Assigning you to a target group to which we offer the financial instruments assigned to that group as part of the Investment Service	✓	✓	✓
Information on inducements	✓	✓	✓
Description of financial instruments offered by us and the related risks	✓	✓	✓
General description of the “Policy on the management of conflicts of interest in the course of carrying out operations on financial instruments and providing investment services”	✓	✓	✓
“Policy on the execution of orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.”	✓	✓	
Information on the conflict of interest – if the impact of an identified conflict of interest in relations between us cannot be entirely eliminated	✓	✓	✓
Information on the terms and conditions of cross-selling services	✓	✓	✓

6. APPROPRIATENESS ASSESSMENT OF FINANCIAL INSTRUMENTS AND INVESTMENT SERVICE

We will carry out an appropriateness assessment before we enter into a contract with you as a Retail Customer.

We will check if the financial instruments to which the Investment Service relates are appropriate considering your knowledge and experience.

If you are assigned the Professional Customer or Eligible Counterparty category, we assume that you have the necessary investment knowledge and experience to be aware of the risks involved.

6.1. CUSTOMER REASSIGNMENT INTO A HIGHER CATEGORY

As a Retail Customer, you have the right to ask us in writing to reassign you as a Professional Customer.

As this change involves a lower level of protection, we have the right to reject your request.

We have the right to change your category from Professional Customer to Eligible Counterparty if we enter into or mediate transactions for you as part of the Investment Service consisting in:

- buying or selling financial instruments on own account to execute Customer orders, or
- receiving and transmitting orders to buy or sell financial instruments.

In some cases, we are required to obtain your consent for this change.

As a Professional Customer, you have the right to ask us in writing to reassign you as an Eligible Counterparty. However, we have the right to refuse your request.

Change of the category from Professional Customer to Eligible Counterparty will entail a lower level of protection.

6.2. CUSTOMER REASSIGNMENT INTO A LOWER CATEGORY

If you are a Professional Customer, we will regard you as a Retail Customer and if you are an Eligible Counterparty, we will regard you as a Professional Customer if we consider that you no longer meet the criteria for your current classification.

The reassignment will be at your request or based on information:

- provided by you,
- in our possession, and
- public and generally available information and the law.

If you are a Professional Customer, we may regard you as a Retail Customer and treat you as we do Retail Customers in the following situations:

- if you request in writing to be reassigned into a different category,
- if we find that you do not meet the criteria to be classified as a Professional Customer.

If you are an Eligible Counterparty, we may regard you as a Professional Customer or a Retail Customer and treat you accordingly in the following situations:

- if you request in writing to be reassigned into a different category,
- if we find that you do not meet the criteria to be classified as an Eligible Counterparty.

As a Professional Customer or Eligible Counterparty, you may request to be reassigned as a Retail Customer or a Professional Customer, as applicable, with reference to all Investment Services and financial instruments.

We require you – as our Customers – to provide us with information about any changes that may affect your reassignment.

If we reassign you, we will inform you in a durable medium:

- of the reassignment,
- of the date from which the reassignment will be effective,
- of your right to request to be reassigned as a Professional Customer or Eligible Counterparty and that such a change entails a lower level of protection,
- of the rights and obligations of Customers of a given category and that reassignment into a lower category entails a higher level of protection.

7. INFORMATION ON INDUCEMENTS – FROM OUR PERSPECTIVE

When providing Investment Services, we do not accept or provide any inducements (as defined in the [Policy on the management of conflicts of interest in the course of carrying out operations on financial instruments and providing investment services](#)) other than:

- fees, commissions and non-monetary benefits received from you or from a person acting on your behalf, or provided to you or to a person acting on your behalf,
- fees or commissions necessary for us to provide you with the specific Investment Service (including those provided or accepted by a third party or a person acting on that party's behalf),

- fees, commissions and non-monetary benefits other than those specified above, including but not limited to those provided to a third party or to a person acting on behalf of that party, or received from a third party or from a person acting on behalf of that party, on the condition that:
 - we informed you about the amount, scope and purpose of fees, commissions or in-kind benefits prior to entering into the contract,
 - the acceptance or provision of such fees, commissions and non-monetary benefits did not impair our duty to act honestly, fairly and professionally in accordance with your best interest, and
 - we accept or provide fees, commissions and non-monetary benefits to improve the quality of the Investment Service.

If we receive benefits from or provide benefits to third parties in connection with the Investment Service in any year, we will inform you of the actual amount of such benefits.

Before we enter into a contract with you, we will provide you with:

- Information on fees, commissions and non-monetary benefits,
- information on the fees or commissions incurred by you that are necessary for us to provide you with the specific Investment Service,
- a brief description of the rules for accepting and providing benefits in our bank – we will also provide a detailed description at your request.

At your request, we will provide you with details of how we accept and provide benefits.

8. INFORMATION ABOUT FINANCIAL INSTRUMENTS

Before we enter into a contract with you and begin providing the Investment Service, we will provide you, in a durable medium or via our website, with a description of the financial instruments and the risks involved in investing in financial instruments. It is up to you how you wish to receive this information.

9. GENERAL INFORMATION ON THE POLICY FOR MANAGING CONFLICTS OF INTEREST

When we provide Investment Services and perform operations on financial instruments, we seek to provide you with protection with respect to transactions on financial instruments.

MiFID requires us to identify potential and current conflicts of interest and take steps to manage conflicts of interest in relation to Investment Services.

By conflict of interest, we mean any known circumstances that may lead to a conflict between:

- our interest or that of a relevant person or a person directly or indirectly linked by control to us and your interest,
- your interest and that of other Customers.

In such cases, we have a duty to act fairly in accordance with the best interests of all our Customers.

Examples of conflicts of interest include a situation when:

- we enter into or recommend transactions with Customers using the position of Financial Instruments which we hold in our portfolio, or which a relevant person or a person directly or indirectly linked by control to us holds in their portfolio,
- we prepare and provide Customers with the results of investment research on an entity or group of entities to which we provide financial advisory services,
- a relevant person or a person directly or indirectly linked by control to us renders work to, performs assignments for or is related to or closely associated with Customers whom they serve or in relation to whom they make decisions,
- we, a relevant person or a person directly or indirectly linked by control to us executes transactions for the account of customers in relation to which we take an opposite position.

As required by law, we have determined:

- circumstances that cause or may cause conflicts of interest,
- measures to manage conflicts of interest.

We have also implemented the relevant procedures.

Through these procedures:

- we correctly identify existing and potential conflicts of interest,

- we effectively prevent potential conflicts of interest and manage those identified. In this way, we ensure with due diligence that there is no risk of harm to the interests of Customers, and if this is not possible, we inform Customers of conflicts of interest that we cannot effectively manage.

We apply measures to counteract conflicts of interest, including by:

- putting into place internal regulations that:
 - are intended to protect confidential information or information that constitutes a professional secret,
 - concern the acceptance and provision of inducements and
 - concern the rules for executing proprietary transactions,
- employing persons who are appropriately qualified to perform their professional duties and regularly providing our employees with training on Investment Services and how to prevent conflicts of interest related to them,
- using so-called information barriers when implementing internal regulations to block unauthorised employees from accessing confidential information. Information barriers are a mechanism whereby confidential information received by one business unit is protected and kept separate – independently of our other operations,
- we inform Customers as soon as possible of conflicts of interest as they arise – if we cannot completely eliminate the impact of these conflicts on Customers' interests,
- once a year we review our [Policy on the management of conflicts of interest in the course of carrying out operations on financial instruments and providing investment services](#) and we address any identified deficiencies.

We inform Customers of identified conflicts of interest in a durable medium – if the organisational and administrative arrangements we have put in place to prevent or manage these conflicts are not sufficient.

Such information includes a description of conflicts of interest that may arise as we provide Investment Services. In the description we explain:

- the general nature and sources of conflicts of interest,
- the risks involved in these conflicts, and
- steps we have taken to mitigate the risks.

Customers are required to confirm that they have received information on conflicts of interest. This information should be detailed enough so that Customers can make informed decisions about transactions involving conflicts of interest.

If we provide Customers with information about conflicts of interest and Customers do not confirm that they have received it, we cannot enter into contracts with and accept orders from such Customers or perform any transactions to which the conflict of interest relates.

10. INFORMATION ON THE TERMS AND CONDITIONS OF CROSS-SELLING SERVICES

We would like to advise you about the terms and conditions for offering and providing our services within the framework of Cross-Selling under Paragraphs 24-27 of the Ordinance of the Minister of Finance of 30 May 2018 on the procedure and conditions for the conduct of investment firms, banks referred to in Article 70(2) of the Act on trading in financial instruments, and custodian banks.

10.1. DEFINITIONS

Bundled Package Selling – provision by us of:

- one of the Investment Services referred to in Article 69(2) of the Act on Trading and
- other services provided under the contract referred to in Article 83f(1)(1) of the Act on Trading or under one of the contracts referred to in Article 83f(1)(2) of the Act on Trading where:
 - each of such services is available under a separate contract and
 - you have the option to enter into a separate contract with us for each of these services.

Tied Package Selling – provision by us of:

- one of the Investment Services referred to in Article 69(2) of the Act on Trading and
- other services provided under the contract referred to in Article 83f(1)(1) of the Act on Trading or under one of the contracts referred to in Article 83f(1)(2) of the Act on Trading where at least one of such services is not available under a separate contract.

Additional information:

In Bundled Package Selling, we can provide each service separately (under separate contracts), whereas in Tied Package Selling at least one service is provided together with another service (under a single contract, as the service concerned is not available separately).

Cross-Selling – Bundled Package Selling or Tied Package Selling

10.2. SERVICES SUBJECT TO CROSS-SELLING

Cross-Selling relates to the following services (investment and other services) provided by us:

- proprietary buying or selling financial instruments to execute Customer orders – as referred to in Article 69(2)(2)-(3) of the Act on Trading,
- maintaining bank accounts,
- granting loans.

The risks that arise from Cross-Selling, compared to the risks described separately for particular services, do not change: they are the sum of the risks of the particular services.

The cost of services provided through Cross-Selling is not higher than the sum of fees and commissions charged by us separately for each of the services concerned.

Before we enter into a contract with you for our services, we will provide you with information about risks, estimated costs and fees.

In Bundled Package Selling, we may provide an Investment Service in combination with another service. These are:

- the service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of proprietary buying or selling financial instruments as referred to in Article 69(2)(3) of the Act on Trading, and
- the service of granting loans.

We can also provide these services to you separately. We will inform you of these two options.

Bundled Package Selling refers to the transactions you enter into with us to hedge currency or interest rate risks. These transactions are linked to the loan you take out from our bank – specifically by reference in the master contract or loan contract.

In Tied Package Selling, we always provide an Investment Service in combination with another service. These are:

- the service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of proprietary buying or selling financial instruments as referred to in Article 69(2)(3) of the Act on Trading, and
- the service of bank account maintenance.

Tied Package Selling refers to your dual-currency deposit transactions with us. To enter into and settle these transactions, you need accounts maintained in both the deposit currency and the exchange currency.

Information on the types of Cross-Selling and related services, instruments, risks, costs and documents is provided in the table below.

BUNDLED PACKAGE SELLING					
TYPE OF SERVICE	TYPE OF INSTRUMENT	RISKS	INFORMATION ON RISKS	COSTS	INFORMATION ON COSTS
The service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of proprietary buying or selling financial instruments as referred to in Article 69(2)(3) of the Act on Trading	Financial instruments to hedge market risks (exchange rate or interest rate changes) related to the Customer's business	<ul style="list-style-type: none"> - Risks associated with the financial instrument purchased, especially the risk of losing some or all of the money invested - Risk of error on your part when determining the terms and conditions of a financial instrument transaction - Risk of failure of IT systems – in this case you have the right to file a complaint - Risk of mistake by our employee – in this case you have the right to file a complaint - Risk of no guarantee from the Bank Guarantee Fund. The mandatory deposit guarantee system (as referred to in the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring) does <u>not</u> cover claims under master contracts or transactions executed thereunder 	<ul style="list-style-type: none"> - In the document containing a description of financial instruments offered by the Bank and related risks - In product presentations - In Key Information Documents (KIDs) 	- Margin included in the transaction price or early termination price	<ul style="list-style-type: none"> - In the contract and regulations relating to such services – as maximum costs and average costs - In the information attached to transaction confirmations and in the annual cost statement – as the actual costs incurred to conclude the transaction or to early terminate the transaction - In Key Information Documents (KIDs) – as maximum costs
Service of granting loans	Loan	<ul style="list-style-type: none"> - Currency risk (exchange rate fluctuations) – if you take a loan in a different currency than the one in which you earn, your loan debt and instalments expressed in Polish zlotys are likely to increase when the currency of the loan increases - Interest rate risk – if the variable base rate of interest 	- In the contracts and regulations concerning the provision of these services and in the commission and fee schedules	- Loan costs	- In the contracts and regulations concerning the provision of these services and in the commission and fee schedules

		increases, the interest rate on the loan and the amount of instalments to be paid are also likely to increase			
TIED PACKAGE SELLING					
TYPE OF SERVICE	TYPE OF INSTRUMENT	RISKS	INFORMATION ON RISKS	COSTS	INFORMATION ON COSTS
The service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of buying or selling on own account of financial instruments as referred to in Article 69(2)(3) of the Act on Trading	Investment Instruments (Dual Currency Deposits)	<ul style="list-style-type: none"> - Risks associated with the financial instrument purchased, especially the risk of losing some or all of the money invested - Risk of error on your part when determining the terms and conditions of a financial instrument transaction - Risk of failure of IT systems – in this case you have the right to file a complaint - Risk of mistake by our employee – in this case you have the right to file a complaint - Risk of no guarantee from the Bank Guarantee Fund. The mandatory deposit guarantee system (as referred to in the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring) does <u>not</u> cover claims under master contracts or transactions executed thereunder 	<ul style="list-style-type: none"> - In the regulations on the provision of such services - In product presentations - In Key Information Documents (KIDs) 	- Margin included in the transaction price or early termination price	<ul style="list-style-type: none"> - In the contract and regulations relating to such services – as maximum costs and average costs - In the confirmations and in the annual cost statement – as the actual costs incurred to conclude the transaction or to early terminate the transaction - In Key Information Documents (KIDs) – as maximum costs
Service of bank account maintenance		<p>The risk of bank bankruptcy which may result in:</p> <ul style="list-style-type: none"> - temporary lack of access to funds in your account, or - your inability to withdraw money from the account – above the amount guaranteed by the Bank Guarantee Fund, i.e. the PLN equivalent of EUR 100 000 	<ul style="list-style-type: none"> - In the contracts and regulations concerning the provision of these services and in the commission and fee schedules 	- Account maintenance costs	In the contracts and regulations concerning the provision of these services and in the commission and fee schedules

Policy on the Execution of Orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.

§ 1. General Provisions

1. This document describes the rules we apply so as to act in your best interests and to obtain the best possible results for you when providing the following Investment Services.
2. We have adopted the Policy in order to comply with the requirements of:
 - Article 27(4) of MiFID,
 - MiFID implementing regulations, including the Act on Trading,
 - MiFID implementing acts, including the Delegated Regulation.
3. The Policy does not concern investment services provided by Biuro Maklerskie BNP Paribas Bank Polska S.A.

§ 2. Definitions

The terms used in this Policy are to be understood as follows:

- 1) **Bank (We)** – BNP Paribas Bank Polska S.A.,
- 2) **MiFID** – Directive 2014/65/EU of the European Parliament and of the Council on financial instruments markets, and amending Directive 2002/92/EC and Directive 2011/61/EU,
- 3) **Instruction** – a statement that you submit to us and which relates to our receipt of orders and their transmission for execution,
- 4) **Customer (You)** – the customer referred to in § 4, whom we provide with the Investment Service,
- 5) **Retail Customer** – a Customer classified as such by the Bank in accordance with the Act on Trading,
- 6) **Professional Customer** – a Customer classified as such by the Bank in accordance with the Act on Trading,
- 7) **Mark-up (margin)** – a difference between the Transaction price for you and the price of maintaining the position for us,
- 8) **Policy** – “Policy on the Execution of Orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.”,
- 9) **Commission Delegated Regulation (EU) 2017/565** – Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive,
- 10) **Commission Delegated Regulation (EU) 2017/575** – Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions,
- 11) **Commission Delegated Regulation (EU) 2017/576** – Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution,
- 12) **Trading Venue** – regulated market, MTF (multilateral trading facility), or OTF (organised trading facility) within the meaning of MiFID and its implementing regulations,
- 13) **Transaction** – a transaction concluded between you and us under the relevant contract or regulations, the subject of which is the financial instrument specified in Enclosure 1.1 to the Policy,
- 14) **Eligible Counterparty** – a Customer classified as such by the Bank in accordance with the Act on Trading,
- 15) **Investment Services** – buying or selling financial instruments on own account to execute Customer orders, or offering financial instruments, or receiving and transmitting orders to buy or sell financial instruments,
- 16) **Act on Trading** – the Act of 29 July 2005 on trading in financial instruments,
- 17) **Best Execution** – our obligation to act in your best interests in order to obtain the best possible results for you when executing or receiving and transmitting orders for your benefit that involve financial instruments within the meaning of the Act on Trading.

§ 3. Purpose of the Policy

1. The purpose of the Policy is to ensure that our investment activities comply with:
 - high standards of professional conduct and
 - legal obligations under MiFID, Commission Delegated Regulation (EU) 2017/565 and the Act on Trading.
2. By following this Policy, we:
 - provide you with protection in relation to Transactions,
 - establish professional quality standards for the Investment Services we provide,
 - establish a basis for our internal procedures to act in your best interest.

§ 4. Scope of application of the Policy

1. The Policy applies only to Retail Customers and Professional Customers.
2. The Policy sets forth the rules under which we provide the service of buying or selling financial instruments on our own account to execute your orders. In this regard, we recognise that the service simultaneously consists of our execution of orders to buy or sell financial instruments.
The Policy also covers the service of receiving and transmitting orders.
3. A list of financial instruments covered by the Policy is contained in Enclosure 1.1 to the Policy.

§ 5. Application of the Best Execution to buying and selling on own account to execute Customer orders

Scope of application of the Best Execution

1. When we deal on own account, we apply the Best Execution only in cases where entering into a Transaction is simultaneous with the execution of your order. You can then rely on us to objectively meet the Best Execution, including when we enter into a Transaction on the basis of:
 - requests for quotes or
 - matched principal, i.e. we concurrently enter into opposite transactions (*back-to-back*), so as not to expose ourselves to market risks associated with the Transactions.
2. We now assume, with respect to all Transactions, that you can reasonably rely on us to meet the Best Execution. Therefore, we recognise with respect to such Transactions that entering into a Transaction is simultaneous with the execution of your order.
3. If we change the scope of the Transactions covered by the Best Execution, we will amend the Policy accordingly, which we will communicate to you – in accordance with the contract or regulations for the provision of the Investment Service concerned.

How we meet the Best Execution

4. Where a Transaction is entered into on the request-for-quotes basis, we consider the price criterion from the terms of the Transaction as the only criterion for the Best Execution. The criteria of likelihood and speed of execution of the Transaction are secured through your acceptance of the quote.
5. Where a Transaction is entered into on the matched-principal basis, we consider specifically the following as the criterion for the Best Execution:
 - price criterion,
 - execution time,
 - specificity of the order,
 - characteristics of available execution venues,
 - characteristics of the financial instruments that are the subject of the order.
6. We meet the Best Execution by ensuring the fairness of the price at which we are willing to enter into a Transaction with you on own account.
7. Price fairness is examined in relation to the component of the price that corresponds to the price we pay for maintaining the position related to the Transaction. We do this by verifying the data (available through the systems which we use to estimate the price of a particular financial instrument covered by the Policy), taking into account:
 - the price of the financial instrument on the interbank market, and in the absence of such an instrument, the price of another instrument with as close a risk profile as possible and belonging to the same asset class,
 - liquidity of the financial instrument, especially in relation to the amount of the transaction,
 - the need to fully or partially close the market risk generated by a customer transaction due to applicable limits or regulatory considerations;
 - other factors (the cost of maintaining the transaction in our proprietary position, etc.).
 As a result, the examination does not cover the Mark-up.
8. We ensure that the Mark-up, which includes our profit and covers the costs that are not included in the price of our maintaining the position associated with the Transaction, is not higher than the maximum Mark up for the Transaction concerned. Information about the Mark up is provided to you in the regulations and in other documents concerning the Transaction.
9. We disclose to you information about the Mark-up we charge.

§ 6. Application of the Best Execution to the receipt and transmission of orders to buy or sell financial instruments

Scope of application of the Best Execution

1. We apply the Best Execution whenever we receive and transmit orders to buy or sell financial instruments through us.
2. We provide the service of receiving and transmitting orders for bonds issued by authorised legal entities.

How do we meet the Best Execution?

3. The Best Execution means that we act in your best interest by:
 - executing Instructions in accordance with their wording,

- transmitting Instructions as soon as possible to execution venues for execution.
- 4. Instructions specify the financial instrument that is the subject of the order.
- 5. Since the Instructions we receive relate to an order to buy a specific financial instrument in the primary market, there is only one execution venue for each order received.
- 6. If we buy bonds, your orders are transmitted to the issuer within the time limits resulting from the legal documentation applicable to the particular bond offering. In such cases, the execution venue is the issuer.

§ 7. Dealing outside the Trading Venue

1. If we execute your order by dealing on own account, the execution venue is our Bank. This means that we enter into Transactions outside the Trading Venue.
2. Execution of instructions and dealing outside the Trading Venue may involve additional risks, including:
 - the risk of under-pricing compared to the Trading System,
 - the risk of not having access to the potential liquidity available in the Trading Venues,
 - risks associated with less transparency than when dealing via Trading Venues.

§ 8. Warning concerning the Customer's detailed instructions

Your detailed instructions that specify the elements of the Transaction or its execution may prevent us from meeting the Best Execution with respect to the elements specified in those instructions.

§ 9. Policy monitoring, review and amendments

1. We check on an ongoing basis whether the Policy is effective.
2. We also check on a daily basis to ensure that we meet the Best Execution in relation to your orders. We do this by implementing a process that is described in the "Rules of monitoring and control of marketability of transaction prices in the area of capital markets at BNP Paribas Bank Polska S.A.".
3. Apart from that, we review the Policy at least once a year and whenever there is a change in how we provide Investment Services or any other material change that may affect our compliance with the Best Execution. We consider a "material change" to be a change caused by an event that directly affected the Best Execution criteria described in the Policy. Such an event can, at the same time, be caused by changes to the regulatory environment, market structure and operation and changes to our business model. In the event that we determine that a material change has occurred that makes it difficult or impossible to carry out an order in accordance with the Policy, we will immediately provide you with information about this - in the manner described in the contract or in the regulations for the provision of the Investment Service concerned.
4. We will make any changes to the Policy based on the review results of the above.
5. We will keep you informed of any change to the Policy - in the manner described in the contract or in the regulations for the provision of the Investment Service concerned.

§ 10. Final provisions

1. We maintain a list of execution venues, (RTS 28) as required by Commission Delegated Regulation (EU) 2017/576. The list is published at: www.bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2/raporty-rtts.
2. We compile information on the quality of the execution of Transactions (RTS 27) as required by Commission Delegated Regulation (EU) 2017/575. Unless otherwise provided by applicable law, we publish this information (at a certain frequency and for a certain period) at: www.bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2/raporty-rtts.
3. At your request, we are obligated, with respect to a specific order that is subject to the Policy, to provide you with information on how we comply with the rules resulting from the Policy. We provide a response within 30 days.

§ 11. Effective date

The Policy is effective as of 12 December 2022.

Enclosure 1.1 to the Policy on the execution of orders of the Customer
of the Global Markets Line of BNP Paribas Bank Polska S.A.

List of financial instruments covered by the Policy

This Policy applies to the financial instruments referred to in MiFID, including:

1. Forward Transactions/ NDF Transactions / Currency Swap Transactions / Flexitem Forward Transactions
2. Currency Option Transactions
3. IRS Transactions
4. CIRS Transactions
5. Interest Rate Option Transactions
6. Commodity Swap Transactions
7. Dual Currency Deposit Transactions
8. Debt Securities