



## Regulations on Foreign Currency and Derivative Transactions

## § 1. Preliminary Provisions

## 1. Scope of Regulations

These regulations (hereinafter: **the Regulations**) contain the rules according to which the Customer and the Bank conclude, settle and hedge foreign currency transactions and derivative transactions. The Regulations replaced:

- 1) the "General Conditions" and "Transaction Descriptions" for each type of Transactions – within the meaning of the "Master Agreement on Financial Market Transactions",
- 2) "Regulations for Forward and Derivative Transactions" and "Product Regulations" for particular types of Transactions; "Regulations on handling customers' complaints at BNP Paribas Bank Polska S.A." or "Regulations on handling corporate customers' complaints at BNP Paribas Bank Polska S.A." – within the meaning of the "Framework Cooperation Agreement concerned with Forward and Derivative Transactions",
- 3) "Regulations of Currency Exchange Transactions" – within the meaning of the Master Agreement for Corporate Customers", "Application / Agreement for Small Enterprises at BNP Paribas Polska S.A. on Execution of Currency Exchange Transactions", "Application / Agreement for Small Enterprises (Individual business activity) to Make Available and Provide Services of Currency Exchange Transactions".

## 2. Definitions

## Calculation

## Agent

an entity that is a bank or a lending institution pursuant to the Act of 29 August 1997 – Banking Law, active on the market of forward or derivative transactions of a relevant type, which shall calculate the Net Settlement Amount – as stipulated by the Regulations. Should the Bank have the right to designate the Calculation Agent, BNP Paribas S.A., based in Paris, or the Bank shall be the Calculation Agent

## Bank

BNP Paribas Bank Polska Spółka Akcyjna

## Business Day

each day from Monday through Friday, except for public holidays or days when no institution or no financial market, required to settle the Transactions or determine parameters indispensable to settle the Transactions, operates

## Settlement

## Date

a day as agreed in a relevant Transaction for making the mutual settlement between the Parties under the Transaction. Detailed definitions of the Settlement Date for particular Transaction types are specified in the Transaction Descriptions

## Early

## Termination

## Date

Business Day on which the following are terminated:

- 1) the Master Agreement and all the Transactions entered into – if an Event of Default occurs – or
- 2) one or several Transactions affected by the Event of Default that occurred – without terminating the Master Agreement – or
- 3) the Transactions affected by the Termination Event, or
- 4) Transactions agreed upon by way of a separate arrangement between the Parties

## Valuation Date

each Business Day in the course of the Master Agreement, during which the Bank makes the Valuation

## Transaction

## Conclusion Date

a Business Day on which the Parties conclude the Transaction

## Exposure

a negative (for the Customer) sum of Valuation of all Transactions concluded under the Transaction Limit or upon request of the Customer – with the Customer not having this limit (in accordance with § 5 item 1). The amount of Exposure may differ from the Net Settlement Amount that the Customer would be required to pay if the Early Termination Date in respect of these Transactions falls on the Valuation Date

## Derivative

## Instrument

shall mean the financial instrument referred to in Article 2 item 1 point (2) of the Act of 29 July 2005 on trading in financial instruments, including: an option, futures contract, swap, FX forward agreement, other financial instrument for which the underlying instrument is a foreign currency, interest rates, commodity as well as emission allowance

## Security Deposit

Collateral in the form referred to in § 23 item 2 letter (a)

## KID

a document which contains key information about the Derivative Instrument – in accordance with the PRIIP Regulation

## Customer

a natural person pursuing business activity or legal person or an organisational unit which is not a legal person, having legal capacity, which:

- 1) has concluded the Master Agreement with the Bank, or
- 2) performs preparatory activities determined in the Regulations aimed at concluding the Master Agreement with the Bank

## Retail

## Customer

a Customer to whom the Bank has assigned – in accordance with the MiFID Regulation – the category of retail customer

## FC Customer

a Customer which is a financial counterparty under EMIR Regulations

## NFC Customer

a Customer which is not a financial counterparty under EMIR Regulations

## NFC+ Customer

an NFC Customer which has exceeded the threshold amount defined in the EMIR Regulations – alone or as an entity in its capital group. An NFC+ Customer is obligated to clear Derivative Transactions centrally

## NFC- Customer

an NFC Customer whose Derivative Transactions are subject, in accordance with the EMIR Regulations, to reporting obligations by the Bank

## Professional

## Customer

a Customer to whom the Bank has assigned – in accordance with the MiFID Regulation – the category of professional customer

## The Civil Code

the Civil Code Act of 23 April 1964

## Threshold

## Amount

the value of liabilities of the Bank or the Customer, which have not been performed or have been performed improperly, or which are subject to enforcement (as defined in § 20).

The Threshold Amount is the amount:

- 1) of the Bank's own funds – for the Bank – or
- 2) specified in the Master Agreement or the amount of PLN 10,000 (if the Threshold Amount is not specified in the Master Agreement) – for the Customer or Affiliated Entity

## Net Settlement

## Amount

the amount payable by the Party in favour of the other Party as a result of the

## Free Amount

determination of an Early Termination Date, calculated as at that day

a PLN amount which, when exceeded by the Exposure, will result in the Customer's obligation to establish Variable Collateral and which:

- 1) is determined in the Agreement on Collateral, or
- 2) is determined in the "Master Agreement on Financial Market Transactions" – as the amount of the Transaction Limit (pre-settlement), or
- 3) constitutes 95% of the "Threshold Amount granted" or the sum of "Threshold Amounts granted" – indicated in the "Information on the Limit applicable to Forward and Derivative Transactions, along with the specification of indicators applicable to Forward and Derivative Transactions at BNP Paribas Bank Polska S.A."

Initial  
Collateral  
Amount

an amount in PLN or EUR, established by the Parties under the Transaction Terms of a Transaction concluded under the Secured Limit – for the purpose of establishing the Initial Collateral

## LEI

(*Legal Entity Identifier*) code of the entity which:

- 1) has 20 characters and is alpha-numeric,
- 2) complies with the ISO174442 standard,
- 3) has been assigned by a coding agency (so-called LOU, *Local Operating Unit*) accredited by the Global Legal Entity Identifier Foundation (GLEIF) and
- 4) identifies this entity globally.

The Bank's LEI is: NMH2KF074RKAGTH4CM63

Transaction  
Limit

an amount established by the Bank upon Customer's request, specifying an estimated maximum value of receivables due from the Customer to the Bank under Transactions. The amount of Transaction Limit sets the Bank's risk level arising from Transactions. The actual amount of receivables due from the Customer to the Bank under Transactions may be different from the Transaction Limit amount

Secured  
Limit

an amount established by the Bank upon Customer's request, specifying an estimated maximum value of receivables due from the Customer to the Bank under Transactions. The amount of Secured Limit sets the Bank's risk level arising from Transactions. The actual amount of receivables due from the Customer to the Bank under Transactions may be different from the Secured Limit amount. The Secured Limit is determined separately from the Transaction Limit. Within the Secured Limit granted to the Customer, the Bank can request the Customer to establish at least the Initial Collateral

List of  
the Bank's  
Telephone  
Numbers

a document with telephone numbers at which the Bank's employees authorised to conclude Transactions and provide information on their execution are available

<b>Business Day Locations</b>	locations relevant to establishing whether a given day is a Business Day. Business Day Locations may be established by the Parties for particular Transactions		3) the implementing provisions of the foregoing: regulations and acts as well as provisions that will amend or replace them.	and insurance-based investment products (PRIIPs)
<b>Minimum Transfer Amount</b>	a PLN amount specified in: 1) the Agreement on Collateral, or 2) as 5% of a Transaction Limit amount. If the Bank cancels the Transaction Limit or this limit expires – the Bank shall determine the Minimum Transfer Amount equal to the Transaction Limit applicable prior to its cancellation or expiry) – for Customers who have concluded with the Bank the "Master Agreement on Financial Market Transactions", or 3) as 5% of the "Threshold Amount granted" or the sum of "Threshold Amounts granted" – indicated in the "Information on the Limit applicable to Forward and Derivative Transactions, along with the specification of indicators applicable to Forward and Derivative Transactions at BNP Paribas Bank Polska S.A." – in the case of Customers that concluded a "Framework Cooperation Agreement concerned with Forward and Derivative Transactions" with the Bank.  When the difference between the Exposure and the aggregate of: - the Free Amount and - the Received Collateral reaches the Minimum Transfer Amount, the Bank has the right to demand that the Customer should establish the Required Collateral	<b>Confirmation</b>	a document prepared by the Bank in the form of a durable medium, containing information: on Transaction Terms or changes to the Transaction Terms or terms and conditions of early termination of the Transaction	<b>Reference Interest Rate</b> the following, as defined in the Transaction Descriptions, respectively: 1) WIBOR 1M – applicable until 31 March 2024, 2) WIRON – applicable from 1 April 2024
<b>Limited Property Right</b>	Collateral in the form referred to in § 23 item 2 letter (b)	<b>Customer Profiling</b>	the assessment that the Bank performs on the basis of information from the Retail Customer on his / her:  1) knowledge of financial instruments and the investment service, and 2) investment experience,  to verify whether the financial instruments or the investment service provided by the Bank under the Master Agreement are appropriate for a given Customer	<b>Transaction</b> each agreement entered into by the Bank and the Customer under the Master Agreement
<b>Transaction Descriptions</b>	Enclosure No 2 to the Regulations, being an integral part thereof and containing:  1) definitions and a descriptions of the Transaction, 2) rules of procedure in the event of lack of Benchmark publication or change in the Benchmark's calculation method or loss of the Benchmark representativeness, 3) rules for calculating the Compounded RFR Rate	<b>Bank Settlement Account</b>	the Bank's account indicated by the Bank in the Confirmation or in a separate notification sent to the Customer	<b>Master Agreement</b> the agreement concluded between the Bank and the Customer regarding the regulation of rules of entering into and settlement of various types of Transactions. Each Master Agreement which allows for entering into Derivative Transactions is the master agreement within the meaning of Article 85 of the Act of 28 February 2003 – Bankruptcy Law and Article 250 and Article 299 item 3 of the Act of 15 May 2015 – Restructuring Law
<b>Affiliated Entity</b>	an entity that: 1) indirectly or directly controls or is controlled by the Customer, or remains under joint control with the Customer ( <i>control</i> shall mean direct or indirect holding of the majority of shares or stocks, or the ability to manage the entity based on an agreement or pursuant to another legal title, or the ability to appoint members of the entity's governing bodies), or 2) established or is under obligation to establish collateral in favour of the Bank securing due execution of the Transaction by the Customer, or 3) has been agreed individually as such in a given Transaction – in relation to the Customer	<b>Customer Settlement Account</b>	the Customer's account which:  1) the Customer indicates in the Customer Information Attachment or in another document submitted to the Bank, or  2) Banks and the Customer agree on during the Transaction Terms Arrangement	<b>Agreement on Collateral</b> an agreement concluded between the Bank and the Customer, which defines the rules for establishing the Collateral in order to secure the proper performance by the Customer of its obligations (including future or conditional obligations) towards the Bank on account of Transactions entered into (including the payment of the Net Settlement Amount)
<b>Electronic Signature (electronic signature)</b>	advanced electronic signature (acceptable to the Bank) or qualified electronic signature within the meaning of:  1) Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC of 23 July 2014,  2) the Act of 5 September 2016 on trust services and electronic identification,	<b>Bank Collateral Account</b>	the Bank's collateral account in which the Collateral deposited by the Customer will be established. The Bank Collateral Account is indicated in:  1) the Agreement on Collateral, or 2) other agreement under which such Collateral shall be established, or 3) a call for establishing the Collateral, addressed to the Customer by the Bank	<b>UTI</b> ( <i>Unique Transaction Identifier</i> ) a unique identifier of the Transaction that the Bank is a party to. The Bank generates and places the UTI in the Confirmations and uses it to report Derivative Transactions to the Trade Repository
		<b>Customer Collateral Account</b>	the Customer's bank account, maintained in PLN or EUR for the purpose of Collateral establishment, indicated in:  1) the Agreement on Collateral, or 2) the "Master Agreement on Financial Market Transactions", as the Account, or 3) bank account agreement under which the Bank maintains a Customer Settlement Account	<b>Eligible Counterparty</b> accordance with the MiFID Regulation a Customer to whom the Bank has assigned – in accordance with the MiFID Regulation – the category of eligible counterparty
		<b>MiFID Regulation</b>	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, its delegated acts, implementing acts and national law implementing its provisions	<b>Transaction Terms Arrangement</b> submission by the Bank and the Customer of a declaration of intent, which represent acceptance of the Transaction Terms
		<b>EMIR Regulations</b>	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 along with implementing regulations	<b>Initial Collateral Currency</b> the currency (PLN or EUR) agreed on by the Parties in the Transaction Terms for a Transaction concluded under the Secured Limit for the purpose of establishing the Initial Collateral
		<b>Trade Repository</b>	an entity or supervisory body authorised under the EMIR Regulations to collect and maintain information concerning Derivative Transactions, including their conclusion, modification and termination	<b>Current Value of Liabilities</b> with respect to the Transactions for which an Early Termination Date is determined, the total of: 1) the market value of a given Party's liabilities arising from Transactions whose payment date specified in the Transaction Terms falls after the Early Termination Date, which value is determined by the Calculation Agent on the basis of quotations available to the Calculation Agent on the Early Termination Date with respect to specific Transaction types covered by the Early Termination Date, and 2) the value of due liabilities of a given Party on account of a Transaction not realised until the Early Termination Date, plus default interest calculated for the period from the maturity date of each such liability until the Early Termination Date.  The liabilities subject to valuation expressed in a currency other than PLN shall be converted into PLN at the currency exchange rate as per the "Table of exchange rates of BNP Paribas Bank Polska S.A." (hereinafter: <b>Table of Exchange Rates</b> ) applicable at the time of such currency conversion made by the Bank on the Early Termination Date
		<b>PRIIP Regulation</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail	

**Transaction Terms** conditions agreed upon by the Bank and the Customer, under which the Transaction is concluded, amended or terminated

**Valuation** an amount in PLN calculated by the Bank as at the Valuation Date, which is the difference between:

- 1) the current not matured receivables due to the Customer from the Bank under a given Transaction and
- 2) the current not matured obligations due from the Customer to the Bank under this Transaction.

The Valuation does not incorporate potential costs, fees or margins due to the Bank in the situation of early settlement of a given Transaction as a result of establishment of the Early Termination Date

**Collateral** depending of the context: Fixed Collateral, Variable Collateral or Initial Collateral (including supplementing this Collateral in the form of Additional Collateral), as well as the preliminary collateral referred to in § 23 item 1

**Personal Collateral** shall mean collateral granted by a third party in the form of a surety, guarantee or other security of a similar nature

**Received Collateral** shall mean the PLN value of the Variable Collateral which has been established in favour of the Bank

**Initial Collateral** collateral established by the Customer in the form of a Deposit or Limited Property Right for the purpose of securing receivables due to the Bank under the Master Agreement or Transactions concluded under the Secured Limit – in accordance with:

- 1) the Regulations, or
- 2) the Agreement on Collateral.

The Initial Collateral is the minimum Collateral required by the Bank in connection with a given Transaction concluded under the Secured Limit

**Additional Collateral** supplementation of the Initial Collateral established by the Customer in the form of a Security Deposit or Limited Property Right for the purpose of securing receivables due to the Bank under the Master Agreement or Transactions concluded under the Secured Limit – in accordance with:

- 1) the Regulations, or
- 2) the Agreement on Collateral

**Tangible Assets Collateral** collateral – other than pecuniary collateral – which consists in the establishment of a limited property right or assignment of an ownership title or right

**Fixed Collateral** Personal Collateral, Tangible Assets Collateral or a collateral in the form of a Security Deposit or Limited Property Right (other than Variable Collateral), established by the Customer pursuant to:

- 1) the Regulations and
- 2) the Agreement on Collateral

**Required Collateral** PLN value of the Variable Collateral which the Customer is obligated to establish

**Variable Collateral** pecuniary collateral established by the Customer – in the form of a Security Deposit or Limited Property Right for the purpose of securing receivables due to the Bank under the Master Agreement or Transactions concluded under the Transaction Limit – in accordance with:

- 1) the Regulations, or
- 2) the Agreement on Collateral

**Customer Information Attachment**

a document:

- 1) drawn up in accordance with the model provided by the Bank or whose content corresponds to the model,
- 2) submitted by the Customer to the Bank in connection with the conclusion of the Master Agreement,
- 3) containing, inter alia, details of the Customer and its representatives, necessary to conclude a Transaction

The Bank and the Customer are also referred to as the **"Parties"** (jointly) or the **"Party"** (individually).

In the Master Agreement, Agreement on Collateral, Confirmations and other documents concerning Transactions, foreign currencies are described using letter codes determined in the announcement of the President of the National Bank of Poland or other relevant legal act that will supersede it.

Whenever the Regulations, the Master Agreement, the Agreement on Collateral or any other document related thereto mention a "signature", "signing" or "signed", this shall be understood to mean:

- 1) "handwritten signature", "signing by hand" or "signed by hand", or
- 2) "signing with Electronic Signature" or "signed with Electronic Signature".

### 3. Definitions of the "Master Agreement on Financial Market Transactions"

The following are terms used in the "Master Agreement on Financial Market Transactions" and corresponding terms in these Regulations.

Term from the "Master Agreement on Financial Market Transactions"	Term in the Regulations
Current Loss	Exposure
Pre-settlement Date	Early Termination Date
Security Deposit	Required Collateral, Received Collateral or Variable Collateral
Password Instruction	Customer Information Attachment
Bank Data Card	List of the Bank's telephone numbers
Customer Data Card	Customer Information Attachment
Pre-settlement Amount, Net Compensation Amount, Final Net Compensation Amount or Liquidation Amount	Net Settlement Amount
Collateral Amount	Collateral Received
Transaction Limit or Transaction Limit Terms	Transaction Limit
interest on the Security Deposit	compensation arising from the Variable Collateral
General Conditions and Transaction Descriptions	Regulations
Events of Default under the Agreement	Events of Default and Termination Events
Transaction Pre-settlement	termination of a Transaction prior to the originally agreed receivables maturity through determination of the Early Termination Date
Account	Customer Settlement Account
Regulation No 648/2012	EMIR Regulations
Transactions	Transactions

### 4. Definitions of the "Framework Cooperation Agreement concerned with Forward and Derivative Transactions"

The following are terms used in the "Framework Cooperation Agreement concerned with Forward and Derivative Transactions" and corresponding terms in these Regulations.

Term from the "Framework Cooperation Agreement concerned with Forward and Derivative Transactions"	Term in the Regulations
"MiFID – information leaflet for customers of BNP Paribas Bank Polska S.A."	"Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A."
"Financial instruments at BNP Paribas Bank Polska S.A."	"Description of Risk Related to Financial Market Instruments"

telephone numbers of the Bank in connection with the performance of the Master Agreement (including with conclusion of Derivative Transactions)	List of the Bank's telephone numbers
Confirmations	Confirmations
"Regulations for forward and derivative transactions" and "Product Regulations" for particular types of Transactions	Regulations
"Regulations on Handling Customers' Complaints at BNP Paribas Bank Polska S.A." / "Regulations on Handling Corporate Customers' Complaints at BNP Paribas Bank Polska S.A."	Regulations
Transactions	Transactions (except for Today Transactions, Tomorrow Transactions and Spot Transactions – which are not Closing Transactions or are not concluded for the purpose of establishment of the Net Settlement Amount)
Statement of Transactions	Information

### 5. Definitions of the "Master Agreement for Corporate Customers"

The following are terms used in the "Master Agreement for Corporate Customers" and corresponding terms in these Regulations.

Term from the "Master Agreement for Corporate Customers"	Term in the Regulations
"Regulations of Currency Exchange Transactions"	Regulations
currency exchange transactions	Today Transactions, Tomorrow Transactions or Spot Transactions

### 6. Definitions of the "Application / Agreement for Small Enterprises at BNP Paribas Polska S.A. on Execution of Currency Exchange Transactions"

The following are terms used in the "Application / Agreement for Small Enterprises at BNP Paribas Polska S.A. on Execution of Currency Exchange Transactions" and corresponding terms in these Regulations.

Term from the "Application / Agreement for Small Enterprises at BNP Paribas Polska S.A. on Execution of Currency Exchange Transactions"	Term in the Regulations
"Regulations of Currency Exchange Transactions"	Regulations
currency exchange transactions	Today Transactions, Tomorrow Transactions or Spot Transactions

### 7. Definitions of the "Application / Agreement for Small Enterprises (Individual Business Activity) to Make Available and Provide Services of Currency Exchange Transactions"

The following are terms used in the "Application / Agreement for Small Enterprises (Individual Business Activity) to Make Available and Provide Services of Currency Exchange Transactions" and corresponding terms in these Regulations.

Term from the "Application / Agreement for Small Enterprises (Individual Business Activity) to Make Available and Provide Services of Currency Exchange Transactions"	Term in the Regulations
currency exchange transactions	Today Transactions, Tomorrow Transactions or Spot Transactions

### 8. Definitions of the "Information on the Limit Applicable to Forward and Derivative Transactions, along with the Specification of Indicators Applicable to Forward and Derivative Transactions at BNP Paribas Bank Polska S.A."

The following are terms used in the "Information on the Limit Applicable to Forward and Derivative Transactions, along with the Specification of Indicators Applicable to Forward and Derivative Transactions at BNP Paribas Bank Polska S.A." and corresponding terms in these Regulations.

Term from the "Information on the Limit Applicable to Forward and Derivative Transactions, along with the Specification of Indicators Applicable to Forward and Derivative Transactions at BNP Paribas Bank Polska S.A."	Term in the Regulations
Unsecured Limit	Transaction Limit
Secured Limit	Secured Limit

9. If the Customer has submitted or provided, for the purposes of the Master Agreements listed in § 1 items: 3, 4, 5, 6 and 7:
- 1) identification passwords necessary to conclude Transactions,
  - 2) contact data necessary for the performance of the Master Agreements: telephone numbers, fax numbers and addresses,
  - 3) data of the Customer and his/her representatives for the Transaction conclusion,
  - 4) representations concerning authorisation of the Customer's representatives to conclude Transactions,
- they shall remain in force until they are amended or expire. Any amendments shall be submitted by the Customer according to:
- a) Customer Information Attachment – for Master Agreements specified in § 1 items 3 and 4,
  - b) the document indicated by the Bank – for Master Agreements specified in § 1 items 5, 6 and 7.

## § 2. Documents which govern legal relations between the Parties

### 1. Documentation

The following documents govern the legal relationship between the Parties:

- 1) Master Agreement,
- 2) Agreement on Collateral – if applicable,
- 3) Regulations along with enclosures (including Transaction Descriptions and enclosures to the Transaction Descriptions).

### 2. Joint legal relationship

The Master Agreement, the Regulations with enclosures (including Transaction Descriptions and enclosures to Transaction Descriptions), each Transaction, Agreement on Collateral should be considered jointly.

All references to the Master Agreement shall mean at the same time references to the documents referred to in item 1 as well as each concluded Transaction, unless the context explicitly indicates otherwise.

### 3. Non-compliance of provisions

Should any inconsistency be found between the Transaction Terms and the provisions of the Master Agreement, the provisions agreed by the Parties in the Transaction Terms shall prevail.

## § 3. Agreement Conclusion

### 1. Form of the Master Agreement and the Agreement on Collateral

The Master Agreement, Agreement on Collateral as well as any amendments thereto, must be concluded in writing or in an electronic form with the use of the Electronic Signature – under pain of nullity.

### 2. Documents and information submitted by the Customer to the Bank

Before concluding the Master Agreement, the Customer is obliged to submit to the Bank the documents and information which the Bank indicates and which are used to:

- 1) identify the Customer,
- 2) determine proper authorisation of the persons acting on behalf of and for the Customer,
- 3) assess the Customer's knowledge and experience in Derivative Transactions and assign the Customer to the target group (according to the MiFID Regulation).

The Customer is required to submit the following documents, among others:

- 1) for a Customer assigned by the Bank to:
  - a) the Retail Customer category:
    - the "Customer Profile Questionnaire" completed and signed by the Customer – so that the Bank

may complete Customer Profiling and assign the Customer to the target group,

- the "Statement regarding Cross-Border Swap Transactions" completed and signed by the Customer – so that the Bank may assign the Customer to the target group,
  - the "Result of the Appropriateness Assessment of Financial Instruments and Investment Service" – so that the Bank may complete Customer Profiling,
- b) the Professional Customer or Eligible Counterparty category:
- the "Questionnaire (Target Group)" completed and signed by the Customer,
  - the "Statement regarding Cross-Border Swap Transactions" completed and signed by the Customer,
- so that the Bank may assign the Customer to the target group,

- 2) information on transactions concerning Derivative Instruments that the Customer has entered into with other entities,
- 3) information on foreign currency cash flows, and – if required by the Bank:
- 4) information on the Customer's financial risk management,
- 5) a credit application or an application for foreign exchange and derivative transactions completed and signed by the Customer, together with attachments.

The Bank has the right to ask the Customer to provide other documents or information to properly assess the credit risk or fulfil the reporting obligation to the Transaction Repository.

### 3. Inappropriateness

If the Customer Profiling shows that the specific type of Transaction is not appropriate for the Retail Customer, the Bank will notify the Customer thereof. In such a case, the Bank and the Customer may enter into Transactions under the Master Agreement – if, despite the warning, the Customer has submitted an application with regard to this case.

However, the Bank will not conclude a Transaction with the Customer if:

- 1) the Customer refuses to submit to appropriateness assessment of financial instruments and investment service or performance of this assessment is not possible due to other reasons, or
- 2) the "Result of the Appropriateness Assessment of Financial Instruments and Investment Service" shows that the financial instrument is not appropriate for a given Customer due to the Customer's lack of knowledge of it.

The Bank assumes that the Professional Customer and the Eligible Counterparty have the necessary knowledge and investment experience which allow them to conclude Transactions.

### 4. Documents and information submitted by the Bank to the Customer

Prior to the conclusion of the Master Agreement, the Bank shall forward the following documents or information to the Customer:

- 1) Regulations along with enclosures (including Transaction Descriptions and enclosures to the Transaction Descriptions),
- 2) "Description of Risk Related to Financial Market Instruments", which includes a description of risk related to Transactions,
- 3) List of the Bank's Telephone Numbers,
- 4) "Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska SA.",
- 5) other information, if required by law.

Before entering into the first Derivative Transaction of a given type, the Bank shall forward the KID to the Retail Customer. At the Customer's choice, the Bank shall provide this document:

- 1) on a durable medium within the meaning of the MiFID Regulation:
  - a) in a paper form – to the Customer's mailing address, or
  - b) in electronic form – by electronic mail to the e-mail address specified by the Customer in the Customer Information Attachment. The Customer shall receive the KID in this form unless the Bank has previously published the KID at [www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid](http://www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid). When the Bank sends an email to the Customer, it shall publish the KID on the said website or
- 2) via website [www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid](http://www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid).

When the Bank updates the KID, it shall, at the Customer's choice, provide this document:

- a) in a paper form – to the Customer's mailing address, or
- b) via website [www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid](http://www.bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid). The Bank shall notify the Customer of this fact and indicate to the Customer the address of this website – by electronic mail to the e-mail address specified by the Customer in the Customer Information Attachment.

The Customer is obligated to peruse the KID for a Derivative Transaction before concluding it with the Bank.

Retail Customer has the right to receive from the Bank a free paper copy of the KID.

Unless otherwise stipulated in the Master Agreement, any correspondence related to the Master Agreement and Transaction shall be forwarded to the Customer by the Bank in the manner specified by the Customer in the Customer Information Attachment.

## 5. Implementation of MiFID Regulation requirements

Before concluding the Master Agreement, the Bank:

- 1) classifies the Customer to a Customer category; and
- 2) performs Customer Profiling – applies only to a Retail Customer – and
- 3) assigns the Customer to a target group to which the Bank may offer Derivative Transactions.

## 6. Service Nature

When concluding Derivative Transactions, the Bank conducts activity of buying or selling, for its own account, financial instruments in order to execute the Customer's orders.

In connection with the performance of the Master Agreement, the Bank shall not provide the services of:

- 1) receiving and transmitting the Customer's orders,
- 2) investment advice.

Neither information nor opinions regarding the Derivative Transactions provided by the Bank constitute a recommendation regarding investments in financial instruments, nor will they be interpreted as such by the Customer.

Transactions are concluded outside the trading system.

## 7. Number of Master Agreements concluded

Unless otherwise agreed between the Parties, the Customer may conclude with the Bank only one Master Agreement related to Transactions of the same type.

## § 4. Powers of attorney

### 1. Proxies

The Customer may appoint proxies to make statement of will in matters related to:

- 1) concluding Transactions and
- 2) any other activities specified in the Regulations and the Master Agreement or Agreement on Collateral.

The data and the scope of authorisation of the proxies are provided by the Customer in:

- a) the Customer Information Attachment, which the Customer signs and submits to the Bank – in paper or electronic form or
- b) in the electronic banking – only to conclude Today Transactions in the Bank's internet transaction platform or the Bank's mobile applications.

### 2. Scope of powers of attorney

The Customer may grant a power of attorney authorising a proxy to conclude any Transactions ("special power of attorney") or only certain types of Transactions ("specific power of attorney").

If the proxy has not signed the "Personal Data Form" drawn up on the Bank's template or a document corresponding to the content of such a template, the proxy shall:

- 1) place a specimen signature on the Customer Information Attachment – in paper form and in the presence of an employee of the Bank, or
- 2) sign the Customer Information Attachment using Electronic Signature.

### 3. Revocation of the Power of Attorney

The power of attorney may be revoked by:

- 1) amending the Customer Information Attachment. Such an amendment is signed by a person duly authorised to act on behalf of the Customer. Upon the Bank's consent, the Customer may revoke the power of attorney in another manner. If the Parties have not agreed on another term in the Master Agreement, revocation of a power of attorney shall become effective with respect to the Bank once such information has been entered in the relevant



IT system of the Bank. Changes shall be introduced to the IT system immediately after the relevant document has been delivered to the Bank or

- 2) revoking – via the electronic banking – the proxies' authorisations to conclude Today Transactions in the internet transaction platform or the mobile applications.

## § 5. Transaction Limit

### 1. Concluding Transactions within the Transaction Limit

The Bank defines the Transaction Limit for the Transactions specified in the Transaction Descriptions (excluding Today Transactions), broken down into a limit for:

- 1) foreign currency Transactions (Currency Options or Foreign Currency Transactions),
- 2) interest rate Transactions (Interest Rate Options or IRS Transactions or CIRS Transactions),
- 3) commodity Transactions (Commodity Swaps Transactions),
- 4) other – as agreed by the Parties.

Subject to the provisions below, the Transaction Limit granted to the Customer allows the Customer to conclude Transactions with the Bank – up to that limit.

At the request of the Customer, the Bank may enter into a Tomorrow Transaction or Spot Transaction with the Customer, also when the Transaction Limit has been used or exceeded, or when the Customer has no Transaction Limit.

### 2. Change of the Transaction Limit by the Bank

In the event of occurrence of an important reason, i.e.:

- 1) substantial changes in the current market conditions, or
- 2) occurrence of an Event of Default, or
- 3) substantial deterioration of the economic and financial situation or the financial status of the Customer, resulting in increased risk of the Customer's default on obligations towards the Bank arising under the Master Agreement and Transactions,

The Bank has the right to change the Transaction Limit (including to shorten its validity, reduce its amount or cancel it).

Notwithstanding the above, the Bank may change the existing Transaction Limit, i.e.:

- a) at the Customer's request, set this limit for additional types of transactions referred to in item 1 or change the amount of the Transaction Limit, or
- b) extend its validity.

### 3. Informing the Customer about the Transaction Limit

The Bank shall notify the Customer about the Transaction Limit granted or changed. The Customer shall confirm the receipt of the above notification if so stipulated in its content. In order to do so, the Customer shall sign the notification and submit it to the Bank.

The Bank shall inform the Customer of:

- 1) validity of the Transaction Limit,
- 2) exceeding the Transaction Limit, or
- 3) expiration of the Transaction limit,

if the Bank has implemented such a function.

The Bank informs the Customer about utilisation of the Transaction Limit – as at the Valuation Day falling on the last Business Day of the month preceding the sending of the information in this regard.

At the Customer's request, the Bank shall inform the Customer about the use or availability of the Transaction limit – as at a given Business Day.

## § 6. Secured Limit

### 1. Transactions concluded under the Secured Limit

The Bank shall determine the Secured Limit for Transactions specified in Transaction Descriptions:

- 1) Forward Transactions,
- 2) Currency Swap Transactions.

Subject to the provisions below, the Secured Limit granted to the Customer allows the Customer to conclude Forward Transactions and Currency Swap Transactions with the Bank – up to that limit.

At the request of the Customer, the Bank may enter into a Tomorrow Transaction or Spot Transaction with the Customer under the Secured Limit. Conclusion of the above-mentioned Transaction does not require the Customer to establish Initial Collateral and Additional Collateral, but it has an impact on the Secured Limit utilisation.

### 2. Change of the Secured Limit by the Bank

In the event of occurrence of an important reason, i.e.:

- 1) substantial changes in the current market conditions, or
- 2) occurrence of an Event of Default, or
- 3) substantial deterioration of the economic and financial situation or the financial status of the Customer, result-

ing in increased risk of the Customer's default on obligations towards the Bank arising under the Master Agreement and Transactions,

The Bank has the right to change the Secured Limit (including to shorten its validity, reduce its amount, cancel it).

### 3. Informing the Customer about the Secured Limit

The Bank shall notify the Customer about the Secured Limit granted or changed. The Customer shall confirm the receipt of the above notification if so stipulated in its content. In order to do so, the Customer shall sign the notification and submit it to the Bank.

The Bank shall inform the Customer of:

- 1) validity of the Secured Limit,
- 2) exceeding the Secured Limit, or
- 3) expiration of the Secured Limit,

if the Bank has implemented such a function.

The Bank informs the Customer about utilisation of the Secured Limit – as at the Valuation Day falling on the last Business Day of the month preceding the sending of the information in this regard.

At the Customer's request, the Bank shall inform the Customer about the use or availability of the Secured limit – as at a given Business Day.

## § 7. Preconditions

The Bank shall start cooperation with the Customer as regards the conclusion of Transactions upon the Customer's fulfilment of the following conditions jointly:

- 1) the Customer and the Bank concluding the Master Agreement,
- 2) the Bank setting a Transaction Limit or Secured Limit for the Customer – if required,
- 3) the terms and conditions of the Master Agreement and the Regulations or the Agreement on Collateral being met,

in addition to the above:

- 4) at the Transaction Conclusion Date, the Customer shall hold funds in the relevant currency on the Customer Settlement Account that are sufficient to execute the Transactions – applicable to Today Transactions.

## § 8. Voluntary Nature of the Transaction Conclusion

### 1. No commitment to conclude Transactions

Fulfilment by the Customer of the preconditions specified in the Regulations and the Master Agreement or Agreement on Collateral shall not impose on either Party any obligations to conclude the Transactions.

In connection with the conclusion of Transactions, the Bank does not act as another liquidity provider within the meaning of Commission Delegated Regulation (EU) 2017/575, which supplements Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards for data published through order execution systems, regarding the quality of transaction execution. Therefore, the Bank may refuse to enter into a Transaction.

### 2. Exclusion of the Parties' liability

The Parties shall not be liable towards each other for damage for which they are not culpable.

## § 9. Transaction Types

1. The Parties shall enter into the Transactions defined in the Transaction Descriptions – subject to item 2.
2. In order to conclude a Transaction which has not been specified in the Transaction Descriptions, the Parties shall agree upon additional provisions in the Transaction Terms which will accordingly modify the description of the relevant Transaction contained in the Transaction Descriptions.
3. For each Transaction, the Parties shall agree upon essential Transaction Terms among those indicated in the Transaction Descriptions – in the description relevant for the given Transaction.

## § 10. Offers

Today Transactions, Tomorrow Transactions, Spot Transactions and Commodity Swaps Transactions may be concluded in an offer mode, i.e. as a result of a statement of will to conclude such a Transaction made by the Customer (in a manner accepted by the Bank), containing material provisions of the Transaction (hereinafter: the **Offer**) and of the Bank accepting such Offer in the time frame agreed on by the Parties.

The conclusion of any of the aforementioned Transactions takes place when the Bank executes the Offer submitted by the Customer.

## § 11. Transaction Terms Arrangement

### 1. Manners of the Transaction Terms Arrangement

The Transaction Terms are agreed using the following distribution channels:

- 1) over the phone, or
- 2) electronically, including via means of electronic communication and via internet transaction platform or mobile applications – if such a functionality is made available to the Customer by the Bank, or
- 3) in other manner agreed upon by the Parties – providing that the Parties have stipulated so in the Master Agreement.

Consistent declarations of intent on the Transaction conclusion shall be submitted by the Parties in a manner appropriate for the means of communication used.

### 2. Customer Identification

The manner of Customer identification depends on the manner in which the Parties contact each other in order to agree upon the Transaction Terms. The Parties may do so:

- 1) over the phone:
  - a) the Customer shall call the number indicated by the Bank, or
  - b) the Bank shall call the person indicated in the Customer Information Attachment as the person authorised to conclude a given type of Transactions – by calling the telephone number provided to the Bank.

The Bank shall identify the person authorised by the Customer to conclude a given type of Transaction based on the information from the Customer Information Attachment. Therefore, the given authorised person is obligated to provide this information at the request of the Bank's employee. Identification information is confidential and the Customer is obligated not to disclose it to unauthorised persons.

Transactions executed by a person using identification information available only to the Customer shall be executed on behalf of and for the Customer,

- 2) electronically or in any other manner agreed upon: the person authorised by the Customer to execute Transactions shall be identified in accordance with the arrangements made between the Bank and the Customer.

### 3. Derivative Transaction costs information

The Bank informs a Retail Customer about the estimated costs of the Derivative Transaction – when it has implemented the relevant function, about which it will inform the Customer in a separate notification. The Bank presents such costs, inter alia, on the basis of the Transaction amount specified by the Customer. The Bank does this:

- 1) prior to having agreed the Transaction Terms for Transaction conclusion or early termination (unless such early termination resulted from the Early Termination Date being set by an entitled Party), i.e. during:
  - a) a conversation with the Customer – if the Transaction Terms are agreed by telephone – or
  - b) the presentation, by electronic means or in any other manner agreed upon by the Parties, of the quotation for the Transaction or its early termination – if the Transaction Terms are agreed in a given distribution channel,
- 2) immediately after Transaction conclusion or early termination – regardless of the distribution channel. The Bank provides the Customer with information on a durable medium and in the manner agreed with the Customer.

If the Customer does not consent to being informed by the Bank in the manner described above about the costs of Transaction conclusion or early termination carried out:

- 1) by telephone – the Customer:
  - a) is obligated to notify the Bank of the fact – during the telephone conversation relating to the Transaction Terms Arrangement for Transaction conclusion or early termination,
  - b) has the right to delay Transaction conclusion or early termination – so that the Bank may provide the Customer with information about the estimated costs of that Transaction, on a durable medium, prior to its conclusion or early termination,
- 2) by electronic means or in any other manner agreed upon by the Parties – the Customer is obligated to immediately notify the Bank of the fact (by telephone or in any other manner specified in the Master Agreement) – not later than before Transaction conclusion or early termination. If the Customer notifies the Bank of the above, the Customer will be able to conclude all Transactions or settle them earlier only by telephone – starting from Bank's entry of such information into its IT system.

### 4. Transaction Conclusion

Transactions shall be concluded upon Transaction Terms Arrangement.

The Transaction Terms agreed by the Parties shall be entered into the Bank's IT systems immediately upon arrangement. Due to continuous trading and the necessity to enter Transaction Terms into the Bank's IT systems, there can be a time lapse between the agreement and entry of the data.

### 5. Electronic recording of the Transaction Terms

The Bank records and saves telephone conversations and all correspondence (including emails) with the Customer. The Bank does so to the extent required by law.

The Bank makes it possible for the Customer to listen to the recorded phone calls and makes available the correspondence with the Customer for the period of 5 years. This time is calculated from the end of the year when the phone call of exchange of correspondence took place. However, it may be longer if the law so provides.

Recorded telephone conversations and all correspondence may constitute evidence in proceedings to determine circumstances of particular Transactions.

## § 12. Confirmations

### 1. Forwarding a Confirmation to the Customer

The Bank confirms the Transaction conclusion / early termination / amendment to Transaction Terms by immediately providing the Customer with a Confirmation on a durable medium – in the manner agreed with the Customer. The Bank is obligated to do so at the latest on the Business Day following the Transaction Conclusion Date / early termination date / amendment to Transaction Terms.

Confirmation does not require the Bank's signature, and is of informative character with regard to the Transaction concluded. In the event of a missing Confirmation, the Customer shall inform the Bank immediately of the fact.

As the Confirmation does not contain all the information required under the MiFID Regulation, the Bank shall send the Customer the "Supplement to the Confirmation", which contains the missing data. The Bank shall do so in the same form as the Confirmation, at the latest on the Business Day following the Transaction Conclusion Date / early termination date / amendment to Transaction Terms.

### 2. Determining the correctness of the Confirmation

The Bank may request the Customer, in the manner specified by the Bank, to send feedback on no objections to the wording of the Confirmation. This shall be without prejudice to the provisions of § 11 item 4.

The Bank shall handle complaints relating to discrepancies between the Transaction Terms and the content of the Confirmation – in accordance with the dispute early detection and solution procedure in § 27 of the Regulations.

## § 13. Early Termination or Settlement of Transactions

To early terminate and settle a specific Transaction (hereinafter: **Transaction to Be Closed**) or its part, the Parties may:

- 1) enter into a Transaction opposite (as regards liabilities) to the Transaction to Be Closed (hereinafter: **Closing Transaction**). As a result of the Closing Transaction conclusion, mutual liabilities of the Parties under the Transaction to Be Closed and the Closing Transaction are netted on the Settlement Date to the lower of the respective amounts.

The Party whose value of liabilities subject to netting following the conclusion of a Closing Transaction is higher shall pay the other Party, on the Settlement Date, the amount representing the difference between the value of its liabilities and the value of the liabilities of the other Party.

Whenever the amounts of liabilities of both Parties are equal, none of the Parties shall be under the obligation to make any payments to the other Party, and the liabilities of the Parties shall be settled by netting off and then expire, or

- 2) set an Early Termination Date, as stipulated in the Regulations.

## § 14. Implementation of obligations arising from the EMIR Regulations – general information

### 1. Customer Status

Unless the Customer informs the Bank, by way of a signed statement, about other status of the Customer, for the needs of fulfilling duties arising under the EMIR Regulations, the Bank assumes that the Customer is an NFC Customer.

The Customer shall monitor, on a current basis, the circumstances and events that affect its status as an NFC Customer or NFC+ Customer. In the event that:

- 1) the threshold set out in the regulations issued pursuant to Article 10 item 4 of the EMIR Regulations has been exceeded or met again, or

- 2) the Customer's status has changed,

the Customer is obligated to notify the Bank of this fact by way of a signed statement. The Customer should submit the statement to the Bank immediately – not later than prior to the conclusion or amendment of the Derivative Transaction.

### 2. Obtaining a LEI code or updating its validity date

The Customer is obligated to immediately apply to the relevant LOU for assigning a LEI code / updating the LEI code's validity date.

It is obligated to inform the Bank about LEI assignment / updated validity date. Until the Bank is notified accordingly, the Bank shall have the right not to report the Transactions, on behalf of the Customer, to the Trade Repository.

At the Customer's request and under of a power of attorney compliant with the requirements of a given LOU, the Bank may apply on the Customer's behalf to the LOU for assigning or updating the validity date of the LEI. The Customer is obliged to reimburse the Bank for any fees incurred by the Bank in connection with this matter.

## § 15. Reporting information to the Trade Repository – in accordance with the EMIR Regulations

### 1. Authorisation to report information

The Customer authorizes the Bank to report (hereinafter: **Reporting**), on its behalf, the information subject to Reporting in compliance with the EMIR Regulations – unless, under the above-mentioned provisions, the Customer has been classified as an NFC- Customer. In such a case, the Reporting obligation lies with the Bank under the law.

### 2. Reporting

The Reporting is made by the Bank within the scope, in the manner and on dates defined in the EMIR Regulations and in the agreement concluded by the Bank with the Trade Repository.

At the Customer's request, but not more often than once a month, the Bank shall make available to the Customer the information reported on the Customer's behalf to the Trade Repository.

The Bank has the right to cease the Reporting on the Customer's behalf:

- 1) unless the EMIR Regulations state otherwise and
- 2) in the event of occurrence of justified important reasons – including if the Customer fails to provide the Bank with information required by the Trade Repository (e.g. LEI).

Should the Bank cease the Reporting, it shall inform the Customer thereof within 30 calendar days of the date of cessation of reporting to the Trade Repository on behalf of the Customer.

### 3. Cessation of Reporting by the Bank

The Bank and the Customer may, under a separate agreement, establish conditions for ceasing the Reporting by the Bank if:

- 1) the Customer intends to make reports to the Trade Repository on its own or through another party of its choice, and
- 2) that this does not infringe the EMIR Regulations.

### 4. Fees related to the Reporting

The Bank shall render to the Customer a service of Reporting free of charge. Reporting involves fees imposed by the Trade Repository. In such case, the Customer shall – at the Bank's request – return to the Bank the amount of fees that the Bank incurred in favour of the Trade Repository in relation to the Reporting on behalf of the Customer.

## § 16. Derivative Transaction Portfolio Compression – in accordance with the EMIR Regulations

When the number of Derivative Transactions concluded and not terminated which, pursuant to the EMIR Regulations, do not have to be centrally cleared, exceeds 500, the Parties – at the Bank's initiative or at the Customer's request – shall, at least once every 6 months, undertake measures to find an option to compress the Transaction portfolio. If the Parties opt for compression, they shall – to the extent required by law – make a separate agreement governing the rules of compression.

## § 17. Derivative Transaction Portfolio Reconciliation and preparing a specification of the Customer's assets related to the Derivative Transaction

In the process of the Derivative Transaction portfolio reconciliation – in accordance with the EMIR Regulations – and preparing a specification of Customer's assets related to the Derivatives – in accordance with the MiFID Regulation – the Bank provides information (hereinafter: **Information**) – including on agreed the most important Transaction Terms and Valuation. The Bank shall provide this Information at least within the time limits specified in EMIR Regulations.

After receiving the Information, the Customer is obligated to:

- 1) verify the accuracy of the Information with the agreed Transaction Terms,
- 2) report any inconsistencies in the Information – within a complaint procedure.

If no irregularities are reported within 5 Business Days from the date of receipt of the Information, it means that the Parties have reconciled the portfolio of the Derivative Transactions to have confirmed the status of the Customer's assets relating to the Derivatives.

## § 18. Effecting Payments Related to Transactions concluded

### 1. Effecting Payments

Subject to other provisions of the Regulations and the Master Agreement, each Party shall make the payment it is obliged to effect pursuant to the Transaction Terms, the Regulations, Master Agreement and description of a particular Transaction included in the Transaction Description. The date when the relevant account of the Party entitled to receive such a payment is credited with the due amount shall be deemed the payment date. Each Party shall independently bear the costs of payments it makes.

In the event the Customer Settlement Account is maintained by the Bank, the Customer shall ensure the relevant funds on that account in the amount due to the Bank on its maturity date. In case of seizure of such an account by an authorised enforcement body, the Customer shall make a payment directly to the Bank Settlement Account, quoting the number of the Transaction under which the payment is made.

### 2. Calculations

The Bank that calculates any amounts payable by the Party under the Master Agreement and each Transaction. After receipt of the calculations, the Customer has the right to report reservations thereto to the Bank – in the complaint mode.

### 3. Payment Manner

Payment of all amounts under the Master Agreement and Transactions (including the Net Settlement Amount) shall be made, with respect to amounts to be paid by:

- 1) the Bank – through a payment of the amount due to the Customer made by the Bank into the Customer Settlement Account on a date agreed upon in a given Transaction,
- 2) the Customer – through debiting the Customer Settlement Account by the Bank (if the Customer Settlement Account is maintained by the Bank) with the amount due to it from the Customer on a date agreed upon in a given Transaction, or by the Customer paying the amount due to the Bank into the Bank Settlement Account on a date agreed upon in a given Transaction.

### 4. Payment Manner Modification

In cases when the Customer fails to make the payment when due, the Bank will have the right to collect such an amount on the following Business Day from any other account of the Customer held with the Bank, or to charge it against any available credit limit or debit limit granted to the Customer in any of its accounts at the Bank.

Whenever the currency of the amount charged by the Bank is other than PLN, the Bank shall convert this amount into PLN at the bid rate of this other currency for PLN by the Bank, indicated in the Table of Exchange Rates applicable at the time of conversion.

## § 19. Delay in Effecting Payments

### 1. Default Interest

The Party which fails to make the payment under the Master Agreement or Transaction in due time shall, at a request of the other Party, pay interest for delay. The interest shall amount to the maximum interest for delay defined in the Civil Code Act on the equivalent of the past-due payment, translated into PLN at the NBP mid-rate prevailing on the Settlement Date.

### 2. The Bank's Closing Transaction

Whenever the Customer fails to make the payment when due, the Bank may refrain from making the payment which it is obligated to make under the Transaction and conclude a transaction opposite to the given Transaction – in order to close the Bank's open FX position (hereinafter: **the Bank's Closing Transaction**).

The Bank's Closing Transaction shall be concluded:

- 1) not earlier than on the Business Day following the Transaction Settlement Date,
- 2) at the exchange rate from the first Table of Exchange Rates, which shall be announced by the Bank on the date of conclusion of the Bank's Closing Transaction.

If, as a result of concluding the Bank's Closing Transaction, an amount under the exchange rate difference between the FX Rate and the exchange rate applied in the Bank's Closing Transaction is due to:

- 1) the Bank – the Customer shall pay this amount to the Bank. The Bank shall charge it from the Customer Settlement Account or any other Customer's account maintained by the Bank in the relevant currency.

Whenever the currency of the amount due to the Bank is different from the currency of the account from which such an amount is collected – the Bank shall convert this amount into the currency, in which it is due to it. The Bank shall apply an appropriate exchange rate indicated in the Table of Exchange Rates applicable at the Bank at the moment of the collection,

- 2) the Customer – the Bank shall credit the Customer's Settlement Account with this amount in a relevant currency.

### 3. Blockade of Funds

Should the Customer fail to pay the amount due to the Bank for effecting the Transaction (including the Net Settlement Amount), the Bank has the right to:

- 1) suspend payment of the amount due to the Customer until the day of receipt of the amount due to the Bank from the Customer, or
- 2) if the Bank has paid the amount due to the Customer into the Customer Settlement Account held in the Bank – block the amount paid and, on the Business Day following the Settlement Date, collect from the Customer Settlement Account held in the Bank the amount indispensable to ensure the Transaction execution by the Customer, or
- 3) on the Settlement Date, block, on the Customer Settlement Account held in the Bank or any other account of the Customer at the Bank, the amount equal to the amount due to the Bank for the Transaction execution – in order to count it towards such unpaid Customer dues to the Bank.

## § 20. Event of Default

The following events that occurred in respect of a Party or its Affiliated Entity shall constitute an Event of Default in relation to that Party (hereinafter: **the Defaulting Party**):

- 1) **Failure to Pay.** Failure to make a payment that the Party is obligated to make under the Transaction or pursuant to the Master Agreement – at the maturity date,
- 2) **Breach of Obligations.** Failure by the Party to perform other obligations arising under the Master Agreement or the Transaction, or failure by the Customer or its Affiliated Entity to perform an obligation:
  - to establish a collateral, or
  - arising from the established collateral securing the performance of the Customer's obligations under the Transaction or Master Agreement,
- 3) **Misrepresentation.** Representation made by a Party in accordance with the provisions of the Master Agreement that is found to be untrue,
- 4) **Breach of Financial Obligations under Other Derivative Instruments.** Event when the Party or its Affiliated Entity fails to perform or improperly performs the financial obligation (existing or future) arising under the Derivative transaction concluded with a third party – regardless of the amount of such obligations and whether the Party's creditor has had recourse to its right to claim immediate fulfilment of the obligation or not,
- 5) **Breach of Financial Obligations under Other Agreements.** The Party or its Affiliated Entity failing to perform or improperly performing the financial obligations arising under other agreements or documents – regardless of whether the Party's or its Affiliated Entity's creditor has had recourse to its right to claim immediate fulfilment of the obligation or not, provided that the total value of such obligation or obligations exceeds the Threshold Amount. The failure by the Party or its Affiliated Entity to implement a valid court decision or an administrative decision on the payment of the amount in excess of the Threshold Amount,
- 6) **Insolvency Proceedings. Restructuring.**
  - a) The occurrence of circumstances for declaring bankruptcy or initiating restructuring proceedings against the Party or its Affiliated Entity.
  - b) A bankruptcy petition was filed against the Party or the Party was declared bankrupt.
  - c) A restructuring petition within the meaning of Article 7 of the Act of 15 May 2015 – Restructuring Law was filed against the Customer or court rendered a decision on initiation of debt composition proceedings, accelerated arrangement proceedings or sanitation proceedings, or a decision on approval of the debt composition.
- 7) **Liquidation.** The adoption by the Party or its Affiliated Entity's governing body of a resolution aimed at the dissolution or liquidation of any of them, or the issuance by a competent supervisory body or court of a relevant decision leading to the Party's or its Affiliated Entity's dissolution, liquidation or putting under administration of an official receiver.

- 8) **Enforcement by a Bailiff.** The initiation of enforcement proceedings or proceedings to secure claims against the Party or its Affiliate related to the amount in excess of the Threshold Amount – if such proceedings constitute a threat to the Customer's solvency or cause a decrease in the value of collaterals established by the Affiliated Entity and if such proceedings were not discontinued within 14 calendar days from the launch date,

- 9) **Decrease in Collateral Value.** Failure by the Customer to establish the Collateral in situations stipulated in the Regulations, the Collateral established by the Customer or its Affiliated Entity has been lost or its value (established in the same manner as was originally used to determine the value of the Collateral or in another manner agreed on by the Parties) has significantly decreased as compared to the current Transaction Valuation, and the Customer or its Affiliated Entity failed to establish, at the Bank's request and by the date indicated in such a request, a new collateral required by the Bank, or failed to increase the value of the existing collateral under the conditions agreed upon in the agreement or in the document establishing the collateral,

- 10) **Others.** The occurrence of other circumstances defined by the Parties in the Transaction Terms.

Each of the aforementioned events may be considered an Event of Default by the Party on the condition that it occurs in relation to the other Party after the conclusion of the Master Agreement unless such an Event of Default has already existed at the moment of its conclusion and the Defaulting Party has not informed about this fact the other Party.

The obligation to inform the other Party does not apply to the events constituting the Event of Default which have been publicly disclosed by the other Party.

## § 21. Termination Event

The following events that occurred in respect of a Party or its Affiliated Entity shall constitute a Termination Event in relation to that Party (hereinafter: **Affected Party**):

- 1) **Changes of law provisions.** As a result of changes of laws (including the tax law) or their generally binding interpretation:
  - a) the Transaction becomes illegal or
  - b) the execution of the Transaction results in a breach of law by the Affected Party or
  - c) the execution of the Transaction will necessitate incurring excessive costs or suffering a material loss by that Party.
- 2) **Impossibility.** The occurrence with respect to the Affected Party of circumstances that result in an impossibility to fulfil the obligation, within the meaning of Article 475 or 495 of the Polish Civil Code,
- 3) **Others.** The occurrence of other circumstances defined by the Parties in the Transaction Terms.

The Affected Party shall promptly notify the other Party – by way of signed declaration – about the occurrence of a Termination Event. In the declaration, the Party shall indicate the Termination Event that occurred and each Transaction affected by it. The Parties shall in good faith undertake measures aiming at agreeing upon such new Transaction Terms so that the Termination Event which has occurred ceases to have influence on the Transactions affected by it.

## § 22. Effects of an Event of Default or Termination Event

### 1. Right to Withhold Payments

Following the occurrence of an Event of Default or Termination Event in relation to the Party, the other Party (being neither the Defaulting nor the Affected Party) shall be authorised to refrain from making any further payments in favour of the Defaulting Party or Affected Party, and shall not be obligated to pay any default interest on that account.

Until the Event of Default or Termination Event ceases or is remedied, the aforesaid right to refrain is vested in the Party that is neither the Defaulting nor the Affected Party unless an Early Termination Date has been indicated earlier.

### 2. Right to Determine the Early Termination Date

In the event of occurrence of:

- 1) Event of Default – the Party in relation to which the Event of Default did not occur (hereinafter: **the Non-Defaulting Party**) may, by giving a signed notice addressed to the Defaulting Party and quoting the Event of Default that has occurred, do the following:
  - a) set an Early Termination Date for all Transactions upon termination of the Master Agreement, or
  - b) without terminating the Master Agreement, specify an Early Termination Date with respect to one or more Transactions affected by the Event of Default.

- 2) Termination Event – if, within 3 Business Days of the date of notification of the Termination Event that has occurred (no later, however, than 2 Business Days immediately preceding the nearest Settlement Date) the Parties do not agree upon new Transaction Terms in relation to all the Transactions affected by the Termination Event, either Party may, subject to a prior signed notice sent to the other Party (provided that the Termination Event persists), set the Early Termination Date in relation to all the Transactions affected by that Termination Event. In the event that both Parties have concurrently set an Early Termination Date which falls on different days, then the Early Termination Date that falls on the earlier day shall be applicable.

Determination of an Early Termination Date by any of the Parties in relation to all or some of the Transactions shall result in early settlement of such Transactions by way of calculating and paying the Net Settlement Amount under the conditions specified in the Regulations.

Notwithstanding the above, the Parties may (at any time, by way of a separate agreement) set the Early Termination Date in relation to all or some Transactions. In such a case, the Parties shall agree on a calculation method and a payment date of the Net Settlement Amount. Such an agreement may be concluded in particular over the phone, subject to appropriate Transaction conclusion rules.

### 3. Costs refund

Whenever an Early Termination Date has been set in connection with the occurrence of an Event of Default, the Defaulting Party shall pay the Non-Defaulting Party, at its request, the following:

- 1) all justified costs, including the costs:
  - a) of Transaction market closing or termination,
  - b) incurred in concluding transactions replacing Transactions to which the Early Termination Date applies,
  - c) related to capital exposure and the necessity to maintain liquidity by the Bank,
- incurred by the Non-Defaulting Party in connection with the enforcement or protection of its rights under the Transaction or in connection with the setting of the Early Termination Date, and
- 2) damages on the terms set forth in the Civil Code.

### 4. Net Settlement Amount

Whenever the Early Termination Date has been set in connection with the occurrence of:

- 1) Event of Default – then the Net Settlement Amount shall equal the difference between the Current Value of Liabilities of the Parties,
- 2) Termination Event – if the Termination Event concerns:
  - a) only one of the Parties – the Net Settlement Amount shall be determined pursuant to point 1;
  - b) both Parties – the Net Settlement Amount shall equal half of the difference between the Current Value of Liabilities of the Parties.

### 5. Calculation and Payment of the Net Settlement Amount.

All steps related to the calculation of the Net Settlement Amount shall be performed by the Calculation Agent. The Calculation Agent should act in good faith and with due care justified by the professional nature of the activity pursued, and in accordance with market conditions prevailing on the day settlements are made.

The Non-Defaulting Party shall have the right to designate the Calculation Agent.

The Calculation Agent shall, within 7 Business Days after the Early Termination Date (unless the Bank, Customer and Calculation Agent set a different date) calculate the Net Settlement Amount and provide the Non-Defaulting Party with the statement quoting the Current Value of Liabilities of each Party towards the other Party and the Net Settlement Amount. The Non-Defaulting Party shall forward the statement of the Calculation Agent to the other Party within 3 Business Day of the statement receipt.

The Party whose Current Value of Liabilities is higher shall pay the Net Settlement Amount. The Net Settlement Amount shall be payable at the latest on the day falling 2 Business Days after the Party obliged to pay the Net Settlement Amount has been provided with the statement of the Calculation Agent quoting the Net Settlement Amount.

The Non-Defaulting Party shall ensure that in the Net Settlement Amount calculation, the Calculation Agent will use and take into account any available information and data that may affect the Current Value of Liabilities, including:

- 1) any information on conditions on which third parties (active on the market of forward and derivative transactions) will be willing to conclude transactions replacing Transactions for which the Early Termination Date has



been set – whereas the said conditions may take into account the creditworthiness of the Calculation Agent or Non-Defaulting Party on the day the information is obtained, likewise provisions of any agreements concluded by the Calculation Agent and entities providing such information,

- 2) any market data obtained from third parties that the Calculation Agent, acting with due care, should take into account while calculating the Current Value of Liabilities, and
- 3) information on conditions on which it is possible to conclude transactions replacing Transactions for which the Early Termination Date has been set, likewise any adequate quotations and market data obtained by the Calculation Agent from external sources (i.e. within the group in which the Calculation Agent is included), provided that such information is customarily used by the Calculation Agent in its activity while valuating transactions comparable to Transactions for which the Early Termination Date has been scheduled.

Furthermore, the Non-Defaulting Party shall ensure that while calculating the Net Settlement Amount, the Calculation Agent shall take into account the following:

- 1) financing costs, provided that such costs have not been taken into consideration in the information obtained by the Calculation Agent,
- 2) any costs incurred due to termination or closing of transactions concluded by the Bank that are opposite to the Transactions to which the Early Termination Date applies, and
- 3) any costs incurred in concluding transactions replacing Transactions to which the Early Termination Date applies.

At the request of the Defaulting Party, the Non-Defaulting Party shall ensure that the Calculation Agent shall present the parameters used to calculate the Net Settlement Amount.

Should the Bank be authorised to designate the Calculation Agent, the Customer has the right to submit, through the Bank, within 7 Business Days of the receipt of the Calculation Agent's signed statement quoting the Current Value of Liabilities and Net Settlement Amount, its objections to the Net Settlement Amount calculated by the Calculation Agent. To this end, the Customer shall present the calculations received from a bank or a credit institution active in the market of the forward and derivative transactions of the same type as the Transactions under the Early Termination Date.

Should the Customer's objections be acknowledged, the Calculation Agent shall provide the Customer, through the Bank, with a new calculation of the Net Settlement Amount. Should the Calculation Agent overrule the Customer's objections, the existing calculation of the Net Settlement Amount shall be binding upon the Parties.

## 6. Set-Off

The Non-Defaulting Party will be entitled to set off the Net Settlement Amount against all other due or undue claims of the Defaulting Party – regardless of the payment location or currency of each of these claims.

If the offset claims are expressed in various currencies, for the purpose of their offsetting, they will be translated into PLN by the Bank at the respective exchange rate indicated in the Table of Exchange Rates applicable on the set-off date.

## 7. Right of Withdrawal

Irrespective of the right to set an Early Termination Date in connection with occurrence of the Event of Default, whenever on the Settlement Date the Defaulting Party fails to make payment in favour of the Non-Defaulting Party of the full amount due to the Non-Defaulting Party under the settlement of the Transaction concluded, the Non-Defaulting Party shall have the right to withdraw, on the next Business Day following the Settlement Date, from the entire Transaction without the need to set another date.

In such a case, each Party shall reimburse the other Party for all the amounts received from it under the Transaction – however the amount due to the Non-Defaulting Party shall be increased by default interest in the amount of maximum interest specified in the Civil Code for the period from the date of the amount payment to the Defaulting Party until the date of its reimbursement by the Defaulting Party.

Further, the Defaulting Party shall pay the Non-Defaulting Party the positive difference between:

- (a) the settlement amount, which the Defaulting Party was obliged to pay on the Settlement Day under the Transaction, and
- (b) the amount which the Defaulting Party would have been obliged to pay the Non-Defaulting Party under that Transaction, if the Settlement Day had fallen on the day when

the Non-Defaulting Party withdrew from that Transaction, computed using the relevant foreign exchange rate or interest rate or commodity price – customarily applied by the Bank on that day to value such a Transaction.

## § 23. Collateral – General Provisions

### 1. Collateral types

Collateral established to secure the receivables due to the Bank under the Master Agreement or Transactions may be Fixed or Variable, Initial or Additional.

The Parties may arrange in the Master Agreement that regardless of the Customer's obligation to establish Fixed and Variable Collateral within the meaning of the Regulations and Master Agreement, the Transaction conclusion shall be conditional upon the establishment of initial collateral by the Customer or its Affiliated Entity in a form and value agreed with the Bank.

Such initial collateral:

- 1) is not subject to the provisions of the Regulations or Master Agreement regarding the Collateral,
- 2) is established independently of the Fixed and Variable Collateral and its value is not considered by the Bank when calculating the amount of Fixed and Variable Collateral,
- 3) is established for the Master Agreement validity term, not less, however, than until the Customer satisfies all financial liabilities due to the Bank under the Master Agreement and the Transaction concluded (including the payment of Net Settlement Amount) that have not been satisfied before the termination of the Master Agreement.

### 2. Collateral Form

Cash collaterals are established by the Customer in the form of:

- 1) Variable Collateral or Fixed Collateral – in PLN – or
- 2) Initial Collateral or Additional Collateral – in PLN or EUR.

With respect to:

- a) a Professional Customer or Eligible Counterparty, a Collateral is established by way of transfer of ownership of funds to the Bank by the Customer pursuant to the Act of 2 April 2004 on certain financial collaterals. If, for the purpose of establishing a Variable or Fixed Collateral, the Customer assigns to the Bank respective funds in a currency other than PLN – the Bank shall convert the amount of such funds into PLN at the currency bid rate applied by the Bank for PLN, as indicated in the Table of Exchange Rates applicable at the time of such conversion, and the amount of such funds shall be accepted by the Bank as the Collateral (**Security Deposit**),
- b) a Retail Customer – the Collateral is established by way establishing a civil, registered or financial pledge, a block or other collateral on the Customer's funds, other than transfer of ownership of funds to the Bank (**Limited Property Right**).

The Collateral is established and its form is agreed upon in the Agreement on Collateral or in the manner specified in the Regulations.

Establishment of Collateral (including Tangible Assets Collateral or Personal Collateral) may additionally require making other act in law by the respective Party as required by applicable regulations in order to establish a given type of the Collateral. Each act in law, based on which the Collateral is to be established, should be denoted by the signature of each of the Parties and, where respective regulations require for this purpose a special form – in such a prescribed special form.

### 3. Independence of Fixed Collateral and Variable Collateral

The Fixed Collateral is established and settled independently of the Variable Collateral. This means that the obligation of the Customer to establish the Fixed Collateral exists independently of its commitment to establish the Variable Collateral.

Amounts and values of the established Fixed Collateral are not taken into account by the Bank when calculating the amount of the Variable Collateral (i.e. the amount of the Received Collateral and the amount of the Required Collateral).

### 4. Remuneration

The rules for determining and calculating the due interest on the amounts received by the Bank on account of the Collateral establishment are determined:

- 1) in the Agreement on Collateral – as long as the remuneration payment has been agreed upon – or
- 2) in the provisions below – unless the Parties have agreed otherwise in the Agreement on Collateral.

For the amounts received by the Bank on account of establishing:

- a) the Fixed Collateral in the form of cash or Variable Collateral – the Bank shall pay the Customer respective interest remuneration, which will be calculated at a variable interest rate set for each day on which the Collateral is maintained (including the day of payment, and excluding the day of return) – equal to the Reference Interest Rate published on a give day less the margin equal to 1 percentage point, with the proviso that if the Reference Interest Rate decreases to a value equal to or less than the value of the margin, from this day, the Customer is not entitled to any remuneration. The remuneration due to the Customer increases the amount of, respectively, the Fixed Collateral in the form of cash or the Received Collateral,
- b) Initial Collateral / Additional Collateral established in PLN – the Bank shall pay the Customer respective remuneration, which will be calculated at a variable interest rate set for each day on which the Collateral is maintained (including the day of payment, and excluding the day of return) – equal to the Reference Interest Rate less the margin equal to 1 percentage point, with the proviso that if the Reference Interest Rate decreases to a value equal to or less than the value of the margin, from this day, the Customer is not entitled to any remuneration.

The Bank shall credit the Customer's relevant Settlement Account with the interest due to the Customer, once every calendar month, without the need for the Customer to submit an additional instruction in this regard.

- c) Initial Collateral/ Additional Collateral established in EUR – the Customer shall not be entitled any interest due from the Bank.

In the event that it is not possible to determine the remuneration using the floating interest rate:

- 1) 1M WIBOR or
- 2) if the Agreement on Collateral so specifies – WIBID O/N or WIBID 1M,

as the rate is, temporarily or permanently, not calculated, the relevant floating interest rate shall be determined by the Bank pursuant to the provisions of Enclosure No 1 to the Transaction Descriptions.

## 5. Submission to Enforcement

In the event that the Parties hereto have agreed that the Customer is obliged to submit to enforcement based on a statement in the form of a notarial deed, the content of the Customer's statement shall be consulted with the Bank.

If:

- 1) the deadline by which the Bank may apply for appending the execution clause approaches its expiry, or
- 2) the amount determined in the notarial deed is lower than 150% of the current amount of the Customer's liabilities towards the Bank under the Transactions concluded,

the Customer shall deliver to the Bank, within 3 calendar days of the Bank's request made in this respect, a new statement on submission to enforcement in the form of the notarial deed, including the following information specified by the Bank:

- a) a new date until which the Bank may apply for appending the execution clause, or
- b) the amount up to which the Customer submits to enforcement.

## 6. Satisfaction of Claims Against Collateral

The Bank has the right to enforce the Collateral on the Business Day following the day on which the Customer has failed to satisfy the Bank's claims arising from the Transaction.

In the event of setting an Early Termination Date, any amounts of the Fixed cash Collateral and the Variable Collateral or Initial Collateral / Additional Collateral, subject to different provisions of the Agreement on Collateral, shall be:

- 1) deducted by the Bank from the Net Settlement Amount – provided that the Customer is obligated to pay it – or
- 2) added by the Bank to the Net Settlement Amount – provided that the Bank is obligated to pay it.

The Bank's claims are satisfied against the Collateral in accordance with the agreement or other legal act-in-law, as a result of which such Collateral has been established.

## § 24. Fixed Collateral

### 1. Commitment to establish Fixed Collateral

The Customer undertakes to establish, at the Bank's request and by the date indicated by the Bank in such a request, the Fixed Collateral accepted by the Bank (including



to conclude with the Bank an appropriate Agreement on Collateral).

The Customer is obliged to establish the Fixed Collateral in the following cases:

- 1) if the Customer's economic and legal standing – assessed on basis of documents and information during the term of the Master Agreement – has deteriorated or an event has occurred that threatens the continuity of the Customer's operation, or
- 2) if the number or value of transactions involving Derivative Instruments concluded by the Customer – including transactions concluded with entities other than the Bank – may have a negative impact on the Customer's ability to fulfil its obligations towards the Bank arising from the Transactions, or is not covered by the foreseen secured flows.

Moreover, in a situation where:

- a) the Fixed Collateral value established by the Customer (estimated in the same manner as was originally used to determine the collateral value or in another manner as agreed on by the Parties) has decreased, or
- b) there is a threat of such decrease, or
- c) the previously established Fixed Collateral has ceased to be valid or has become lost for reasons beyond the Bank's control,

The Customer shall immediately, at the Bank's request, establish another or additional Fixed Collateral.

## 2. Amount of Fixed Collateral

Unless the Agreement on Collateral specifies otherwise, the amount of the established Fixed Collateral (without accounting for the remuneration) may not be higher than the amount agreed on by the Parties in the Agreement on Collateral.

## 3. Multiple Fixed Collateral Assets

In the event that different types of the Fixed Collateral, or several Fixed Collateral assets of one type, have been established, then in order to determine the amount of the established Fixed Collateral, the total of amounts up to which individual Fixed Collateral assets have been established shall be taken into account.

## 4. Establishment of the Fixed Collateral

Unless the Parties have agreed otherwise, the Customer's commitment to establish the Fixed Collateral shall be deemed fulfilled by the Bank in the form or:

- 1) a Security Deposit – at the time the required amount is credited to the Bank Collateral Account,
- 2) a Limited Property Right – at the time the required amount (made available by the Customer to the relevant Customer Collateral Account) is covered by the Limited Property Right, pursuant to the Collateral Agreement,
- 3) a Property Collateral or a Limited Property Right for which an entry in the relevant register or books is necessary for its creation – as soon as such entry is made, and in the period prior to such entry – as soon as an application for such entry is duly submitted, provided that such application is not withdrawn before such entry is made,
- 4) in cases other than those mentioned in items 1–3 – at the time of conclusion of the agreement or at the time agreed with the Bank.

## 5. Failure to establish the Fixed Collateral

In the case of a failure by the Customer to establish the Fixed Collateral, the Bank has the right to debit any of the Customer's accounts at the Bank with the amount necessary for the establishment of such Collateral. The Bank shall be entitled to do so irrespective of the right to set an Early Termination Date in relation to all the Transactions.

In the absence of the required funds in the Customer's account at the Bank, the Bank has the right to debit the required amount against the unused amount of a loan granted to the Customer by the Bank. The amount so debited by the Bank shall be accepted by the Bank as the Fixed Collateral in the form of cash established by the Customer.

Whenever the currency of the amount charged by the Bank is other than PLN, the Bank shall convert this amount into PLN at the bid rate of this other currency for PLN by the Bank, indicated in the Table of exchange rates applicable at the time of debiting.

## 6. Release of Fixed Collateral

The Fixed Collateral should be released by the Bank at the request of the Customer. The Bank shall do so provided that, unless the Parties decide otherwise, all obligations of the Customer towards the Bank under the Master Agreement and individual Transactions have expired. The Bank shall take any actions necessary for the effective release of the Fixed Collateral immediately upon receipt of the

Customer's request. The Fixed Collateral shall be released under the agreement based on which such Collateral was established.

Prior to the conclusion of any new Transaction, after the release of the Fixed Collateral, the Customer shall re-establish the Fixed Collateral required by the Bank. The funds arising from the release by the Bank of the Fixed Collateral (established in the form of cash) shall be paid into the Customer's Collateral Account.

If the Fixed Collateral in the form of cash has been established by way of charging by the Bank of the relevant amount to the unused amount of a loan granted to the Customer by the Bank, the Bank shall release such Fixed Collateral. In order to do so, the Bank shall count the collateral amount towards the repayment of the loan from which it was established. If such loan has already been repaid – by crediting the amount to the Customer's Collateral Account.

## § 25. Variable Collateral

### 1. Commitment to establish Variable Collateral

If the Exposure calculated by the Bank exceeds the Free Amount, the Customer shall establish, at the Bank's request, a Variable Collateral. The Customer shall have 2 Business Days from the receipt of such a request to do so.

The commitment to establish the Variable Collateral arises if the Exposure exceeds the Free Amount by at least the Minimum Transfer Amount.

### 2. Transaction Valuation. Exposure

The Bank calculates the Valuation of each Transaction on each Valuation Day and provides the Customer with information on the Valuation amount:

- 1) once a week – as at a specific Valuation Date,
- 2) once a month – as at the Valuation Date that falls on the last Business Day of the month preceding the provision of information on this matter.

In addition – in the case of an Exposure – the Bank shall provide the Customer with information on the amount of such Exposure. The Bank shall do so whenever the Exposure exceeds the Free Amount.

### 3. Required Collateral Amount

The Required Collateral amount shall be equal to the amount of the Exposure decreased by: the Free Amount and the amount of the Received Collateral.

The Bank has the right to call upon the Customer to establish the Required Collateral if the amount of such Collateral is equal to at least the Minimum Transfer Amount.

### 4. Commitment to establish the Required Collateral

The Customer undertakes to establish, at the Bank's request, the Required Collateral in favour of the Bank. The Customer shall have 2 Business Days from the receipt of such a request to do so.

### 5. Establishment of the Required Collateral

The Customer's commitment to establish the Required Collateral shall be deemed fulfilled by the Bank:

- 1) with respect to the Variable Collateral being the Security Deposit – upon crediting by the Customer the Bank's Collateral Account with the required amount,
- 2) in the case of Variable Collateral which is Limited Property Right – at the moment of covering the required amount (made available by the Customer in the relevant Customer's Collateral Account) with the established Limited Property Right, in accordance with the Collateral Agreement.

### 6. Failure to Establish Variable Collateral

In the case of failure by the Customer to establish the Variable Collateral, the Bank has the right – irrespective of the right to set an Early Termination Date to debit any of the Customer's accounts at the Bank with the amount necessary for the establishment of such Collateral.

In the absence of the required funds in the Customer's account at the Bank, the Bank has the right to debit the required amount against the unused amount of a loan granted to the Customer by the Bank. The amount so debited by the Bank shall be accepted by the Bank as the Variable Collateral established by the Customer.

Whenever the currency of the amount charged by the Bank is other than PLN, the Bank shall convert this amount into PLN at the bid rate of this other currency for PLN by the Bank, indicated in the Table of exchange rates applicable at the time of conversion.

### 7. Variable Collateral Refund

If the amount of the Received Collateral is higher than the amount of the Required Collateral (calculated based on the Valuation from the previous Business Day), the Bank shall – within 5 Business Days from such Valuation Date – refund the Customer with the PLN amount of the difference between the Received and the Required Collateral, subject to the provisions below.

The Bank has the right to return the lowest of the amounts calculated in the aforementioned manner within the aforementioned period.

The Bank is not obligated to make the return if, on any date within the above-mentioned time limit:

- 1) the amount to be refunded is lower than the Minimum Transfer Amount,
- 2) the amount of the Required Collateral is higher than the amount of the Received Collateral,
- 3) the Required Collateral has not been established upon the Bank's request – until the Required Collateral is established in accordance with the request.

Notwithstanding the above, the Bank shall return the amount of the Variable Collateral to the Customer if all the Customer's obligations under the Transaction and the Master Agreement have been unconditionally satisfied.

If the Variable Collateral has been established by way of charging by the Bank of the relevant amount to the unused amount of the loan granted to the Customer by the Bank, the Bank shall refund the surplus of the Received Collateral over the Required Collateral. This means that the Bank shall:

- 1) count the surplus amount towards the repayment of the loan, or
- 2) credit the surplus amount to the Customer Collateral Account – if such loan has already been repaid.

## § 26. Initial Collateral / Additional Collateral

### 1. Commitment to establish Initial Collateral

A commitment to establish Initial Collateral arises at the Date of Conclusion of a given Transaction, at the moment of Transaction Terms Arrangement by the Parties – for a Transaction concluded under the Secured Limit.

### 2. Initial Collateral Amount

The Amount and Currency of the Initial Collateral is agreed upon by the Parties in the Transaction Terms.

### 3. Establishment of Initial Collateral

The Customer's commitment to establish Initial Collateral shall be deemed executed by the Bank at the moment the Customer ensures the amount of funds required by the Bank to establish the Initial Collateral in the relevant Customer Settlement Account.

In order to establish Initial Collateral, the Bank shall debit the Customer's Settlement Account with the amount of this Collateral, and credit the following accounts with this amount:

- 1) the Bank Collateral Account – for Initial Collateral which is a Security Deposit – or
- 2) the Customer Collateral Account – for Initial Collateral which is Limited Property Right,

pursuant to the provisions of the Agreement on Collateral or these Regulations.

### 4. Failure to establish Initial Collateral

Insufficient funds in the Customer Settlement Account under establishment of Initial Collateral may result in the Bank's refusal to conclude the Transaction.

In the case of the concluded Transaction for which no Initial Collateral has been established due to insufficient funds in the Customer Settlement Account, the Bank has the right to establish the Early Termination Date for this Transaction or all Transactions concluded under the Secured Limit.

### 5. Transaction Valuation

The Bank calculates the Valuation of each Transaction on each Valuation Day and provides the Customer with information on the Valuation amount:

- 1) once a week – as at a specific Valuation Date,
- 2) once a month – as at a Valuation Date that falls on the last Business Day of the month preceding provision of information.

In addition, in the situations described in item 6, the Bank shall provide the Customer with information on the Valuation of the Transaction concluded under the Secured Limit.

### 6. Additional Collateral Amount

In the event that the Valuation of the Transaction concluded under the Secured Limit is a negative value for the Customer and its absolute value exceeds the amount constituting:

- 1) 75% of the Initial Collateral Amount (unless the Parties agreed otherwise), and the Customer has not previously brought in Additional Collateral:
  - a) the Bank has the right to call the Customer to bring in Additional Collateral,
  - b) the Customer is obliged to bring in Additional Collateral:
    - in the amount equivalent to the absolute value of the negative Transaction Valuation and
    - before the date

indicated in the call referred to in letter (a), or

- 2) a sum of: 75% of the Initial Collateral Amount (unless the Parties have agreed otherwise) and Additional Collateral amount:
  - a) the Bank has the right to call the Customer to bring in supplementary Additional Collateral,
  - b) the Customer is obliged to bring in supplementary Additional Collateral:
    - in the amount equivalent to the absolute value of the negative Transaction Valuation and the Additional Collateral brought in and
    - before the date

indicated in the call referred to in letter (a).

## 7. Commitment to establish Additional Collateral

At the Bank's request, the Customer undertakes to establish the Additional Collateral. The Customer shall do so by 4:00 pm of the Business Day following the date of receiving such a request.

## 8. Establishment of Additional Collateral

The Customer's commitment to establish Additional Collateral shall be deemed executed by the Bank at the moment the Customer ensures the amount of funds required by the Bank to establish the Additional Collateral in the relevant Customer Settlement Account.

In order to establish Additional Collateral, the Bank shall debit the Customer's Settlement Account with the amount of this Collateral, and credit the following accounts with this amount:

- 1) the Bank Collateral Account – for Additional Collateral which is a Security Deposit – or
- 2) the Customer Collateral Account – for Additional Collateral which is Limited Property Right,

pursuant to the provisions of the Agreement on Collateral or these Regulations.

## 9. Failure to establish Additional Collateral

In the case of failure by the Customer to bring in Additional Collateral, the Bank has the right, irrespective of the right to set an Early Termination Date in relation to a given Transaction or all the Transactions concluded under the Secured Limit, to establish this Collateral in its own favour by debiting any of the Customer's accounts at the Bank with the amount necessary for the establishment of such Collateral.

Where the amount debited by the Bank is denominated in a currency other than the Collateral currency and where the Collateral currency is:

- 1) PLN – the Bank shall convert this amount into Collateral currency at the rate of purchase by the Bank of this other currency for the Collateral currency, as per the Table of Exchange Rates applied by the Bank at the time of such a currency conversion, or
- 2) EUR:
  - a) the Bank shall convert this amount into PLN at the bid rate of this other currency for PLN by the Bank, indicated in the Table of Exchange Rates applicable at the time of conversion, and then
  - b) the Bank shall convert this amount in PLN into Collateral currency at the rate of sales by the Bank of this currency for PLN, as per the Table of Exchange Rates applied by the Bank at the time of such a currency conversion.

## 10. Collateral Refund

The Bank shall refund the Collateral (established by the Customer for the Transaction concluded under the Secured Limit) in whole or in part:

- 1) not later than on the Business Day following the Settlement Date for a given Transaction – in the event of timely payment made by the Customer under this Transaction. Then, the Bank shall refund the Collateral in whole,
- 2) within 2 Business Days of the date of receipt from the Customer of a request to refund the Additional Collateral – if on the Valuation Date for a given Transaction, preceding the Business Day of receipt of the request by the Bank:
  - a) Valuation of this Transaction is positive value for the Customer. Then, the Bank shall refund the Additional Collateral,
  - b) Valuation of this Transaction is negative value for the Customer and at the same time, the amount of the Additional Collateral brought in is greater than the absolute value of the negative Transaction Valuation. Then, the Bank shall refund the Collateral in the amount which is a difference between the established Additional Collateral and an absolute value of the negative Transaction Valuation.

## § 27. Dispute Early Detection and Solution Procedure

### 1. Complaints and Their Filing Time Limits

The Customer is obligated to read the contents of the Confirmation. Any discrepancy between the Transaction Terms and the content of the Confirmation received should be reported by the Customer to the Bank:

- 1) until the end of the Business Day on which the Customer received the Confirmation – if the Settlement Date falls within up to 2 Business Days of the Transaction Conclusion Date,
- 2) within the period no longer than 2 Business Days of Confirmation receipt day – if the Settlement Date falls within the period longer than 2 Business Days of the Transaction Conclusion Date.

In the event the Customer disagrees with the information received from the Bank presenting the Valuation of individual Transactions or sum of Transaction Valuations as at a specific Valuation Date or with the amount of the Exposure as at that day computed by the Bank, the Customer has the right to lodge a complaint within 5 Business Days of the receipt of the aforesaid information.

In the event the Customer disagrees with the calculations received from the Bank regarding the Collateral value, the Customer has the right to lodge a complaint within 5 Business Days of the date of receipt of the aforesaid information.

Any other inconsistencies regarding should be reported by the Customer to the Bank within 5 Business Days:

- of their identification, or
- of the moment when – acting with due care – the Customer could identify them at the earliest time possible.

Lodging a complaint by the Customer does not release the Customer from the performance of obligations arising under the Transaction Terms, Master Agreement, Agreement on Collateral and the Regulations, which such a complaint refers to.

### 2. Filing Complaints

Complaints may be filed by the Customer:

- 1) electronically: via electronic banking systems or using a complaint form on the website [www.bnpparibas.pl](http://www.bnpparibas.pl)
- 2) over the phone by calling:
  - +48 500 990 500 – for domestic calls
  - +48 22 134 00 00 – for domestic and international calls (the operator's rates apply)
- 3) in writing to the following address:
 

BNP Paribas Bank Polska S.A.  
Biuro Dialogu z Klientem  
ul. Oświęcimska 9  
41-707 Ruda Śląska
- 4) personally: in any Bank's branch. The Customer may file a complaint verbally or in writing.

Addresses and telephone numbers of the Bank's branches and registered office are available at [www.bnpparibas.pl](http://www.bnpparibas.pl) and in the Bank's branches.

Complaints shall include:

- all the information that might help process them,
- copies of the documents which refer to an action being the subject of the complaint and specify the grounds for complaint filing.

If additional information or documents are required by the Bank to process a complaint, the Bank may request the Customer to present them.

The Bank maintains a register of complaints lodged, recording:

- the Customer's name,
- duration of the dispute (from the date of lodging the complaint by the Customer until the date of closing the dispute),
- type of the Transaction,
- the amount complained about.

### 3. Complaint consideration date

The Bank considers complaints and provides a reply within the following time limits:

- 1) complaints regarding inconsistency of the Transaction Terms with the Confirmation received: within 2 Business Days. In the event the Customer's complaint is accepted by the Bank, the Confirmation content shall be changed based on the results of analysis of objections raised by the Customer. The provisions of § 12 shall apply accordingly to a new Confirmation received,
- 2) complaints regarding inaccuracy: of the Valuation of individual Transactions, sum of Transaction Valuation as at a Valuation Date or the Exposure amount calculated by the Bank as at the said date, or calculations regarding the Collateral value – no later than on the 5th Business Day of the receipt of the complaint by the Bank,

- 3) other complaints: promptly, yet not later than within 30 calendar days of their receipt by the Bank. In particularly complex cases that prevent the Bank from resolving the complaint or responding within the above time frames, the Bank shall:
  - inform the Customer of the reasons for the delay,
  - specify the circumstances that need clarification and
  - set the expected time limit for solving the complaint and providing a response. This time limit shall not exceed 60 calendar days from the date on which the Bank received the complaint.

### 4. Unfeasibility of complaint consideration – conditional credit

If the Bank is unable to resolve a complaint as it is necessary to obtain additional information or documents for this purpose – including from other institutions involved in execution or settlement of the Transaction the complaint refers to, the Bank shall apply conditional credit.

This means that Bank shall conditionally credit the Customer Settlement Account with the Transaction amount subject to the complaint – although the complaint procedure has not yet been completed. If the complaint proves to be unjustified, the Bank shall debit the Customer Settlement Account with the amount of the Transaction the complaint refers to.

### 5. Providing the Customer with a response to the complaint

The Bank shall reply to the complaint in the manner and to the Customer's address specified in the Framework Agreement on a durable medium.

### 6. Arbitration

In cases when the Customer disagrees with the resolution of a complaint by the Bank, the Customer should immediately notify the Bank about it in writing. In such a situation, the Bank and the Customer will undertake, in good faith, activities and negotiations aimed at an amicable solution of the dispute concerned, within 5 calendar days of the date on which the dispute arose. The failure to reach an agreement by the Parties within that time frame puts an end to an early dispute detection and solution process.

In the event that the existing dispute refers to the amount of calculations made by the Bank and it will not be solved amicably, then the Bank will apply to the entity which would be the Calculation Agent in a situation when the Party eligible for its assignment was the Bank, to verify the correctness of the calculations made by the Bank. In the event the Calculation Agent's reply points to errors in calculations performed by the Bank, the Bank shall immediately make necessary corrections that will take into account the Calculation Agent's standpoint. The Calculation Agent's reply in this respect ends the early dispute detection and solution process between the Parties.

### 7. Other provisions concerning complaints

The Bank's complaint procedure does not exclude the Customer's claims arising from the law applicable to the Master Agreement.

## § 28. Orders Execution Policy

When concluding Derivative Transactions with the Customers the Bank applies the "Policy on the Execution of Orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A." (hereinafter: the **Policy**) to the extent that the Policy is applicable to the Customer, according to its contents. The Policy is included in the "Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.".

Conclusion of Derivative Transactions covered by the Policy is tantamount to expressing consent by the Customer to the Bank applying the Policy to the Customer.

Except as otherwise provided in the Master Agreement or the Customer Information Attachment, the Bank shall make amendments to the Policy available via the website by publishing the "Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.". The Customer will be notified of this fact via email.

Conclusion of a Derivative Transaction covered by the revised Policy by the Customer will be considered acceptance thereof.

## § 29. Amendments to the Regulations

### 1. Reasons for the Regulations amendment

The Bank may amend the Regulations exclusively for the following significant reasons:

- 1) introduction of new law provisions or amendments thereto, or issuance by authorised bodies of new recommendations, interpretations or administrative decisions on the manner of these law provisions application, or amendment to existing ones – to the extent to which the Bank is obligated to implement or apply such provisions in order to duly perform the Master Agreement,

- 2) changes in the Bank's products and services related to technical and IT progress, which increase security or facilitate the Customer to use these services and products, provided that this ensures due performance of the Master Agreement, and makes it necessary to amend the Regulations,
- 3) changes of the Bank's IT infrastructure, resulting in changes of availability or functionality of the Bank's services or products – which entail no additional obligations on the part of the Customer, to the extent in which it results in the need to amend the Regulations,
- 4) the Bank further specifying the rules and deadlines for determining foreign exchange rates in the Table of Exchange Rates or changing the frequency of their determination or indicating a source – independent of the Bank and publicly available – on the basis of which the Bank determines foreign exchange rates,
- 5) the Bank introducing new functional, organisational or technical solutions,
- 6) the Bank introducing new products or changing the functioning of the existing ones (including to the extent that results from the change or application of new benchmarks),
- 7) modification of the Bank's IT system with which the Bank performs the activities covered by the Regulations,
- 8) a change in the scope, manner and form in which the Bank performs activities covered by the Regulations,
- 9) the Bank's withdrawal from its range of a product offered under the Master Agreement and covered by the Regulations,
- 10) in order to change the name of the document or product, make changes in order, writing or clarifying the existing provisions.

## 2. Notification of the Regulations Amendment

Notification of the Regulations amendment will be forwarded to the Customer by the Bank in the form of a durable medium.

## 3. Application scope of the amended Regulations

The amended Regulations are applicable to the Transactions concluded:

- 1) since the effective date of the new Regulations;
- 2) prior to the date on which the amended Regulations enter into force – however, insofar as their provisions regulate the issues that arise in relation to the Transactions, starting on the date on which the amended Regulations enter into force.

## 4. Termination of the Master Agreement in the Event of amendments to the Regulations

If the Bank amends the Regulations and the Customer does not accept the amendment, the Customer may terminate the Master Agreement. The notice period shall be one month. The Customer may give his/her notice of termination within 14 calendar days from receipt of the notification of the amendment to the Regulations. If the Customer does not give a notice to this effect within this period, the Bank will consider that the Customer has accepted the amendment. The notice period shall be extended automatically until all Transaction benefits have been received by the Parties. Until this point, all the provisions of the Master Agreement, Agreement on Collateral and previous Regulations shall remain in force.

## § 30. Termination of the Master Agreement

The Master Agreement may be terminated:

- 1) if the Parties have not entered into any Transaction or have received all benefits arising from the Transactions – by either Party upon one month's notice signed by persons authorised to do so – or
- 2) by mutual agreement of the Parties, or
- 3) by the Non-Defaulting Party, in accordance with § 22 item 2 point 1 letter (a) – in connection with the occurrence of an Event of Default and designation of an Early Termination Date for all Transactions.

The Master Agreement shall also be terminated, subject to § 29 item 4, on the date on which the agreement or agreements under which the Bank maintains bank accounts for the Customer are terminated, unless otherwise agreed by the Parties.

## § 31. Generic Investment Advice

### 1. Providing generic investment advice

The Bank may provide generic investment advice to the Customer (hereinafter: the **Advice**). Advice is provided by the Bank on the basis of the current market situation, and takes into account individual situation and needs of the Customer. However, such Advice is not a recommendation relating to a particular Transaction. When providing the advice, the Bank acts in the best interest of the Customer.

### 2. Scope and form of Advice

Advice is information:

- 1) about the risks and characteristics of the Derivative Transaction,
- 2) about the financial leverage effect at the conclusion of the Derivative Transaction.

Advice is provided in a form chosen by the Bank.

## § 32. Final provisions

### 1. The Bank's liability

For non-performance or improper performance of obligations arising under the Master Agreement and Transactions concluded thereunder, the Bank shall be liable to the customer for the actual damage suffered by the Customer. The Bank shall not be liable for any lost opportunity.

### 2. Assignment of rights

The Customer may only transfer the receivables under the Master Agreement or the Transaction to a third party with the Bank's consent.

### 3. Costs incurred by the Customer in connection with Transactions

Information on the costs incurred by the Customer in connection with the Transactions is included in Enclosure No 1 to the Regulations.

### 4. Bank Guarantee Fund

The Customer's receivables due from the Bank, arising under the Master Agreement or Transactions concluded thereunder, other than Collateral funds in the form of Limited Property Right, are not secured by the mandatory deposit guarantee system, established under the Act of 10 June 2016 on the Bank Guarantee Fund, deposit guarantee system and compulsory restructuring.

### 5. Exchange rates in the Table of Exchange Rates

The rules for setting the exchange rates indicated in the Table of Exchange Rates and the availability of the current Table of Exchange Rates are specified in Enclosure No 3 to the Regulations.

### 6. Ban on speculation in Derivative Instruments

The Customer is obligated:

- 1) to conclude Derivative Transactions with the Bank and also with entities other than the Bank, only to hedge against financial risk resulting from the business activity conducted by the Customer,
- 2) not to conclude any transactions with a view to speculation, including multiple hedges of the same financial risk,
- 3) to ensure that any Derivative Transactions concluded by it with the Bank or other entities are at any time duly adjusted to and compliant with the conditions of the obligations that give rise to the financial risk hedged by those transactions.

As far as the Derivative Transactions concluded with the Bank are concerned – the Customer is obligated, in the case of a change or early performance of the obligation with respect to which a specific Transaction is concluded:

- 1) to conclude a Transaction that appropriately changes the Transaction Terms or the Closing Transaction or another Transaction resulting in early closing and settlement of the Transaction, or
- 2) to take other actions resulting in early closing and settlement of the Transaction, and
- 3) to bear in full any costs related to the change of the Transaction Terms or conclusion of the Closing Transaction, provided that such costs occur.

## Costs incurred by the Customer in connection with the Transactions

With regard to the Derivative Transactions, the Customer shall bear the costs (margin, i.e. the difference between the price of the Transactions for the Customer and the price for maintaining the position for the Bank). These costs are included by the Bank in the Transaction price or in the Transaction early termination price. The costs depend on:

- 1) Transaction Terms or early Transaction termination terms (e.g. volume, currencies / interest rates / commodities, duration, complexity),
- 2) Customer's credit risk – the risk borne by the Bank that the Customer will not fulfil their obligations to the Bank,
- 3) cost of the Bank's equity allocated to a given Transaction or early Transaction termination,
- 4) operating costs related to the Transaction or early Transaction termination,
- 5) extraordinary market events.

The total costs related to a Transaction include solely the margin included in the Transaction price or the price of early Transaction termination.

The actually applied margin decreases the return on investment in favour of the Customer.

Once a year, the Bank provides the Customer with the "Annual Costs Statement" – a report on the costs and fees associated with Transactions concluded or terminated early in the previous calendar year.

With regard to Retail Customers, the Bank shall provide the Customer with information on costs – also in documents containing key information specified in the PRIIP Regulation.

### Maximum margins

Below we present maximum margins which can be charged by the Bank depending on a Transaction type. The margin actually charged may be lower.

The Bank may charge margins higher than those specified in the table below if extraordinary market conditions occur – namely:

- 1) change of the EUR/USD fixing rate (published by the European Central Bank) or the EUR/PLN or USD/PLN fixing rate (published by the National Bank of Poland) – by min. 5% within a period of 30 calendar days,
- 2) change of the deposit rate (published by the European Central Bank) or the reference rate (published by the National Bank of Poland) – by min. 50 basis points within a period of 30 calendar days.

The maximum margins in the following example concern an investment of PLN 100,000. They assume that the Transaction settlement dates fall within 1 and 2 years, respectively, from the Transaction Conclusion Date.

Investment initial value: PLN 100,000					
Investment period		≤ 1 year		≤ 2 years	
Instrument	Details of the Transactions	PLN	%	PLN	%
Forward Transactions, NDF Transactions, FX Swap Transactions, Flex-term Forward Transactions	Cost of the investment service	0	0	0	0
	Cost of the financial instrument	3500	3.5	4500	4.5
	Payments from third parties	0	0	0	0
	Total of costs and fees incurred by the Customer	3500	3.5	4500	4.5
Currency Options (including strategies built on the basis of Currency Options)	Cost of the investment service	0	0	0	0
	Cost of the financial instrument	3500	3.5	4500	4.5
	Payments from third parties	0	0	0	0
	Total of costs and fees incurred by the Customer	3500	3.5	4500	4.5
IRS Transactions, CIRS Transactions	Cost of the investment service	0	0	0	0
	Cost of the financial instrument	1000	1	2000	2
	Payments from third parties	0	0	0	0
	Total of costs and fees incurred by the Customer	1000	1	2000	2
Interest Rate Options (including strategies built on the basis of Interest Rate Options)	Cost of the investment service	0	0	0	0
	Cost of the financial instrument	3500	3.5	4500	4.5
	Payments from third parties	0	0	0	0
	Total of costs and fees incurred by the Customer	3500	3.5	4500	4.5
Commodity Swap Transactions	Cost of the investment service	0	0	0	0
	Cost of the financial instrument	3500	3.5	7000	7
	Payments from third parties	0	0	0	0
	Total of costs and fees incurred by the Customer	3500	3.5	7000	7

For Forward Transactions, NDF Transactions, Currency Swap Transactions with a Settlement Date up to 1 year, the maximum margin is 3.5% of the Transaction Amount. For each subsequent commenced year of the Transaction, the maximum margin will increase by an additional 1% of the Transaction Amount. The Bank may charge the maximum margin both for concluding the Transaction and for its early termination. For a series of Forward Transactions or NDF Transactions – concluded at the average Exchange Rate – the maximum margin applies to the entire series of Transactions concluded in this manner.

For Flexitem Forward Transactions with a Termination Date of up to 1 year, the maximum margin is 3.5% of the Transaction Amount. For each subsequent commenced year of the Transaction, the maximum margin will increase by an additional 1% of the Transaction Amount. The Bank may charge the maximum margin both for concluding the Transaction and for its early termination.

For Currency Options (including strategies built on the basis of Currency Options) with an Expiry Date of up to 1 year, the maximum margin is 3.5% of the Transaction Amount. For each subsequent commenced year of the Transaction, the maximum margin will increase by an additional 1% of the Transaction Amount. The Bank may charge the maximum margin both for concluding the Transaction and for its early termination. For strategies built on the basis of Currency Options – the maximum margin applies to the entire strategy.

For IRS and CIRS Transactions – the maximum margin is one (1) percentage point included in the value of the Customer Reference Rate or the Bank Reference Rate. The Bank may collect the maximum margin both for concluding the Transaction and for its early termination, provided that the sum of the margins actually collected cannot exceed the maximum margin.

For Interest Rate Options (including strategies built on the basis of Interest Rate Options) with an Expiry Date of up to 1 year, the maximum margin is 3.5% of the Base Amount. For each subsequent commenced year of the Transaction, the maximum margin will increase by an additional 1% of the Base Amount. The Bank may collect the maximum margin both for concluding the Transaction and for its early termination, provided that the sum of the margins actually collected cannot exceed the maximum margin. For Transactions that have different Base Amounts in individual Interest Periods, the Bank calculates the maximum margin on the largest Base Amount among the Base Amounts occurring in individual Interest Periods. For strategies built on the basis of Interest Rate Options, the maximum margin applies to the entire strategy.

For Commodity Swap Transactions with a Termination Date of up to 1 year, the maximum margin is 3.5% of the Fixed Price or the value of the Variable Price. For each subsequent commenced year of the Transaction's duration, the maximum margin will increase by an additional 3.5% of the Fixed Price or the value of the Variable Price. The Bank may charge the maximum margin both for concluding the Transaction and for its early termination.

### Averaged margins

Averaged margins are presented below, charged historically by the Bank over a period of at least 12 months, depending on the type of Transaction.

The averaged margins in the following example concern an investment of PLN 100,000 and Transaction settlements on the specified dates.



Investment initial value: PLN 100,000								
Investment period	≤ 3 months		3 to 12 months (inclusive)		12 to 24 months (inclusive)		> 24 months	
Instrument	PLN	%	PLN	%	PLN	%	PLN	%
Forward Transactions, NDF Transactions, FX Swap Transactions, Flex-term Forward Transactions	56.3	0.06	384.9	0.38	788.1	0.79	85.2	0.09
Currency Options (including strategies built on the basis of Currency Options)	164	0.16	372.7	0.37	256	0.26	57.9	0.06

Investment initial value: PLN 100,000						
Investment period	≤ 3 years		3 to 5 years (inclusive)		> 5 years	
Instrument	PLN	%	PLN	%	PLN	%
IRS Transactions, CIRS Transactions	47.5	0.05	343.6	0.34	765.9	0.77
Interest Rate Options (including strategies built on the basis of Interest Rate Options)	254.1	0.25	206	0.21	568.2	0.57

Investment initial value: PLN 100,000								
Investment period	≤ 1 month		1 to 3 months (inclusive)		3 to 6 months (inclusive)		> 6 months	
Instrument	PLN	%	PLN	%	PLN	%	PLN	%
Commodity Swap Transactions	201	0.20	214.3	0.21	250.7	0.25	550.4	0.55

# Transaction Descriptions

Any expressions used in these Transaction Descriptions have the meaning assigned to them in the Regulations and the Master Agreement – unless otherwise stipulated herein. Foreign language terms used in the Transaction Descriptions (in italics in brackets) shall have the same meaning as the terms in English and may be used interchangeably. The Transaction Descriptions shall make an integral part of the Regulations.

## Option Transactions

### §1. Definitions

#### I. Definitions related to Currency Options

<b>Administrator</b>	a term defined in Enclosure No 1 to the Transaction Descriptions
<b>Barrier</b>	a requirement that conditions activation or expiry of the Buyer's right to exercise an Option
<b>Knock down &amp; in Barrier</b>	a Barrier Level (below the current FX rate for the Transaction pair of currencies as of the Transaction Conclusion Date), which activates the Buyer's right to exercise the Option
<b>Knock down &amp; out Barrier</b>	a Barrier Level (below the current FX rate for the Transaction pair of currencies as of the Transaction Conclusion Date), which causes expiry of the Buyer's right to exercise the Option
<b>Fixing Date</b>	a Business Day agreed upon in the Transaction Terms, when a Reference Rate or Strike Rate is observed by the Bank
<b>Premium Payment Date</b>	a Business Day determined in the Transaction Terms when the Premium is paid by the Buyer to the Seller
<b>Expiry Date</b>	a Business Day agreed upon in the Transaction Terms (a) <u>on which</u> or (b) <u>until which</u> the Buyer may exercise its rights arising under an Option Transaction. In the event referred to in (b), the Expiry Date falls in the period from the Transaction Conclusion Date to the Termination Date (inclusive).
<b>Settlement Date</b>	a Business Day agreed upon in the Transaction Terms when the mutual settlement between the Parties under the Transaction takes place. In the event that the Expiry Date is defined, for the purposes of the Transaction Terms Arrangement, as the Business Day falling in the period from the Transaction Conclusion Date till the Termination Date (inclusive) – the Settlement Date falls, unless the Parties decide otherwise, on the 2nd Business Day following the Expiry Date
<b>Termination Date</b>	a Business Day agreed upon in the Transaction Terms, in order to determine the Expiry Date which falls in the period from the Transaction Conclusion Date till the Termination Date (inclusive)
<b>Cut-Off Time</b>	the hour defined as such in the place agreed upon in the Transaction Terms
<b>Knock up &amp; in Barrier</b>	a Barrier Level (above the current FX rate for the Transaction pair of currencies as of the Transaction Conclusion Date), which activates the Buyer's right to exercise the Option
<b>Knock up &amp; out Barrier</b>	a Barrier Level (above the current FX rate for the Transaction pair of currencies as of the Transaction Conclusion Date), which causes expiry of the Buyer's right to exercise the Option
<b>Buyer/ Seller</b>	respectively: the Bank or the Customer
<b>Strike Rate</b>	the exchange rate of the Currency determined in the Transaction Terms, and quoted in the Settlement Currency units, at which the Buyer may exercise its rights arising under the Option Transaction concluded
<b>Reference Rate</b>	a relevant exchange rate for the pair of currencies which is the subject of the Option Transaction, determined either by the central bank or by another entity on the Expiry Date at the Cut-Off Time. The type of the Reference Rate is agreed by the Parties in the Transaction Terms
<b>Barrier Reference Rate</b>	a relevant exchange rate for the pair of currencies which is the subject of the Option Transaction, determined either by the central bank or by another entity in the Barrier Period. The type of the Barrier Reference Rate is agreed by the Parties in the Transaction Terms
<b>Settlement Amount</b>	the amount payable by the Party in favour of the other Party as a result of the Transaction execution, determined pursuant to the agreement regulating a given Transaction
<b>Notional Amount</b>	an amount defined in the Transaction Terms, denominated in the Transaction Currency, to the purchase or sale of which the Buyer is entitled
<b>Barrier Period</b>	time span agreed upon in Transaction Terms
<b>Transaction Description</b>	this Option Transaction Description
<b>Barrier Level</b>	the exchange rate for a pair of currencies which are the subject-matter of the Option Transaction, agreed upon in the Transaction Terms
<b>Premium</b>	the price for entering into a Transaction, which the Buyer is obliged to pay to the Seller on the Premium Payment Date
<b>Barrier Type</b>	a characteristic of a Barrier which defines the situation in which the Buyer's right to exercise the Option is activated or expires. The Parties may agree upon the following Barrier Types for the specific Option: knock down & in, knock down & out, knock up & in, knock up & out
<b>Transaction, Option Transaction, Currency Option or Option</b>	a Call Option, Put Option or other Transaction type of a similar nature, agreed upon by and between the Parties
<b>Transaction Currency</b>	the currency of the Notional Amount, agreed upon in the Transaction Terms
<b>Settlement Currency</b>	the currency in which the Settlement Amount is denominated, agreed upon in the Transaction Terms.

#### II. Definitions related to Interest Rate Options

<b>Administrator</b>	a term defined in Enclosure No 1 to the Transaction Descriptions
<b>Premium Payment Date</b>	a Business Day determined in the Transaction Terms when the Premium is paid
<b>Expiry Date</b>	a Business Day agreed upon in the Transaction Terms on which the Buyer may exercise its rights arising under an Option Transaction
<b>RFR Business Day</b>	any day except for: (a) Saturday and Sunday and (b) any other day during which banks in the country of the currency of the RFR are closed for their regular activity
<b>Settlement Date</b>	the last Business Day of each Interest Period on which the Settlement Amount is paid
<b>Effective Date</b>	in respect of a Transaction: <ol style="list-style-type: none"> <li>1) with a single Interest Period – the first Business Day of the Interest Period,</li> <li>2) with multiple Interest Periods – the first Business Day of the first Interest Period,</li> </ol> defined in the Transaction Terms
<b>Termination Date</b>	in respect of a Transaction: <ol style="list-style-type: none"> <li>1) with a single Interest Period – the last Business Day of the Interest Period,</li> <li>2) with multiple Interest Periods – the last Business Day of the last Interest Period,</li> </ol> defined in the Transaction Terms
<b>EURIBOR</b>	Euro Interbank Offered Rate administrated by European Money Markets Institute (EMMI) or other entity to fulfil this function in the future. It is calculated and published according to the rules specified at <a href="http://www.emmi-benchmarks.eu">www.emmi-benchmarks.eu</a> within deadlines provided by the Administrator. The reference next to the rate name means the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year

<b>Buyer/Seller</b>	respectively: the Bank or the Customer
<b>Notional Amount</b>	an amount defined in the Transaction Terms and denominated in the Transaction Currency, on which interest is charged in the Interest Period at the Strike Rate
<b>Settlement Amount</b>	the amount payable by the Party in favour of the other Party as a result of the Transaction execution, determined pursuant to the agreement regulating a given Transaction
<b>LIBOR</b>	London Interbank Offered Rate administrated by ICE Benchmark Administration Limited or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified at <a href="http://www.theice.com">www.theice.com</a> within deadlines provided by the Administrator. The reference next to the rate name means the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>Compounding Method</b>	the method of calculating Compounded RFR Rate, specified in Transaction Terms, which may be: (a) the method <i>without observation shift</i> or (b) the method <i>with observation shift</i> . Unless otherwise specified in the Transaction Terms, the method applied shall be: (a) for the Reference Rate based on WIRON – <u>the method with observation shift</u> or (b) for a different Reference Rate – <u>the method without observation shift</u>
<b>Interest Period</b>	each period of time, defined in the Transaction Terms, for which interest is accrued on the Notional Amount at the Strike Rate and at the Reference Rate. The first Interest Period shall start on the Effective Date and the last Interest Period shall end on the Termination Date. For Transactions with a single Interest Period, such Interest Period shall start on the Effective Date and end on the Termination Date
<b>Lookback Period</b>	a period of: 5 RFR Business Days or a different number of RFR Business Days if so specified in the Transaction Terms
<b>Transaction Description</b>	this Option Transaction Description
<b>Premium</b>	the price for entering into a Transaction, which the Buyer is obliged to pay to the Seller on the Premium Payment Date
<b>SARON</b>	the Swiss Average Rate Overnight, the administrator of which is SIX Swiss Exchange or another entity which assumes this role in the future
<b>SOFR</b>	the Secured Overnight Financing Rate, the administrator of which is Federal Reserve Bank of New York or another entity which assumes this role in the future
<b>SONIA</b>	the Sterling Over Night Index Average, the administrator of which is Bank of England or another entity which assumes this role in the future
<b>Compounded RFR Rate</b>	the Reference Rate at which the Bank calculates interest on the Notional Amount – calculated based on the RFR, in accordance with provisions of Enclosure 2 to the Transaction Description
<b>Strike Rate</b>	an interest rate defined in the Transaction Terms, at which interest is accrued on the Notional Amount for a given Interest Period
<b>Reference Rate</b>	respectively: 1) the interest rate indicated in the Transaction Terms (the value of the reference rate applicable for the currency and specific period, e.g.: EURIBOR, LIBOR, Term SOFR, Term SONIA ICE, Term SONIA Refinitiv, WIBOR or WIRON), announced on dates agreed upon in the Transaction Terms (hereinafter: <b>Fixing Date</b> ) or 2) the Compounded RFR Rate based on the RFR specified in Transaction Terms (Compounded RFR Rate based on: SARON, SOFR, SONIA or WIRON)
<b>RFR</b>	SARON, SOFR, SONIA or WIRON – being the basis for the Compounded RFR Rate
<b>Term SOFR</b>	the CME Term SOFR Reference Rate, the Administrator of which is CME Group Benchmark Administration Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months
<b>Term SONIA ICE</b>	the ICE Term SONIA Reference Rate, the Administrator of which is ICE Benchmark Administration Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 12M – 12 months
<b>Term SONIA Refinitiv</b>	the Refinitiv Term SONIA, the Administrator of which is Refinitiv Benchmark Services (UK) Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 12M – 12 months
<b>Transaction, Option Transaction, FX Option or Option</b>	a Cap Interest Rate Option or Floor Interest Rate Option, or other Transaction type of a similar nature, agreed upon by and between the Parties
<b>Transaction Currency</b>	the currency of the Notional Amount, agreed upon in the Transaction Terms
<b>WIBOR</b>	Warsaw Interbank Offered Rate administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIBID and WIBOR Reference Rates Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator. The reference next to the rate name means the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>WIRON</b>	Warsaw Interest Rate Overnight administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIRON Interest Rate Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator

## §2. Option Transaction Descriptions

### I. Currency Option Transaction Descriptions

- Call Option (Opcja Kupna or Opcja Call).** Through the conclusion of a Call Option, the Buyer acquires the right to purchase, on the Expiry Date from the Seller, and the Seller – should the Buyer exercise his/her right – undertakes to sell on that day to the Buyer the Notional Amount (or, as long as the Parties decide so, a part of the Notional Amount – with respect to the Option for which the Expiry Date falls in the period between the Transaction Conclusion Date and Termination Date (inclusive)) for the Settlement Amount representing its equivalent in the Settlement Currency computed in accordance with the Strike Rate. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date. Mutual settlement of the Parties on account of the Transaction execution shall be made on the Settlement Date.

The Parties may agree in the Transaction Terms that the Transaction shall be exercised through a net settlement:

- should the Strike Rate be equal to or higher than the Reference Rate, the Seller is under no obligation to make any payments towards the settlement of the Transaction,

- should the Strike Rate on the Expiry Date be lower than the Reference Rate, the Seller shall pay the Buyer, on the Settlement Day, the Settlement Amount representing the product of the Notional Amount (or, as long as the Parties decide so, a part of the Notional Amount – with respect to the Option for which the Expiry Date falls in the period between the Transaction Conclusion Date and Termination Date (inclusive)) and the difference between the Reference Rate and the Strike Rate.

- Knock Down & In Call Option (Opcja Kupna or Opcja Call z Dolną Barierą Aktywującą).** Through the conclusion of a Knock Down & In Call Option, the Buyer acquires the right to exercise a Call Option and the Seller – if the Buyer uses its right – shall exercise a Call Option on the condition that in the Barrier Period, the Barrier Reference Rate reaches or exceeds the Barrier Level. When the above-mentioned condition fails to be met – the Call Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
- Knock Up & In Call Option (Opcja Kupna or Opcja Call z Górną Barierą Aktywującą).** Through the conclusion of a Knock Up & In Call Option, the Buyer acquires the right to exercise a Call Option and the Seller – if the Buyer uses its right – shall exercise a Call Option on the condition that in the Barrier Period, the Barrier Reference Rate reaches or exceeds the Barrier Level. When the above-mentioned condition fails to be met – the Call Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
- Knock Down & Out Call Option (Opcja Kupna or Opcja Call z Dolną Barierą Wygaszającą).** Through the conclusion of a Knock Down & Out Call Option, the Buyer acquires the right to exercise a Call Option and the Seller – if the Buyer uses its right – shall exercise a Call Option on the condition that in the Barrier Period, the Barrier Reference Rate does not reach or exceed the Barrier Level. When the above-mentioned condition fails to be met – the Call Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
- Knock Up & Out Call Option (Opcja Kupna or Opcja Call z Górną Barierą Wygaszającą).** Through the conclusion of a Knock Up & Out Call Option, the Buyer acquires the right to exercise a Call Option and the Seller – if the Buyer uses its right – shall exercise a Call Option on the condition that in the Barrier Period, the Barrier Reference Rate does not reach or exceed the Barrier Level. When the above-mentioned condition fails to be met – the Call Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
- Put Option (Opcja Sprzedaży or Opcja Put).** Through the conclusion of a Put Option, the Buyer acquires the right to sell on the Expiry Date to the Seller, and the Seller – should the Buyer exercise its right – undertakes to purchase on the same day from the Buyer the Notional Amount (or, as long as the Parties decide so, a part of the Notional Amount – with respect to the Option for which the Expiry Date falls in the period between the Transaction Conclusion Date and Termination Date (inclusive)) for the Settlement Amount representing its equivalent in the Settlement Currency computed in accordance with the Strike Rate. In exchange for the acquisition of this right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date. Mutual settlement of the Parties on account of the Transaction execution shall be made on the Settlement Date.

The Parties may agree upon in the Transaction Terms that the Transaction shall be exercised through a net settlement:

- should the Strike Rate be equal to or lower than the Reference Rate, the Seller is under no obligation to make any payments towards the settlement of the Transaction,

- should the Strike Rate on the Expiry Date be higher than the Reference Rate, the Seller shall pay the Buyer, on the Settlement Day, the Settlement Amount representing the product of the Notional Amount (or, as long as the Parties decide so, a part of the Notional Amount – with respect to the Option for which the Expiry Date falls in the period between the Transaction Conclusion Date and Termination Date (inclusive)) and the difference between the Strike Rate and the Reference Rate.

7. **Knock Down & In Put Option** (*Opcja Sprzedaży* or *Opcja Put z Dolną Barierą Aktywującą*). Through the conclusion of a Knock Down & In Put Option, the Buyer acquires the right to exercise a Put Option and the Seller – if the Buyer uses its right – shall exercise a Put Option on the condition that in the Barrier Period, the Barrier Reference Rate reaches or exceeds the Barrier Level. When the above-mentioned condition fails to be met, the Put Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
8. **Knock Up & In Put Option** (*Opcja Sprzedaży* or *Opcja Put z Górną Barierą Aktywującą*). Through the conclusion of a Knock Up & In Put Option, the Buyer acquires the right to exercise a Put Option and the Seller – if the Buyer uses its right – shall exercise a Put Option on the condition that in the Barrier Period, the Barrier Reference Rate reaches or exceeds the Barrier Level. When the above-mentioned condition fails to be met, the Put Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
9. **Knock Down & Out Put Option** (*Opcja Sprzedaży* or *Opcja Put z Dolną Barierą Wygaszającą*). Through the conclusion of a Knock Down & Out Put Option, the Buyer acquires the right to exercise a Put Option and the Seller – if the Buyer uses its right – shall exercise a Put Option on the condition that in the Barrier Period, the Barrier Reference Rate does not reach or exceed the Barrier Level. When the above-mentioned condition fails to be met, the Put Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
10. **Knock Up & Out Put Option** (*Opcja Sprzedaży* or *Opcja Put z Górną Barierą Wygaszającą*). Through the conclusion of a Knock Up & Out Put Option, the Buyer acquires the right to exercise a Put Option and the Seller – if the Buyer uses its right – shall exercise a Put Option on the condition that in the Barrier Period, the Barrier Reference Rate does not reach or exceed the Barrier Level. When the above-mentioned condition fails to be met, the Put Option expires and neither of the Parties is obliged to make any further payments thereunder. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date.
11. **Inability to determine the Reference Rate or Barrier Reference Rate.** If the Bank cannot determine the Reference Rate or Barrier Reference Rate in the manner specified in the Transaction Terms, the provisions of the Enclosure No 1 to the Transaction Descriptions shall apply.
12. **Premium netting.** In the event that, on account of different Option Transactions concluded: the Bank and the Customer have mutual obligations to pay a Premium to each other, such Premiums are payable on the same Premium Payment Date and in the same currency – the Premiums can be paid through a netting of the Bank's obligations against the Customer's obligations on this account up to the lower of the amounts; furthermore, the Party whose Premium payment obligation is higher shall pay the other Party the excess amount over the amounts compensated in this manner.
13. **The Barrier Reference Rate reaching the Barrier Level.** The Bank shall inform the Customer that the Barrier Reference Rate has reached the Barrier Level in the Barrier Period. To this end, the Bank shall provide the Customer with a relevant notification. If the Transaction Terms provide that the Barrier Period is identical with the Expiry Date, defined as the Business Day agreed upon in the Transaction Terms, on which the Buyer may exercise its right under the Option Transaction, the Bank will not notify the Customer about either reaching or exceeding the Barrier Level by the Barrier Reference Rate. In such a case, if the Buyer uses its right to exercise the Option, the Bank will provide the Customer with a confirmation of the Option exercise.

## II. Description of Interest Rate Option Transactions

1. **Cap Option** (*Opcja Na Stopę Procentową Cap* or *Opcja Cap*). Through the conclusion of a Cap Option, the Buyer acquires the right to claim, and – should the Buyer exercise its right – the Seller undertakes to transfer to the Buyer on each Settlement Date the interest calculated in a given Interest Rate Period on the Notional Amount at the Reference Rate determined for that Interest Period, in exchange for the interest charged in that Interest Period on the Notional Amount at the Strike Rate. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date. The Parties may agree on one or more Interest Periods, or Premium payment in instalments.  
The Cap Option is settled in the Transaction Currency exclusively with the difference between the Reference Rate and the Strike Rate multiplied by the Notional Amount, in such a manner that, should the Reference Rate determined for a given Interest Period be:  
- higher than the Strike Rate: the Seller shall pay the Buyer, on the Settlement Day, the Settlement Amount representing the product of: (a) the Notional Amount and (b) the difference between the Strike Rate and the Reference Rate and (c) the quotient of the number of days in the Interest Period and the number of days in a year (pursuant to the interest accrual convention agreed upon)  
- lower than or equal to the Strike Rate: the Seller is under no obligation to make any payments towards the settlement of that Transaction.
2. **Floor Option** (*Opcja Na Stopę Procentową Floor* or *Opcja Floor*). Through the conclusion of a Floor Option, the Buyer acquires the right to claim, and the Seller undertakes – should the Buyer exercise the said right – to transfer to the Buyer on each Settlement Date the interest charged in a given Interest Period on the Notional Amount at the Strike Rate, in exchange for the interest charged in that Interest Period on the Notional Amount at the Reference Rate determined for that Interest Period. In exchange for the acquisition of the above right, the Buyer shall pay the Premium to the Seller on the Premium Payment Date. The Parties may agree on one or more Interest Periods.  
The Floor Option is settled in the Transaction Currency exclusively with the difference between the Strike Rate and Reference Rate multiplied by the Notional Amount in such a manner that, should the Strike Rate be:  
- higher than the Reference Rate determined for a given Interest Period – the Seller shall pay the Buyer, on the Settlement Day, the Settlement Amount representing the product of: (a) the Notional Amount and (b) the difference between the Strike Rate and the Reference Rate and (c) the quotient of the number of days in the Interest Period and the number of days in a year (pursuant to the interest accrual convention agreed upon),  
- lower than or equal to the Reference Rate, the Seller is under no obligation to make any payments towards the settlement of that Transaction.
3. **Inability to Determine the Reference Rate.** If the Bank is unable to determine the Reference Rate in the manner specified in the Transaction Terms, the provisions of Enclosure No 1 to the Transaction Descriptions shall apply.
4. **Premium netting.** In the event that, on account of different Option Transactions concluded: the Bank and the Customer have mutual obligations to pay a Premium to each other, such Premiums are payable on the same Premium Payment Date and in the same currency – the Premiums can be paid through a netting of the Bank's obligations against the Customer's obligations on this account up to the lower of the amounts; furthermore, the Party whose Premium payment obligation is higher shall pay the other Party the excess amount over the amounts compensated in this manner.

## §3. Transaction Terms

1. In order to enter into a Currency Option Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:
  - 1) Option Type (*Rodzaj/Typ Opcji*),
  - 2) Seller (*Sprzedający Opcję*),
  - 3) Buyer (*Kupujący Opcję*),
  - 4) Notional Amount (*Kwota Transakcji*),
  - 5) Transaction Currency (*Waluta Transakcji*),
  - 6) Settlement Currency (*Waluta Rozliczenia*),
  - 7) Strike Rate (*Kurs Realizacji*),
  - 8) Reference Rate (*Kurs Referencyjny*),
  - 9) Premium (*Premia*),
  - 10) Premium Payment Date (*Dzień Płatności Premii*),
  - 11) Expiry Date/Expiration Date (*Dzień Realizacji*),
  - 12) Settlement Date (*Dzień Rozliczenia*),
  - 13) Termination Date (*Dzień Zakończenia*) (in the event the Expiry Date falls in the period between the Transaction Conclusion Date and the Termination Date),  
and in the case of Barrier Currency Option Transaction additionally also:
  - 14) Barrier Period (*Okres Obserwacji Bariery*),
  - 15) Type of Barrier (*Rodzaj Bariery*),
  - 16) Barrier Level (*Poziom Bariery*),
  - 17) Barrier Reference Rate (*Kurs Referencyjny Bariery*).
2. In order to enter into an Interest Rate Option Transaction, the Parties shall, in each case, agree the essential Transaction Terms out of the following:
  - 1) Option Type (*Rodzaj/Typ Opcji*),
  - 2) Seller (*Sprzedający Opcję*),



- 3) Buyer (*Kupujący Opcję*),
- 4) Notional Amount (*Kwota Bazowa*),
- 5) Transaction Currency (*Waluta Transakcji*),
- 6) Strike Rate (*Stopa Realizacji*),
- 7) Reference rate (*Stopa Referencyjna*),
- 8) in case of Reference Rate being Compounded RFR Rate (*Stopa Składana RFR*) only:
  - a) Lookback Period (*Okres Przesunięcia*), if it is different than 5 RFR Business Days,
  - b) Compounding Method, if it is different than:
    - the method with observation shift – for the Reference Rate based on WIRON – or
    - the method without observation shift – for a different Reference Rate,
- 9) Interest Rate Period (*Okres Odsetkowy*),
- 10) Interest Rate Periods Number (*Liczba Okresów Odsetkowych*),
- 11) Premium (*Premia*),
- 12) Premium Payment Date/ Dates (*Dzień/Dni Płatności Premii*),
- 13) Expiry Date/Expiration Date (*Dzień Realizacji*),
- 14) Settlement Date (*Dzień Rozliczenia*),
- 15) Effective Date (*Dzień Rozpoczęcia*),
- 16) Termination Date (*Dzień Zakończenia*).

#### §4. Transaction Execution

1. If the Customer is the Buyer who wishes not to exercise the Option, then – on the Expiry Date until the Cut-Off Time (if the cut-off-time is applicable), the Customer shall call the number specified by the Bank and inform the Bank of the intention not to exercise the Option. If there is no contact from the Customer, the Bank shall exercise the Option, granted that:
  - 1) for a Put Option, Knock Down & In Put Option, Knock Up & In Put Option, Knock Down & Out Put Option and Knock Up & Out Put Option – if at Cut-Off Time the Strike Rate is higher than the Reference Rate.  
However, the Bank shall not apply this provision to:
    - a Knock-In Option in which the Buyer's right to exercise the Option has not been activated,
    - a Knock-Out Option in which the Buyer's right to exercise the Option ceased to exist,
  - 2) for a Call Option, Knock Down & In Call Option, Knock Up & In Call Option, Knock Down & Out Call Option and Knock Up & Out Call Option – if at Cut-Off Time the Strike Rate is lower than the Reference Rate.  
However, the Bank shall not apply this provision to:
    - a Knock-In Option in which the Buyer's right to exercise the Option has not been activated,
    - a Knock-Out Option in which the Buyer's right to exercise the Option ceased to exist,
  - 3) for an Interest Rate Cap Option – if on the Expiry Date the Strike Rate is lower than the Reference Rate determined for the relevant Interest Rate Period,
  - 4) for an Interest Rate Floor Option – if on the Expiry Date the Strike Rate is higher than the Reference Rate determined for the relevant Interest Rate Period.
2. If the Bank is the Buyer, then it shall exercise the Option on the Expiry Date – provided that the conditions from items 1–4 are fulfilled.
3. After the Option is exercised, the Bank shall send to the Customer on the Expiry Date, in the manner defined in the Customer Information Attachment, Confirmation of exercise of the Option.

#### Swap Transactions

##### §1. Definitions

##### 1. Definitions related to IRS and CIRS Transactions

<b>Administrator</b>	a term defined in Enclosure No 1 to the Transaction Descriptions
<b>Interest Payment Date</b>	the last Business Day of a given Interest Period
<b>RFR Business Day</b>	any day except for: (a) Saturday and Sunday and (b) any other day during which banks in the country of the currency of the RFR are closed for their regular activity
<b>Effective Date</b>	the first Business Day of the first Interest Period, determined in the Transaction Terms
<b>Termination Date</b>	the last Business Day of the last Interest Period, determined in the Transaction Terms
<b>EURIBOR</b>	Euro Interbank Offered Rate administrated by European Money Markets Institute (EMMI) or other entity to fulfil this function in the future. It is calculated and published according to the rules specified at <a href="http://www.emmi-benchmarks.eu">www.emmi-benchmarks.eu</a> within deadlines provided by the Administrator. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>Reference Rate</b>	a relevant exchange rate of a pair of currencies which is the subject of the CIRS Transaction, determined by the central bank or another entity on the Interest Payment Date or on other dates agreed upon in the Transaction Terms. The type of the Reference Rate is agreed by the Parties in the Transaction Terms
<b>Exchange Rate</b>	the exchange rate defined in the CIRS Transaction Terms for: <ul style="list-style-type: none"> <li>- unit of Currency for Customer's Notional Amount expressed in the units of Currency for Bank's Notional Amount, or</li> <li>- unit of Currency for Bank's Notional Amount expressed in the units of Currency for Customer's Notional Amount</li> </ul>
<b>Notional Amount</b>	the amount, determined in an IRS Transaction, on which interest is accrued that is the subject of the said Transaction
<b>Bank Notional Amount</b>	the amount defined in the CIRS Transaction Terms that is the subject of the initial and final exchanges of Notional Amounts, or exclusively the final exchange, and on which interest, that is the subject of the said Transaction, is accrued by the Bank at the Bank Reference Rate
<b>Customer Notional Amount</b>	the amount defined in the CIRS Transaction Terms that is the subject of the initial and final exchanges of Notional Amounts, or exclusively the final exchange, and on which interest, that is the subject of the said Transaction, is accrued by the Bank at the Customer Reference Rate
<b>Interest Difference Amount</b>	a difference, expressed as an absolute amount, between: the amount of interest accrued on the Notional Amount (or the Bank Notional Amount) at the Bank Reference Rate and the amount of interest accrued on the Notional Amount (or the Customer's Notional Amount) at the Customer Reference Rate, denominated in the Settlement Currency, and for CIRS Transactions – additionally after the translation at the Reference Rate
<b>LIBOR</b>	London Interbank Offered Rate administrated by ICE Benchmark Administration Limited or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified at <a href="http://www.theice.com">www.theice.com</a> within deadlines provided by the Administrator. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>Compounding Method</b>	the method of calculating Compounded RFR Rate, specified in Transaction Terms, which may be: (a) the method <i>without observation shift</i> or (b) the method <i>with observation shift</i> . Unless otherwise specified in the Transaction Terms, it is deemed that the Parties have agreed: (a) for the Reference Rate based on WIRON – <u>the method with observation shift</u> or (b) for a different Reference Rate – <u>the method without observation shift</u> .
<b>Interest Period</b>	shall mean a period specified in the Transaction Terms during which interest is accrued on the Notional Amount at the Bank Reference Rate and the Customer Reference Rate. The Parties may define, in the Transaction Terms, separate Interest Periods for the Customer (hereinafter: <b>Customer Interest Period</b> ) and separate for the Bank (hereinafter: <b>Bank Interest Period</b> )
<b>Lookback Period</b>	a period of: 5 RFR Business Days or a different number of RFR Business Days if so specified by the Parties in the Transaction Terms
<b>Transaction Description</b>	this Description of Swap Transactions
<b>Notional Amount Difference</b>	a difference, expressed as an absolute amount, between the Bank Notional Amount and the Customer's Notional Amount, denominated in the Settlement Currency, after the conversion at the Reference Rate

<b>SARON</b>	the Swiss Average Rate Overnight, the Administrator of which is SIX Swiss Exchange or another entity which assumes this role in the future
<b>SOFR</b>	the Secured Overnight Financing Rate, the Administrator of which is Federal Reserve Bank of New York or another entity which assumes this role in the future
<b>SONIA</b>	the Sterling Over Night Index Average, the Administrator of which is Bank of England or another entity which assumes this role in the future
<b>Compounded RFR Rate</b>	the Bank Reference Rate or the Customer Reference Rate – calculated in line with the provisions on Enclosure No 2 to the Transaction Descriptions, based on the RFR Rate
<b>Bank Reference Rate</b>	fixed interest rate agreed on in the Transaction Terms or, respectively:
<b>Rate</b>	1) the variable interest rate indicated in the Transaction Terms (the value of the reference rate applicable for the currency and specific period, e.g.: EURIBOR, LIBOR, Term SOFR, Term SONIA ICE, Term SONIA Refinitiv, WIBOR or WIRON), announced on dates agreed upon by the Parties in the Transaction Terms (hereinafter: <b>Fixing Date</b> ) or 2) the Compounded RFR Rate based on the RFR specified in Transaction Terms (Compounded RFR Rate based on: SARON, SOFR, SONIA or WIRON), based on which the Notional Amount interest (or the Bank Notional Amount interest) is calculated
<b>Customer Reference Rate</b>	fixed interest rate agreed on in the Transaction Terms or, respectively:
<b>Rate</b>	1) the variable interest rate indicated in the Transaction Terms (the value of the reference rate applicable for the currency and specific period, e.g.: EURIBOR, LIBOR, Term SOFR, Term SONIA ICE, Term SONIA Refinitiv, WIBOR or WIRON), announced on dates agreed upon by the Parties in the Transaction Terms (hereinafter: <b>Fixing Date</b> ) or 2) the Compounded RFR Rate based on the RFR specified in Transaction Terms (Compounded RFR Rate based on: SARON, SOFR, SONIA or WIRON), based on which the Notional Amount interest (or the Customer's Notional Amount interest) is calculated.
<b>RFR</b>	SARON, SOFR, SONIA or WIRON – being the basis for the Compounded RFR Rate
<b>Term SOFR</b>	the CME Term SOFR Reference Rate, the Administrator of which is CME Group Benchmark Administration Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months
<b>Term SONIA ICE</b>	the ICE Term SONIA Reference Rate, the Administrator of which is ICE Benchmark Administration Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 12M – 12 months
<b>Term SONIA Refinitiv</b>	the Refinitiv Term SONIA, the Administrator of which is Refinitiv Benchmark Services (UK) Limited or another entity which assumes this role in the future. The index next to the name of the rate indicates the period to which it applies, e.g.: 1M – one month, 3M – three months, 6M – six months, 12M – 12 months
<b>Transaction, Swap Transaction</b>	an IRS Transaction, CIRS Transaction or such other Transaction type as agreed by and between the Parties
<b>Currency for Bank Notional Amount</b>	currency defined in the CIRS Transaction Terms in which the Bank Notional Amount is expressed
<b>Currency for Customer's Notional Amount</b>	currency defined in the CIRS Transaction Terms in which the Customer's Notional Amount is expressed
<b>Settlement Currency</b>	a currency, defined in the CIRS Transaction Terms, using which the payment of the Interest Difference Amount or Notional Amount Difference and Interest Difference Amount is made
<b>WIBID</b>	Warsaw Interbank Bid Rate administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIBID and WIBOR Reference Rates Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator. The reference next to the rate name means the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>WIBOR</b>	Warsaw Interbank Offered Rate administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIBID and WIBOR Reference Rates Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator. The reference next to the rate name means the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year
<b>WIRON</b>	Warsaw Interest Rate Overnight administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIRON Interest Rate Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator
<b>II. Definitions related to Commodity Swaps</b>	
<b>Nearby Month</b>	with respect to the Delivery Date and Pricing Date, in the event the "Nearby Month" term is preceded by the ordinal number name, the expiry month for a Futures Contract for the appropriate Commodity Reference Price, specified by the name of such ordinal number, e.g.: 1) First Nearby Month – expiry month of the first Futures Contract for the Commodity Reference Price, expiring after a given Pricing Date, 2) Second Nearby Month – expiry month of the second Futures Contract for the Commodity Reference Price, expiring after a given Pricing Date, or 3) Sixth Nearby Month – expiry month of the sixth Futures Contract for the Commodity Reference Price, expiring after a given Pricing Date
<b>Disappearance of Commodity Reference Price</b>	permanent discontinuation of trading in a relevant Futures Contract at a relevant Stock Exchange, lack of respective Commodity or trade in such Commodity, or lack of or permanent unavailability of the relevant Commodity Reference Price – irrespective of the availability of the Price Source or trading status for a relevant Forward Commodity Transaction or a Commodity
<b>Fixed Price</b>	with respect to the Settlement Date, the Commodity price for a relevant Unit, denominated in the Transaction Currency, defined by the Parties in the Transaction Terms for the respective Settlement Date, which serves as the basis for calculation of the Settlement Payment Amount for this Settlement Payment Date
<b>Floating Price, Floating Price A, Floating Price B</b>	with respect to the Settlement Payment Date – the price for a relevant Unit for the relevant Calculation Period or Calculation Period of the Floating Price Payer A or the Calculation Period for the Floating Price Payer B, representing – if the Parties agree the following in the Transaction Terms: 1) one Pricing Date – Relevant Price for the Pricing Date – or 2) more than one Pricing Date – unweighted by the arithmetic mean of the Relevant Price for each of the determined Pricing Dates. Based on the Floating Price, Floating Price A or Floating Price B, the Bank shall calculate the Settlement Payment Amount for that Settlement Payment Date
<b>Delivery Date</b>	with respect to the Commodity Reference Price, which contains the reference to the Delivery Date – the month and year or month of the Commodity delivery (which shall be disclosed or possible to determine based on the information contained in the Price Source or determined by the Price Source), whereas, in the event the Parties have stipulated in the Transaction Terms: 1) month and year – the Delivery Date shall fall in this month and year – or 2) Nearby Month – the Delivery Date shall be the expiry date for the relevant Futures Contract
<b>Calculation Date</b>	with respect to the Settlement Date – the date falling on the first Business Day when it is possible to calculate the Settlement Payment Amount in relation to such Settlement Payment Date. However, the Calculation Date shall fall not later than on a Business Day directly preceding the Payment Settlement Date – unless the preceding Business Day falls on the Pricing Date: in such case, the Calculation Date shall fall not later than on the last day allowing for paying on the Settlement Payment Date the Settlement Amount whose due date falls on the Settlement Payment Date.
<b>Settlement Payment Date</b>	each date defined as such by the Parties in the Transaction Terms
<b>Effective Date</b>	each date defined as such by the Parties in the Transaction Terms
<b>Pricing Date</b>	each date defined as such by the Parties in the Transaction Terms, in respect of which the Bank determines the Relevant Price for the purpose of setting the Floating Price or Floating Price A or Floating Price B. Nevertheless, should the Pricing Date fall on a day which is the Commodity Business Day, it shall be assumed that this date falls on the nearest subsequent Commodity Business Day in the same calendar month or Commodity Business Day directly preceding the pre-agreed date (in other cases)
<b>Termination Date</b>	each date defined as such by the Parties in the Transaction Terms
<b>Stock Exchange</b>	a stock exchange or a market where the Commodity is traded, determined in the Commodity Reference Price
<b>Notional Quantity per</b>	

<b>Calculation Period, Notional Quantity per Calculation Period of the Floating Price Payer A or Notional Quantity per Calculation Period of the Floating Price Payer B</b>	quantity of Commodity for a given Calculation Period or a given Calculation Period of the Floating Price Payer A or a Calculation Period of the Floating Price Payer B expressed in the Units based on which the following are calculated: Fixed Amount and Floating Amount or Floating Amount A and Floating Amount B for such Calculation Period or Calculation Period of the Floating Price Payer A or the Calculation Period of the Floating Price Payer B. The Notional Quantity per the Calculation Period or the Calculation Period of the Floating Price Payer A or the Calculation Period of the Floating Price Payer B may be different for each of the Calculation Period or the Calculation Period of the Floating Price Payer A or the Calculation Period of the Floating Price Payer B as agreed between the Parties
<b>Material Change in Content</b>	possible occurrence, from the Transaction Conclusion Date, of a change in the composition of the Commodity or appropriate Futures Contract, deemed material by the Bank
<b>Material Change in Formula</b>	possible occurrence, from the Transaction Conclusion Date, of a change in the formula or manner of calculating the appropriate Commodity Reference Price, deemed material by the Bank
<b>Unit</b>	a measure unit for a Commodity determined by the Parties in the appropriate Commodity Reference Price
<b>Settlement Payment Amount</b>	for a given Settlement Payment Date, the amount of the pecuniary obligation either of the Customer towards the Bank or the Bank towards the Customer, denominated in the Transaction Currency and equal to the absolute value of the difference between the Fixed Amount or Floating Amount A as at the Settlement Payment Date and Floating Amount or Floating Price B for the respective Settlement Payment Date
<b>Fixed Amount</b>	for a given Settlement Payment Date, the amount equal to the product of the Notional Quantity per Calculation Period for the relevant Settlement Payment Date and Fixed Price for the relevant Settlement Payment Date
<b>Floating Amount, Floating Amount A or Floating Amount B</b>	for a given Settlement Payment Date, the amount equal to a product of the Notional Quantity per Calculation Period or the Notional Quantity per Calculation Period of the Floating Price Payer A or the Notional Quantity per Calculation Period of the Floating Price Payer B for such Settlement Payment Date and Floating Price or Floating Price A or Floating Price B for such Settlement Payment Date
<b>Maximum Days of Disruption</b>	5 successive Commodity Business Days
<b>Precious Metal</b>	gold, silver and platinum in the form of bullions, plates or unallocated metals, consistent with the standards set by the London Bullion Market Association (LBMA) or its successor or the London Platinum and Palladium Market (LPPM) or its successor, in respect of proper delivery and alloys
<b>Applicable Spread to Floating Price A, Applicable Spread to Floating Price B</b>	amount expressed in the Transaction Currency or expressed as a percentage in respect of the Commodity Reference Price Unit, defined by the Parties in the Transaction Terms, decreasing (with a minus sign) or increasing (with a plus sign) the Specified Price for each Pricing Date in order to calculate Floating Price A or Floating Price B
<b>Relevant Price</b>	with respect to the Pricing Date, the price for the Unit that shall be the Commodity Reference Price on a given Pricing Date, set forth based on the Transaction Description and Transaction Terms agreed by the Parties
<b>Specified Price</b>	<p>with respect to the Commodity Reference Price, one of the following prices that shall be specified by the appropriate Price Source or that may be set based on the information provided by the appropriate Price Source, determined by the Parties in the Transaction Terms:</p> <ol style="list-style-type: none"> <li>1) the high price (<i>cena maksymalna</i>),</li> <li>2) the low price (<i>cena minimalna</i>),</li> <li>3) the average of the high price and the low price (<i>średnia ceny maksymalnej i ceny minimalnej</i>),</li> <li>4) the closing price (<i>cena zamknięcia</i>),</li> <li>5) the opening price (<i>cena otwarcia</i>),</li> <li>6) the bid price (<i>cena kupna</i>),</li> <li>7) the asked price (<i>cena sprzedaży</i>),</li> <li>8) the average of the bid price and the asked price (<i>średnia ceny kupna i ceny sprzedaży</i>),</li> <li>9) the settlement price (<i>cena rozliczenia</i>),</li> <li>10) the official settlement price (<i>oficjalna cena rozliczenia</i>),</li> <li>11) the official price (<i>cena oficjalna</i>),</li> <li>12) the morning fixing (<i>poranny fixing</i>),</li> <li>13) the afternoon fixing (<i>popołudniowy fixing</i>),</li> <li>14) the spot price (<i>cena spot</i>),</li> <li>15) the price agreed by the Parties – other than as listed above.</li> </ol> <p>The Specified Price shall include the time, if the given Commodity Reference Price so requires</p>
<b>Calculation Period, Calculation Period of the Floating Price Payer A or Calculation Period of the Floating Price Payer B</b>	each period starting from the first day of the Calculation Period or Calculation Period of the Floating Price Payer A, or Calculation Period of the Floating Price Payer B (inclusive) until the last day of the a given Calculation Period or Calculation Period of the Floating Price Payer A or Calculation Period of the Floating Price Payer B (inclusive) – defined by the Parties in the Transaction Terms.
<b>Transaction Description</b>	this Description of Swap Transactions
<b>Fixed Price Payer</b>	the Party defined as such in the Transaction Terms
<b>Floating Price Payer, Floating Price Payer A or Floating Price Payer B</b>	the Party defined as such in the Transaction Terms
<b>Commodity Reference Price</b>	Commodity reference price set by the Parties in the Transaction Terms
<b>Reference Dealers</b>	<p>for a Transaction (where the Commodity Reference Price shall be determined by the reference to the Commodity Reference Dealers) that shall be the Transaction:</p> <ol style="list-style-type: none"> <li>1) other than the Precious Metal Transaction – four major traders operating on the appropriate market, chosen by the Bank;</li> <li>2) Precious Metal Transaction – four major traders operating through their head office in London, LBMA members, chosen by the Bank</li> </ol>
<b>Commodity Reference Dealers</b>	<p>in the event the Commodity Reference Price is determined based on the reference to the Commodity Reference Dealers, such Commodity Reference Price shall be determined based on the Specified Price for Commodity Unit with a delivery scheduled for the Delivery Date specified on the Pricing Date by the Reference Dealers and valid on the Pricing Date. If the following are provided:</p> <ol style="list-style-type: none"> <li>1) four quotations – the Commodity Reference Price on the Pricing Date shall be the arithmetic mean of the Specified Prices for a given Commodity, disclosed by all the Reference Dealers, without factoring in the Specified Prices at the highest and lowest values;</li> <li>2) three quotations – the Commodity Reference Price on the Pricing Date shall be the Specified Price provided by the Reference Dealer that shall remain once all the highest and lowest Specified Prices have been rejected. If one or more quotations is of the same highest or lowest value, the Specified Price of one of such quotations shall be rejected;</li> </ol>

	3) fewer than three quotations – the Commodity Reference Price cannot be determined on the Pricing Date
<b>Settlement Payment</b>	each periodic execution of payables and receivables of the Parties, denominated in the Transaction Currency, arising under concluded Transactions
<b>Commodity Swap, Transaction, Commodity Swap Transaction or Swap Transaction</b>	Commodity price swap transaction which: <ol style="list-style-type: none"> <li>1) consists in purchase by Fixed Price Payer or Floating Price Payer A from the Floating Price Payer or Floating Price Payer B, of the Floating Amount or Floating Amount B in exchange for Fixed Amount or Floating Amount A, and</li> <li>2) is settled by payment by one of the Transaction Parties of the Settlement Payment Amount</li> </ol>
<b>Futures Contract</b>	with respect to the Commodity Reference Price and appropriate Delivery Date, a contract for a future delivery of the Commodity in the predefined quantity, determined in the appropriate Commodity Reference Price
<b>Commodity</b>	commodity (including emission rights) or Precious Metal determined by the Parties in the appropriate Commodity Reference Price
<b>Commodity Business Day</b>	with respect to the Transactions: <ol style="list-style-type: none"> <li>1) other than the Precious Metal Transaction, for which the Commodity Reference Price:             <ul style="list-style-type: none"> <li>– shall be the price specified or disclosed by the Stock Exchange – the day when the Stock Exchange conducts trading sessions (or would conduct trades if the Market Disruption Event has not occurred), even though such Stock Exchange would be closed prior to its closing time – and</li> <li>- shall not be the price specified or disclosed by the Stock Exchange – the day with respect to which the appropriate Price Source published the price (or would publish if the Market Disruption Event has not occurred),</li> </ul> </li> <li>2) Precious Metal Transaction – the day when commercial banks are open for business (including settling FX transactions and currency deposit transactions) in Warsaw, London and New York</li> </ol>
<b>Precious Metal Transaction</b>	Transaction where the Commodity is a Precious Metal
<b>Ounce</b>	for gold – a Troy ounce of pure gold, for silver and platinum – a Troy ounce
<b>Transaction Currency</b>	the currency in which the Commodity Reference Price for a given Transaction is denominated
<b>Price Source</b>	publication (or other information source, including the Stock Exchange), containing (or providing) the Specified Price (or the prices based on which the Specified Price is calculated), defined by the Parties in the appropriate Commodity Reference Price
<b>Trading Disruption</b>	material suspension of or material limitation on trading in Futures Contracts or Commodities on the appropriate Stock Exchange, which contribute to setting the Relevant Price. For the purposes of this definition: <ol style="list-style-type: none"> <li>1) suspension of trading in Futures Contracts or Commodities on the Commodity Business Day shall be deemed material solely if trading in Futures Contracts or Commodities has been entirely suspended:             <ol style="list-style-type: none"> <li>a) during the entire Pricing Date or</li> <li>b) following commencement of trading on the Pricing Date, trading has not been resumed prior to the planned closing time of trading in Futures Contracts or Commodities on such a Pricing Date, and such suspension has been announced less than an hour in advance,</li> </ol> </li> <li>2) limitation on trading in Futures Contracts or Commodities on the Commodity Business Day shall be deemed material only if a given Stock Exchange sets limits for the price of Futures Contracts or Commodities, whereas the closing prices and settlement prices for Futures Contracts or Commodities on such day shall match the upper or bottom limit in such a price range</li> </ol>
<b>Price Source Disruption</b>	the Price Source's failure to announce or publish the Specified Price (or information needed to determine the Specified Price) for the appropriate Commodity Reference Price or lack of the Price Source
<b>Fallback Reference Price Disruption Fallback</b>	the Commodity reference price defined by the Parties in the Transaction Terms that shall apply should the Market Disruption Event occur
<b>Market Disruption Event</b>	a method that serves as an alternative basis for setting the Relevant Price for the relevant Commodity Reference Price whenever the Market Disruption Event has occurred or continues on the Pricing Date (or on the day when the prices with respect to the Pricing Date would be published or announced on a standard basis by the Price Source if this day is not the Pricing Date) <p>an event leading, in accordance with the appropriate Disruption Fallback, to use of the alternative basis for determining the Relevant Price in relation to the Commodity Reference Price, or to setting the Early Termination Date, if such event would occur on the Pricing Date for this Transaction (or on the day when the prices with respect to the Pricing Date would be published or announced on a standard basis by the Price Source if this day is not the Pricing Date). The following Market Disruption Events shall apply to:</p> <ol style="list-style-type: none"> <li>1) the Transaction other than the Precious Metal Transaction:             <ol style="list-style-type: none"> <li>a) Disappearance of Commodity Reference Price,</li> <li>b) Material Change in Content,</li> <li>c) Material Change in Formula,</li> <li>d) Trading Disruption,</li> <li>e) Price Source Disruption,</li> </ol> </li> <li>2) Precious Metal Transaction:             <ol style="list-style-type: none"> <li>a) Disappearance of Commodity Reference Price,</li> <li>b) Trading Disruption,</li> <li>c) Price Source Disruption</li> </ol> </li> </ol>

## §2. Swap Transaction Description

### I. Descriptions of IRS and CIRS Transactions

1. **Interest Rate Swap (IRS or Transakcja IRS).** In an IRS Transaction, the Parties shall exchange interest payments on each Interest Payment Date from the Effective Date until the Termination Date. This means that the Bank shall transfer to the Customer the amount of interest accrued on the Notional Amount in the Interest Period at the Bank Reference Rate, while the Customer shall transfer to the Bank the amount of interest accrued in the Interest Period on the Notional Amount at the Customer's Reference Rate. The Parties may agree, in the Transaction Terms, that the settlement of each such payment shall take place on each Interest Payment Date exclusively in the form of a net settlement i.e. by the payment of the Interest Difference Amount by the Party whose interest amount calculated as above is higher, to the Party whose interest amount calculated as above is lower.

The Parties can additionally agree that the Notional Amount should be variable in the period from the Effective Date until the Termination Date. In such a case, the Parties shall agree on dates or conditions of the Notional Amount change.

2. **Currency Interest Rate Swap (CIRS or Transakcja CIRS).** In a CIRS Transaction, in the period from the Effective Date until the Termination Date, the Parties shall:

- 1) exchange Notional Amounts in such a way that:
  - a) if initial and final exchanges of the Notional Amounts have been agreed upon:
    - on the Effective Date, the Bank shall transfer the Customer's Notional Amount to the Customer while the Customer shall transfer the Bank Notional Amount to the Bank, and
    - on the Termination Date, the Bank shall transfer the Bank Notional Amount to the Customer while the Customer shall transfer the Customer's Notional Amount to the Bank, or
  - b) if only the final exchange of Notional Amounts has been agreed upon, on the Termination Date, the Bank shall transfer the Bank Notional Amount to the Customer while the Customer shall transfer the Customer's Notional Amount to the Bank,

and



- 2) exchange interest payments on each Interest Payment Date in such a way that the Bank shall transfer to the Customer the amount of interest accrued in a given Interest Period on the Bank Notional Amount at the Bank Reference Rate, while the Customer shall transfer to the Bank the amount of interest accrued in the same Interest Period on the Customer's Notional Amount at the Customer Reference Rate.

The Parties can additionally agree on the following:

- 1) the Bank Notional Amount or the Customer's Notional Amount will be variable in the period from the Effective Date until the Termination Date. In such a case, the Bank and the Customer shall agree on dates or conditions of changing the respective Notional Amount, likewise on a relevant exchange rate at which a new respective Notional Amount will be determined, or
  - 2) instead of paying relevant interest amounts on each Interest Payment Date by each of the Parties (**gross settlement**), the settlement of each such payment shall take place on each Interest Payment Date in form of a **net settlement**, i.e. exclusively by the payment of the Interest Difference Amount by the Party whose interest amount calculated as above is higher to the Party whose interest amount calculated as above is lower, or
  - 3) instead of exchange of the Bank Notional Amount into the Customer Notional Amount on the Commencement Date or Termination Date (**gross exchange**), the settlement of such an exchange shall be made on that day in form of a **net exchange**, i.e. exclusively by the payment of Notional Amount Difference by the Party whose Notional Amount:
    - is expressed in the Settlement Currency,
    - and would be due to the other Party,
    - is higher.
3. **Interest Periods.** The following provisions shall apply to determination of Interest Periods.
- 1) The first Interest Period shall commence on the Effective Date and end on the day immediately preceding the Interest Payment Date for this Interest Period. Each subsequent Interest Period shall start on the Interest Payment Date for the previous Interest Period and shall last until the day immediately preceding the Interest Payment Date for the current Interest Period. The exception shall be the last Interest Period, which shall end on the Termination Date.
  - 2) If the Interest Payment Date falls on a day that is not a Business Day, unless the Bank and the Customer agree otherwise, it shall be moved to the nearest Business Day following that day. If the Interest Payment Date determined as above fell in the following calendar month, it should be moved to the nearest Business Day preceding that day. The determination of the Interest Payment Date in accordance with the above rule shall result in an appropriate modification of the duration of a respective Interest Period.
4. **Inability to determine the Bank Reference Rate or the Customer Reference Rate.** If the Bank is unable to determine the Bank Reference Rate or the Customer Reference Rate according to the Transaction Terms – the provisions of Enclosure No 1 to the Transaction Descriptions shall apply.
5. **Inability to Determine the Reference Rate.** If the Bank is unable to determine the Reference Rate in the manner specified in the Transaction Terms – the provisions of the Enclosure No 1 to the Transaction Descriptions shall apply.

## II. Description of Commodity Swap Transactions

1. **Commodity Swap (Swap Towarowy).** In a Commodity Swap Transaction, the Parties (the Fixed Price Payer or Floating Price Payer A and Floating Price Payer or the Floating Price Payer B) undertake to make – from the Effective Date until Termination Date, on each Settlement Payment Date – a settlement by payment or receipt of the Settlement Payment Amount. If the Floating Amount or Floating Amount A for such Settlement Payment Date is higher than the Fixed Amount or Floating Amount B for such Settlement Payment Date – then the Floating Price Payer or Floating Price Payer B shall pay the Fixed Price Payer or the Floating Price Payer A the Settlement Payment Amount. If the Floating Amount or Floating Amount B for such Settlement Payment Date is lower than the Fixed Amount or Floating Amount A for such Settlement Payment Date – then the Fixed Price Payer or the Floating Price Payer A shall pay the Floating Price Payer or Floating Price Payer B the Settlement Payment Amount.
2. **Adjustment of the Relevant Price.** The Bank may notify the Customer of an adjustment in the manner specified in the Customer Information Attachment if the price published or announced on a given day, which has been or is to be applied by the Bank:
  - 1) is adjusted by the Price Source to determine the Relevant Price,
  - 2) the Price Source publishes the adjustment within 30 calendar days after the first publication or announcement.

If the Bank, within 30 calendar days after the publication or announcement of the adjustment, notifies the Customer of the adjustment, the Bank shall determine – in accordance with the Transaction Terms – whether the previous Settlement Payment Amount has changed or not. If so, the Bank shall determine – also in accordance with the Transaction Terms – the Adjustment Amount, i.e. the amount which one Party is obligated to pay the other Party. The Adjustment Amount is the absolute value of the difference between the originally calculated Settlement Payment Amount and the adjusted Settlement Payment Amount, increased by the amount of interest on such difference. The Bank shall calculate interest at an annual interest rate determined by the Bank as the interest rate offered for deposits in the currency of the respective payment on the interbank market in London at 11:00 am London time on the Settlement Payment Date – for the period from the date on which the originally calculated Settlement Payment Amount is paid (inclusive of that day) until the date of payment arising from such adjustment (exclusive of that day). The Bank shall promptly notify the Customer of the Adjustment Amount in the manner specified in the Customer Information Attachment. If the Adjustment Amount is due to the Bank – the Customer shall pay it. If the Adjustment Amount is due to the Customer – the Bank shall pay it.

### 3. Disruption Fallback.

If the Bank determines in good faith that the Market Disruption Event applicable to the Transaction has occurred or continues on the Pricing Date of such Transaction (or on the day when prices in respect of such Pricing Date would be normally published or announced by the Price Source, if such day is not the Pricing Date), the Relevant Price as at such Pricing Date shall be determined by the Bank in accordance with the first relevant Disruption Fallback (applied according to its terms). If the Bank is unable to determine the Relevant Price, the provisions of item 5 shall be applied.

In order to determine whether and how the Disruption Fallback applies to the Transaction, the terms below will have the following meanings:

- 1) **Negotiated Fallback** – immediately after the occurrence of the Market Disruption Event, the Parties acting in good faith shall commence telephone negotiations in order to determine the Relevant Price or the method of the Relevant Price determination. If the Parties fail to determine the Relevant Price in this way in the period equal to the Maximum Days of Disruption that follows the Pricing Date at which the Market Disruption Event has occurred or continued – the next Disruption Fallback shall be applied accordingly,
  - 2) **Postponement** – when the Parties apply the Disruption Fallback, only the first subsequent Commodity Business Day on which the Market Disruption Event has ended shall be deemed the Pricing Date – unless the Market Disruption Event persists (counting from and inclusive of the originally determined Commodity Pricing Date) throughout the following Commodity Business Days in the number equal to the Maximum Days of Disruption. In such a case, the Parties shall apply another Disruption Fallback. In the event that due to the Postponement consistent with this provision, there is no Relevant Price available to establish the Floating Price required to calculate the Settlement Payment Amount due on the Settlement Payment Date, a given Settlement Payment Date shall be deferred by the period equal to the deferral period for determining the Relevant Price,
  - 3) **Delayed Publication or Announcement** – the Bank shall determine the Relevant Price as at the Pricing Date on the basis of the Specified Price, in relation to the day originally determined as the Pricing Date, which was retroactively published or announced by the relevant Price Source on the first subsequent Commodity Business Day on which the Market Disruption Event ceased to exist, unless the Market Disruption Event persists (counting from and inclusive of the originally determined Pricing Date) or when the Relevant Price remains undetermined on subsequent Commodity Business Days in the number equal to the Maximum Days of Disruption. In such a case, the Parties shall apply another Disruption Fallback. In the event that due to the delay consistent with this provision, there is no Relevant Price available to establish the Floating Price required to calculate the Settlement Payment Amount due on any Settlement Payment Date, a given Settlement Payment Date shall be delayed by the period equal to the delay period for determining the Relevant Price,
  - 4) **Fallback Reference Price** – the Bank shall determine the Relevant Price based on the Fallback Reference Price for the given Pricing Date, which the Parties specified in the Transaction Terms. If the Fallback Reference Price is also affected by the Market Disruption Event on the given Pricing Date, then another Disruption Fallback shall apply to the Transaction,
  - 5) **Fallback Reference Dealers** – the Bank shall determine the Relevant Price according to the Commodity Reference Price determined by reference to the Commodity Reference Dealers.
4. **Application of the Disruption Fallback.**

The Bank shall apply the following Disruption Fallbacks, in the following order, for Transactions concluded by a Customer who is not a natural person referred to in Article 385<sup>5</sup> of the Civil Code.

- 1) If the Parties have agreed upon the Fallback Reference Price in the Transaction Terms, the Bank shall apply
  - a) as first in order – the Fallback Reference Price,
  - b) as second in order – the Negotiated Fallback, Delayed Publication or Announcement and Postponement (applied concurrently during the Maximum Days of Disruption in such a way that the price set in this period by the Postponement shall be the Relevant Price only if the Relevant Price is not set in this period as a result of a Delayed Publication or Announcement).

If the Relevant Price has been determined:

  - as a result of the Delayed Publication or Announcement or Postponement prior to the Parties setting the Relevant Price under the procedure of the Negotiated Fallback, then the Negotiated Fallback shall not apply,
  - under the procedure of the Negotiated Fallback prior the Parties setting the Relevant Price under the procedure of a Delayed Publication or Announcement and Postponement, then the Delayed Publication or Announcement and Postponement shall not apply,
  - c) as third in order – the Fallback Reference Dealers.
- 2) If the Parties have not agreed upon the Fallback Reference Price in the Transaction Terms, the Bank shall apply:

a) as first in order – the Negotiated Fallback, Delayed Publication or Announcement and Postponement (applied concurrently during the Maximum Days of Disruption in such a way that the price set in this period by the Postponement shall be the Relevant Price only if the Relevant Price is not set in this period as a result of a Delayed Publication or Announcement).

If the Relevant Price has been determined:

- as a result of the Delayed Publication or Announcement or Postponement prior to the Parties setting the Relevant Price under the procedure of the Negotiated Fallback, then the Negotiated Fallback shall not apply;
- under the procedure of the Negotiated Fallback prior the Parties setting the Relevant Price under the procedure of a Delayed Publication or Announcement and Postponement, then the Delayed Publication or Announcement and Postponement shall not apply.

b) as second in order – the Fallback Reference Dealers.

The Bank shall apply the following Disruption Fallbacks, in the following order, for Transactions concluded by a Customer who is a natural person referred to in Article 385<sup>5</sup> of the Civil Code.

1) If the Parties have agreed upon the Fallback Reference Price in the Transaction Terms, the Bank shall apply:

a) as first in order – the Fallback Reference Price,

b) as second in order – the Negotiated Fallback, Delayed Publication or Announcement and Postponement (applied concurrently during the Maximum Days of Disruption in such a way that the price set in this period by the Postponement shall be the Relevant Price only if the Relevant Price is not set in this period as a result of a Delayed Publication or Announcement).

If the Relevant Price has been determined:

- as a result of the Delayed Publication or Announcement or Postponement prior to the Parties setting the Relevant Price under the procedure of the Negotiated Fallback, then the Negotiated Fallback shall not apply,
- under the procedure of the Negotiated Fallback prior to the Parties setting the Relevant Price under the procedure of a Delayed Publication or Announcement and Postponement, then the Delayed Publication or Announcement and Postponement shall not apply,

2) If the Parties have not agreed upon the Fallback Reference Price in the Transaction Terms, the Bank shall apply:

a) as first in order – the Negotiated Fallback, Delayed Publication or Announcement and Postponement (applied concurrently during the Maximum Days of Disruption in such a way that the price set in this period by the Postponement shall be the Relevant Price only if the Relevant Price is not set in this period as a result of a Delayed Publication or Announcement).

If the Relevant Price has been determined:

- as a result of the Delayed Publication or Announcement or Postponement prior to the Parties setting the Relevant Price under the procedure of the Negotiated Fallback, then the Negotiated Fallback shall not apply,
- under the procedure of the Negotiated Fallback prior the Parties setting the Relevant Price under the procedure of a Delayed Publication or Announcement and Postponement, then the Delayed Publication or Announcement and Postponement shall not apply.

## 5. Setting the Early Termination Date.

In cases where the Market Disruption Event has occurred or continues on the day, which otherwise would have been the Pricing Date for the Transaction (or on the day when the prices in relation to the Pricing Date would be normally published or announced by the Price Source, if such day is not the Pricing Date), and none of the Disruption Fallbacks results in obtaining the Relevant Price by the Parties, then the Bank, without termination of the Master Agreement, shall set the Early Termination Date for the Transaction, as if an Event of Default has occurred on the date when it was established that none of the Disruption Fallbacks shall result in obtaining the Relevant Price.

## §3. Transaction Terms

1. In order to enter into an IRS Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:

- 1) Notional Amount (*Kwota Bazowa*),
- 2) Bank Reference Rate (*Stopa Referencyjna Banku*),
- 3) Customer Reference Rate (*Stopa Referencyjna Klienta*),
- 4) solely in the case of the Bank Reference Rate or the Customer Reference Rate which is a Compounded RFR (*Stopa Składana RFR*):
  - a) Lookback Period (*Okres Przesunięcia*) – if it is different than 5 RFR Business Days,
  - b) Compounding Method – if it is different than:
    - the method with observation shift – for: the Bank Reference Rate or the Customer Reference Rate based on WIRON – or
    - the method without observation shift – for: the Bank Reference Rate or the Customer Reference Rate other than WIRON,
- 5) Interest Rate Period (*Okres Odsetkowy*),
- 6) Effective Date (*Dzień Rozpoczęcia*),
- 7) Interest Payment Date (*Dzień Płatności Odsetek*),
- 8) Termination Date (*Dzień Zakończenia*).

2. In order to enter into a CIRS Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:

- 1) Bank Notional Amount (*Kwota Bazowa Banku*),
- 2) Customer's Notional Amount (*Kwota Bazowa Klienta*),
- 3) Currency for Bank Notional Amount (*Waluta dla Kwoty Bazowej Banku*),
- 4) Currency for Customer's Notional Amount (*Waluta dla Kwoty Bazowej Klienta*),
- 5) Settlement Currency (*Waluta Rozliczenia*) and Exchange Rate (*Kurs Wymiany*) and additionally – if the Parties have agreed upon net settlement – the Reference Rate (*Kurs Referencyjny*),
- 6) Bank Reference Rate (*Stopa Referencyjna Banku*),
- 7) Customer Reference Rate (*Stopa Referencyjna Klienta*),
- 8) solely in the case of the Bank Reference Rate or the Customer Reference Rate which is a Compounded RFR (*Stopa Składana RFR*):
  - a) Lookback Period (*Okres Przesunięcia*) – if it is different than 5 RFR Business Days,
  - b) Compounding Method – if it is different than:
    - the method with observation shift – for the Reference Rate based on WIRON – or
    - the method without observation shift – for a different Reference Rate,
- 9) Interest Rate Period (*Okres Odsetkowy*),
- 10) Effective Date (*Dzień Rozpoczęcia*),
- 11) Interest Payment Date (*Dzień Płatności Odsetek*),
- 12) Termination Date (*Dzień Zakończenia*),
- 13) Initial and final exchange or only the final exchange of Notional Amounts (*Wymiana początkowa i końcowa*).

3. In order to enter into a Commodity Swap Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:

- 1) Effective Date (*Dzień Rozpoczęcia*),
- 2) Termination Date (*Dzień Zakończenia*),
- 3) Pricing Date (*Dzień Wyceny Towaru*),
- 4) Settlement Payment Date (*Dzień Rozliczenia Płatności*),
- 5) Commodity (*Towar*),
- 6) Notional Quantity per Calculation Period (*Ilość Nominalna dla Okresu Obliczeniowego*) or Notional Quantity per Calculation Period of the Floating Price Payer A (*Ilość Nominalna Dla Okresu Obliczeniowego Płatnika Kwoty Zmiennej A*) and Notional Quantity per Calculation Period of the Floating Price Payer B (*Ilość Nominalna Dla Okresu Obliczeniowego Płatnika Kwoty Zmiennej B*),
- 7) Floating Price Payer (*Płatnik Kwoty Zmiennej*) or Floating Price Payer A (*Płatnik Kwoty Zmiennej A*) and Floating Price Payer B (*Płatnik Kwoty Zmiennej B*),
- 8) Fixed Price Payer (*Płatnik Kwoty Stałej*) – provided the Parties agree on the Fixed Price in the Transaction Terms,

- 9) Commodity Reference Price (*Referencyjna Cena Towaru*) supplemented by: Specified Price (*Ogłoszona Cena*) and (if the definition the Parties will use to define the Commodity Reference Price includes reference to the Delivery Date) – Delivery Date (*Dzień Dostawy*),
- 10) Fixed Price (*Cena Stała*) – provided the Parties agree on such parameter in the Transaction Terms,
- 11) Calculation Period (*Okres Obliczeniowy*) or Calculation Period of the Floating Price Payer A (*Okres Obliczeniowy Płatnika Kwoty Zmiennej A*) and Calculation Period of the Floating Price Payer B (*Okres Obliczeniowy Płatnika Kwoty Zmiennej B*),
- 12) Applicable Spread to Floating Price A or Applicable Spread to Floating Price B (*Obowiązujący Spread do Ceny Zmiennej A / Obowiązujący Spread do Ceny Zmiennej B*) – provided the Parties agree on such parameter in the Transaction Terms.

In addition to the conditions referred to in items 1–12, the Parties shall agree on which Settlement Payment Date, Pricing Date, Delivery Date or the Notional Quantity per Calculation Period/ Notional Quantity per Calculation Period of the Floating Price Payer A/ Notional Quantity per Calculation Period of the Floating Price Payer B relates to a given Calculation Period/ Calculation Period of the Floating Price Payer A/ Calculation Period of the Floating Price Payer B. Fixed Price, Applicable Spread to Floating Price A/ Applicable Spread to Floating Price B, Commodity Reference Price, Specified Price and Fallback Reference Price (provided that agreed between the Parties) – will be the same for each Calculation Period.

In addition to the conditions referred to items 1–12, the Parties may agree on the Fallback Reference Price. If the agreed Fallback Reference Price is expressed in a currency other than the Transaction Currency or is given in Commodity measure unit other than the Unit – the Parties shall agree on the terms on which the price shall be converted by the Bank in such a manner that the converted price is expressed in the Transaction Currency and Unit.

## Currency Transactions

### §1. Definitions

<b>Automatic Exchange Date</b>	for a Flexitem Forward Transaction – the last Business Day of the Exchange Period
<b>Exchange Date</b>	for a Flexitem Forward Transaction – each Business Day within the Exchange Period on which the Customer may exercise its rights arising from the Transaction
<b>Transfer Instruction</b>	a transfer order placed by the Customer at the Bank, denominated in the Transaction Currency, for the Transaction Amount (or its part) which the Customer purchased from the Bank at the Exchange Rate
<b>Settlement Date</b>	- for Today / Tomorrow / Spot / Forward / NDF / FX Swap Transactions – a Business Day agreed upon in the Transaction Terms when the mutual settlement between the Parties under the Transaction takes place - for a Flexitem Forward Transaction – the second Business Day following the Exchange Date or the Automatic Exchange Date (if applicable) on which the mutual settlement between the Parties under the Transaction takes place
<b>Effective Date</b>	a Business Day agreed upon in the Transaction Terms
<b>Termination Date</b>	a Business Day agreed upon in the Transaction Terms
<b>Cut-off Time</b>	with respect to the specific Transaction Currency, the hour by which the Customer should submit the Transfer Instruction. Information about the applicable Cut-Off Time is provided in the Bank's branches or at the Bank's website
<b>Buyer/ Seller</b>	respectively: the Bank or the Customer
<b>Reference Rate</b>	an exchange rate for the pair of currencies to which an NDF Transaction applies, determined by the central bank agreed by the Parties or another entity on a relevant day (hereinafter: <b>Fixing Date</b> ). The type of the Reference Rate and Fixing Date is agreed by the Parties in the Transaction Terms
<b>Exchange Rate</b>	a Settlement Currency exchange rate, as determined in Transaction Terms, at which the Transaction Currency is either sold or bought
<b>Payment Amount</b>	the amount denominated, as agreed by the Parties, in the following currencies: 1) the Settlement Currency – as the product of the Notional Amount and the absolute value of the difference between the set Exchange Rate and the Reference Rate, or 2) in the Transaction Currency – in accordance with this formula: $\text{Notional Amount} * [1 - \text{Exchange Rate} / \text{Reference Rate}]$
<b>Notional Amount</b>	the amount denominated in the Transaction Currency, sold to the Buyer by the Seller. For a Flexitem Forward Transaction – in the case of its: - partial settlement on the Exchange Date – the Notional Amount is tantamount to at least the Minimum Exchange Amount, - full settlement on the Automatic Exchange Date – the Notional Amount equals the difference between the Notional Amount agreed upon in the Transaction Terms and Transaction Amount/ Amounts which are partially settled on the Exchange Date/ Dates
<b>Settlement Amount</b>	an amount denominated in the Settlement Currency, equivalent to the Notional Amount in the Settlement Currency, calculated as the product of the respective Notional Amount and the Exchange Rate
<b>Minimum Exchange Amount</b>	for a Flexitem Forward Transaction – unless the Parties decide otherwise – the amount of at least PLN 50,000 (or its equivalent in the Settlement Currency, calculated according to the Exchange Rate), which is sold by the Seller to the Buyer as a result of the partial settlement of the Transaction
<b>Latest Exchange Time</b>	for a Flexitem Forward Transaction – unless the Parties decide otherwise – 4:00 pm Warsaw time
<b>Earliest Exchange Time</b>	for a Flexitem Forward Transaction – unless the Parties decide otherwise – 9:00 am Warsaw time
<b>Exchange Period</b>	for a Flexitem Forward Transaction – each Business Day falling in the period from the Effective Date (inclusive) to the Termination Date (inclusive), between the Earliest Exchange Time and the Latest Exchange Time
<b>Transaction Description</b>	this Description of Currency Transactions
<b>GOonline Biznes System</b>	GOonline Biznes Internet banking system
<b>Currency Transaction</b>	a Today Transaction, Tomorrow Transaction, Spot Transaction, Forward Transaction, NDF Transaction, Flexitem Forward Transaction, Currency Swap Transaction or other Transaction type of a similar nature, agreed upon by and between the Parties
<b>Payment Amount Currency</b>	the currency in which the Payment Amount is settled by one of the Parties
<b>Settlement Currency</b>	the currency agreed upon in the Transaction Terms in which the Notional Amount/ Minimum Exchange Amount is paid by the Buyer
<b>Transaction Currency</b>	the currency agreed upon in the Transaction Terms in which the Notional Amount/ Minimum Exchange Amount is denominated

### §2. Currency Transaction Description

- Today Transaction.** By entering into a Today Transaction, the Seller shall sell the Notional Amount, while the Buyer shall buy it for the Settlement Amount. The Settlement Date shall be the Transaction Conclusion Date.
- Tomorrow Transaction.** By entering into a Tomorrow Transaction, the Seller shall sell the Notional Amount, while the Buyer shall buy it for the Settlement Amount. The Settlement Date shall be a Business Day immediately following the Transaction Conclusion Date.
- Spot Transaction.** By entering into a Spot Transaction, the Seller shall sell the Notional Amount, while the Buyer shall buy it for the Settlement Amount. The Settlement Date shall be the second Business Day following the Transaction Conclusion Date.
- Today Transaction, Tomorrow Transaction, Spot Transaction – concluded for the purpose of effecting a Transfer Instruction.** Today Transaction or Tomorrow Transaction or Spot Transaction (referred to in items 1-3, respectively) concluded for the purpose of effecting a Transfer Instruction – is concluded by the Customer in order to allow the Customer to place a Transfer Instruction at the Bank at the latest on the Settlement Date for a given Transaction, which is subsequently effected by the Bank.
  - Until Bank posts a Transfer Instruction (resulting in the execution of the Transaction Settlement by the Bank, i.e. debiting of the Customer Settlement Account with the Settlement Amount in the Settlement Currency), the Settlement Amount is visible to the Customer in this account – as the available balance. Therefore, when the Customer submits other instructions concerning the funds on that account, is obliged to ensure, on the Settlement Date at the latest, cash in the amount necessary for the Bank to execute the Transfer Instruction (including the payment of a commission by the Customer).
  - Conclusion of the Transaction results in the Customer's obligation to submit the Transfer Instruction to the Bank no later than on the Settlement Date:
    - in the GOonline Biznes System,
    - one or more – for the Notional Amount/ for the total Notional Amount. Each Transfer Instruction should be submitted by the Cut-Off Time relevant for the specific Transaction Currency.

- 3) The Bank may refuse to execute the Transfer Instruction in the event there are insufficient funds on the relevant Customer Settlement Account for the Bank to perform the Transfer Instruction (including payment of a commission by the Customer).
- 4) The Bank shall execute a Transfer Instruction if the Customer submits the instruction in accordance with:
- the functionalities of the GOonline Biznes System,
  - provisions referred to in point 2) above,
  - provisions referred to in item 10, concerning the need for the Customer to enter the reference number of the concluded Transaction in the Transfer Instruction submitted via the GOonline Biznes System.
- 5) The Transfer Instruction submitted by the Customer:
- in breach of the rules referred to in item 10, concerning the need for the Customer to enter the reference number of the concluded Transaction in the Transfer Instruction submitted via the GOonline Biznes System or
  - contrary to the functionalities of the GOonline Biznes System,
- will be executed by the Bank on standard terms, without taking into consideration the Exchange Rate agreed in the Transaction Terms, i.e. at the exchange rate consistent with the currently applicable Table of Exchange Rates.

- 6) If:
- the Customer fails to submit one or more than one Transfer Instruction for the Notional Amount/ the total Notional Amount before the Cut-Off Time or
  - there are no sufficient funds on the relevant Customer Settlement Account to execute the Transfer Instruction by the Bank (including the payment of a commission by the Customer),
- the Transaction Amount or its part which has not been included in the Transfer Instruction may be converted by the Bank into the Settlement Currency of that Transaction, at the exchange rate indicated in the Table of Exchange Rates applicable at the moment of the currency conversion. The Bank shall not do so if, on the Transaction Conclusion Date, by 4:30 pm, the Customer agrees with the Bank on another exchange rate at which the Bank will convert the currency. In order to agree on the exchange rate referred to above, the Parties will contact each other on the phone.

If, as a result of the currency conversion referred to above, the amount of the exchange rate difference between the Exchange Rate and the exchange rate used in the currency conversion:

- is due to the Bank – the Bank shall charge this amount from the Customer Settlement Account in the Settlement Currency or from any other account of the Customer held with the Bank. Whenever the currency of the amount due to the Bank is different from the currency of the account from which such an amount is collected – the Bank shall convert this amount into the currency in which it is due to it at an appropriate exchange rate indicated in the Table of Exchange Rates applicable at the moment of the collection,
  - is due to the Customer – the Bank shall credit the Customer Settlement Account with this amount in the Settlement Currency.
5. **Forward Transaction.** By entering into a Forward Transaction, the Seller shall sell the Notional Amount, while the Buyer shall buy it for the Settlement Amount. The Settlement Date falls not earlier than on the 3rd Business Day following the Transaction Conclusion Date.
6. **NDF Transaction.** By entering into a NDF Transaction, the Seller shall sell the Notional Amount to the Buyer and the Buyer shall buy it for the Settlement Amount, whereas the net settlement shall be made on the Settlement Date through transfer of the Payment Amount by one Party to the other Party. In the event that the Exchange Rate on the Fixing Date is higher than the Reference Rate, the Buyer shall pay the Payment Amount to the Seller on the Settlement Date. If the Exchange Rate on the Fixing Date is lower than the Reference Rate, the Seller shall pay the Payment Amount to the Seller on the Settlement Date. The Settlement Date falls not earlier than on the 3rd Business Day following the Transaction Conclusion Date.
7. **Currency Swap Transaction (FX Swap).** By entering into a Currency Swap Transaction, the Parties shall conclude two Currency Transactions for the purpose of the Initial Exchange (*First Leg of a Swap*) and the Final Exchange (*Second Leg of a Swap*), being the opposite to the Initial Exchange. The Settlement Date can be the Transaction Conclusion Date (*Today Transaction*), the next Business Day (*Tomorrow Transaction*), the 2nd Business Day falling after the Transaction Conclusion Date (*Spot Transaction*) or the Business Day falling not earlier than on the 3rd Business Day after the Transaction Conclusion Date (*Forward Transaction*).
8. **Flexitem Forward Transaction (Flexitem Forward).** By entering into a Flexitem Forward Transaction, at any moment of the Exchange Period, upon notifying the Bank about the willingness to make a partial settlement of this transaction, the Customer has the right to buy the Transaction Currency from the Bank (if the Customer is the Buyer) or sell it to the Bank (if the Customer is the Seller), respectively, in the amount equal to at least the Minimum Exchange Amount, in exchange for the Settlement Amount payable on the appropriate Settlement Date. If on the Automatic Exchange Date, the difference between the Notional Amount agreed upon in the Transaction Terms and the Notional Amount / the total of Notional Amounts which is/are partially settled on the Exchange Date or Dates differs from zero, the Customer is obligated to buy from the Bank (if the Customer is the Buyer) or sell to the Bank (if the Customer is the Seller), respectively, the Transaction Currency in the amount equal to the difference between the Notional Amount agreed upon in the Transaction Terms and the Notional Amount / the total of Notional Amounts which is/are partially settled on the Exchange Date or Dates, in exchange for the Settlement Amount payable on the Settlement Date appropriate for the Automatic Exchange Date.
9. **Inability to Determine the Reference Rate.** If the Bank is unable to determine the Reference Rate in the manner specified in the Transaction Terms – the provisions of the Enclosure No 1 to the Transaction Descriptions shall apply.
10. **Transaction Terms (for Today, Tomorrow, Spot, Forward, NDF and Currency Swap Transactions).** In order to enter into a Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:
- 1) Buyer and Seller (*Kupujący i Sprzedający*),
  - 2) Notional Amount (*Kwota Transakcji*),
  - 3) Transaction Currency (*Waluta Transakcji*),
  - 4) Settlement Currency (*Waluta Rozliczenia*),
  - 5) Exchange Rate (*Kurs Wymiany*),
  - 6) Settlement Date (*Dzień Rozliczenia*),
  - 7) Type of the Reference Rate, Fixing Date and the time of announcement of the Reference Rate (provided that such time is the decisive factor for setting the rate) and the Payment Amount Currency – for NDF Transactions. If the Parties, when entering into an NDF Transaction, do not agree on the Payment Amount Currency – the Bank shall deem the Settlement Currency to be the Payment Amount Currency.

For Today Transactions, Tomorrow Transactions and Spot Transactions – concluded by the Customer, for the purpose of effecting a Transfer Instruction:

- a) by telephone – the Customer is additionally obligated to:
- inform the Bank's employee concluding the Transaction with the Customer about the purpose of concluding the Transaction (*Transaction concluded for the purpose of executing a Transfer Instruction*),
  - after receiving information from that employee of the Bank about the reference number of the Transaction concluded – the Customer shall include that number in the Transfer Instruction submitted via the GOonline Biznes System, or
- b) via the Bank's online transaction platform or mobile application (if the Bank renders such feature available to the Customer) – the Customer is also required to: include the reference number of the Transaction, generated by this transaction platform or mobile application, in the Transfer Instruction submitted via the GOonline Biznes System.

If a Forward Transaction is concluded within the Secured Limit, in addition to the conditions referred to in items 1-6, the Parties shall additionally agree upon:

- a) the Initial Collateral Amount (*Kwota Zabezpieczenia Początkowego*),
- b) the Initial Collateral Currency (*Waluta Zabezpieczenia Początkowego*).

With respect to Currency Swap Transactions, the Parties shall agree (for both Currency Transactions included in the FX Swap) upon the essential Transaction Terms out of the terms referred to in items 1-6. In addition, if a Currency Swap Transaction is concluded within the Secured Limit, the Parties shall agree upon:

- a) the Initial Collateral Amount (*Kwota Zabezpieczenia Początkowego*),
- b) the Initial Collateral Currency (*Waluta Zabezpieczenia Początkowego*).

11. **Transaction Terms (for the Flexitem Forward Transaction).** In order to enter into a Transaction, the Parties shall, in each case, agree upon the essential Transaction Terms out of the following:

- 1) Buyer and Seller (*Kupujący i Sprzedający*),
- 2) Notional Amount (*Kwota Transakcji*),
- 3) Transaction Currency (*Waluta Transakcji*),
- 4) Settlement Currency (*Waluta Rozliczenia*),
- 5) Exchange Rate (*Kurs Wymiany*),
- 6) Effective Date (*Dzień Rozpoczęcia*),
- 7) Termination Date (*Dzień Zakończenia*).





# Rules of procedure in the event of lack of Benchmark publication or change in the Benchmark's calculation method or loss of the Benchmark representativeness

Rules of procedure in the event of lack of Benchmark publication or change in the Benchmark's calculation method or loss of the Benchmark representativeness (hereinafter: the **Rules of Procedure**) set out the rules of conduct for the Bank in the event of (temporary or permanent) cessation of Benchmark's provision or a change of its calculation method or loss of Benchmark representativeness.

Terms used in Rules of Procedure shall have the meaning as assigned to them in the Regulations and the Transaction Descriptions – unless otherwise stipulated herein. The Rules of Procedure are an integral part of the Regulations and the Transaction Descriptions.

## §1. Definitions

<b>Administrator</b>	the entity exercising control over the Benchmark development
<b>Bloomberg</b>	Bloomberg Index Services Limited or another entity which assumes the role of entity that publishes the Alternative Benchmark as referred to in § 5 item 1
<b>Bloomberg FX Fixing</b>	the index determined for FX rates, calculated by BFXI Bloomberg Index Services Limited or its successor
<b>BMR</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014
<b>Benchmark</b>	
<b>Business Day</b>	a day which, in accordance with applicable laws, is not a statutory holiday and is not a Saturday
<b>Application Day</b>	a day on which the Parties are to apply the Benchmark to determine the Parties' performance in accordance with Transaction Terms
<b>Replacement Day</b>	the day designated by the Bank during the period that commences 90 days before the first day on which: <ol style="list-style-type: none"> <li>1) if the Announcement on the Lack of License occurs – the Current Benchmark may not be lawfully applied to Transaction – and ends on that day,</li> <li>2) if the Announcement on the Cessation of Publication occurs – the Current Benchmark has not been published in connection with the Announcement on the Cessation of Publication – and ends on that day,</li> <li>3) in the case of the Cessation of Representativeness (this Regulatory Event only concerns the Reference Rate) – Cessation of Representativeness occurs – and ends on that day</li> </ol>
<b>€STR</b>	the "Euro short-term rate", the Administrator of which is European Central Bank (ECB) or another entity which assumes this role in the future
<b>Working Group</b>	a group preparing the proposal for the replacement of the Current Benchmark. The Working Group is nominated by public authorities or market regulators – it may also operate under the supervision or with the participation of those authorities
<b>Adjustment</b>	a positive, negative or zero value, formula or calculation methodology applied by the Bank in order to limit or eliminate the economic effects of replacing the Current Benchmark with the Alternative Benchmark. The adjustment may include calculation method (e.g. daily compounding or adding of a series of overnight benchmarks over a period for which interest is calculated) or other amendments related to the substitution of the Current Benchmark
<b>Central Counterparty</b>	authorised central counterparty through which the Bank clears derivative transactions, which uses the Reference Rate and hedges the risk of its changes, e.g. LCH Ltd. or KDPW_CCP
<b>Appointing Entity</b>	the European Commission, an authority supervising the Administrator, the Administrator, an authorised public authority or any other entity authorised in accordance with applicable laws to recommend or nominate the Alternative Benchmark and Adjustment
<b>Bloomberg Rule Book</b>	the up-to-date "IBOR Fallback Rate Adjustments Rule Book" (available as at the date of this Rules of Procedure at: <a href="http://www.bloomberg.com/professional/solution/libor-transition/">www.bloomberg.com/professional/solution/libor-transition/</a> ) or any other document which will provide the rules for determining the Alternative Rate as referred to in § 5 item 1
<b>SARON</b>	the Swiss Average Rate Overnight, the Administrator of which is SIX Swiss Exchange or another entity which assumes this role in the future
<b>SONIA</b>	the Sterling Over Night Index Average, the Administrator of which is Bank of England or another entity which assumes this role in the future
<b>SOFR</b>	the Secured Overnight Financing Rate, the Administrator of which is Federal Reserve Bank of New York or another entity which assumes this role in the future
<b>Reference Rate</b>	Reference Rate, Bank Reference Rate or Customer Reference Rate
<b>RFR</b>	€STR, SARON, SOFR, SONIA or WIRON
<b>Fallback Event</b>	one of the following events: <ol style="list-style-type: none"> <li>1) a credible source provides public information that the Benchmark will not be registered or no decision on its equivalence will be issued or the Administrator has not received or will not receive a relevant permit or registration for the provision of the Benchmark or such permit or registration for the provision of the Benchmark has been revoked or suspended (hereinafter: <b>Announcement on the Lack of License</b>),</li> <li>2) the Appointing Entity provides public information that the Administrator has permanently ceased to or is to permanently cease to publish the Benchmark if, until the date of such cessation, no replacement entity is specified for the Administrator which would continue to calculate or publish the Benchmark (hereinafter: <b>Announcement on the Cessation of Publication</b>),</li> <li>3) the Appointing Entity provides public information that the Benchmark being the Reference Rate is no longer representative or will cease to be representative for its underlying market or for the economic reality Benchmark was supposed to measure and that it is not possible to make the Benchmark representative again, with the stipulation that this provision shall only apply to LIBOR (hereinafter: <b>Announcement on the Cessation of Representativeness</b>),</li> <li>4) the Benchmark is not published due to reasons other than connected with the Regulatory Event (hereinafter: <b>Temporary Lack of Publication</b>)</li> </ol>
<b>WIRON</b>	Warsaw Interest Rate Overnight administrated by GPW Benchmark S.A. or any other entity to fulfil this function in the future. It is calculated and published according to the rules specified in the WIRON Interest Rate Regulation at <a href="http://www.gpwbenchmark.pl">www.gpwbenchmark.pl</a> within deadlines provided by the Administrator
<b>WM Reuters Spot Rate</b>	index determined for FX rates, calculated by Refinitiv Benchmark Services (UK) Limited or its successor
<b>Benchmark</b>	respectively: <ol style="list-style-type: none"> <li>1) in case of interest rate – variable Reference Rate being benchmark within the meaning of BMR, and in case of Compounded RFR Rate – RFR, which serves as its basis,</li> <li>2) in relation to FX rate – the Reference Rate or the Barrier Reference Rate,</li> <li>3) in case of interest remuneration from Collateral, as referred to in § 23 item 4 of Regulations – reference rate or index based on which the interest remuneration is calculated from Collateral</li> </ol>
<b>Alternative Benchmark</b>	the Benchmark replacing the Current Benchmark in case of a Fallback Event
<b>Current Benchmark</b>	the Benchmark applicable prior to the occurrence of the Fallback Event
<b>Regulatory Event</b>	Announcement on the Lack of License, Announcement on the Cessation of Publication or Announcement on the Cessation of Representativeness

## § 2. General Provisions

1. The Bank establishes the Alternative Benchmark and the Adjustment (if applicable) in accordance with § 4–10 and applies them from the first Application Day falling on the Replacement Day or after that day, for the remainder of the term of the Transaction, subject to other provisions of this section.
2. If, during the period from the Regulatory Event date to the Replacement Day no Current Benchmark has been published or it may not be lawfully used, the Bank will apply the Alternative Benchmark and Adjustment – starting from the first Application Day after the occurrence of the Regulatory Event. In such a case, the Bank shall establish the Alternative Benchmark and Adjustment as at the Replacement Day again.
3. Following the occurrence of the Regulatory Event, the Bank shall apply the Alternative Benchmark and Adjustment irrespective of possible later cessation of the grounds for the replacement of the Current Benchmark.
4. A change of the method of calculation of the Benchmark announced by the Administrator, including a change that is deemed material in accordance with BMR, shall not constitute a Fallback Event or grounds for amending the Transaction.
5. The Bank shall apply the Rules of Procedure regarding Current Benchmark being the Reference Rate to Current Benchmark used to determine the remuneration from the Collateral.

## § 3. Temporary Lack of Publication

1. In the event of the Temporary Lack of Publication of a Benchmark being the Reference Rate, the Bank uses the last available value of the Reference Rate before the day of the Temporary Lack of Publication. If, during the time of the Temporary Lack of Publication, a Regulatory Event occurs, the Bank shall apply the provisions applicable to the Regulatory Event.
2. In the event of the Temporary Lack of Publication of a Benchmark being the Reference Rate or Barrier Reference Rate, the Bank shall apply the Reference Rate or Barrier Reference Rate from the following Benchmark Business Day. If the Temporary lack of Publication of a Benchmark persists on the next Benchmark Business Day, the Bank shall apply the rates from subsequent Benchmark Business Days – provided that the above rule applies for a maximum of 30 calendar days.

3. If the Bank is unable to use the solution referred to in item 2, it shall apply the solutions stipulated for the Regulatory Event – provided that for subsequent Application Days, the Bank shall apply the Current Benchmark.

#### § 4. Regulatory Event – general provisions

1. If a Regulatory Event related to LIBOR or EURIBOR occurs, the Bank shall first apply the solutions described in § 5. In the case where those solutions cannot be applied, the Bank shall apply the solutions described in § 6.
2. If a Regulatory Event related to the Reference Rate other than EURIBOR, LIBOR and WIBOR occurs, the Bank shall apply the solutions described in § 6.
3. If a Regulatory Event related to the Reference Rate or Barrier Reference Rate occurs, the Bank shall apply the solutions described in § 7.

#### § 5. Regulatory Event for EURIBOR, LIBOR or WIBOR

1. If a Regulatory Event related to EURIBOR, LIBOR or WIBOR occurs, the Bank apply the following Alternative Benchmark:
  - 1) the relevant RFR rate – published by Bloomberg and time-adjusted to the Reference Rate period – and
  - 2) spread
 collectively referred to as the “Fallback Rate” in the Bloomberg Rule Book.  
 The relevant RFR shall be:
  - a) for EURIBOR – €STR.,
  - b) for CHF LIBOR (Swiss franc LIBOR) – SARON,
  - c) for GBP LIBOR (British pound LIBOR) – SONIA,
  - d) for USD LIBOR (US dollar LIBOR) – SOFR,
  - e) for WIBOR – WIRON.
 The Alternative Benchmark and applicable spread – are indicated as follows in 2021 ISDA Interest Rates Derivatives Definitions and are published by Bloomberg under the following names:
  - a) for EURIBOR – Fallback Rate (EuroSTR),
  - b) for CHF LIBOR (Swiss franc LIBOR) – Fallback Rate (SARON),
  - c) for GBP LIBOR (British pound LIBOR) – Fallback Rate (SONIA),
  - d) for USD LIBOR (US dollar LIBOR) – Fallback Rate (SOFR),
  - e) for WIBOR – Fallback Rate (WIRON).
2. No additional Adjustment is added by the Bank to such Alternative Benchmark (apart from the spread as referred to in item 1 point 2). If a Regulatory Event related to EURIBOR, LIBOR or WIBOR occurs and Bloomberg does not publish the Alternative Benchmark referred to in item 1 and, at the same time, the relevant RFR is published, the Bank will calculate and determine the Alternative Benchmark (with Adjustment) on the same terms as those provided for in the Bloomberg Rule Book.

#### § 6. Regulatory Event for a Reference Rate other than EURIBOR, LIBOR or WIBOR

1. If the Regulatory Event occurs for a Reference Rate other than EURIBOR, LIBOR or WIBOR, the Bank shall apply the Alternative Benchmark and the Adjustment nominated by the Appointing Entity provided that the nomination relates to the type of customers which includes the Customer and to the type of arrangements which corresponds to the Master Agreement. If the Appointing Entity does not nominate the Adjustment (nor does it indicate that the Adjustment shall not be applied), the Adjustment shall be established by Bank in accordance with § 8.
2. If the Bank cannot use the solution described in item 1, it shall apply the Alternative Benchmark and the Adjustment nominated by the central bank for the currency of the Reference Rate provided that the nomination relates to the type of customers which includes the Customer and to the type of arrangements which includes the Master Agreement. If the central bank for the currency of the Reference Rate does not nominate the Adjustment (nor does it indicate that the Adjustment shall not be applied), the Adjustment shall be established by Bank in accordance with § 8.
3. If the Bank cannot use the solutions described in items 1–2, it shall apply the Alternative Benchmark and the Adjustment nominated by the Working Group provided that the nomination relates to the type of customers which includes the Customer and to the type of arrangements which includes the Master Agreement. If the Working Group does not nominate the Adjustment (nor does it indicate that the Adjustment shall not be applied), the Adjustment shall be established by Bank in accordance with § 8.
4. If the Bank cannot use the solutions described in items 1–3, it shall apply the Alternative Benchmark and the Adjustment as applied by the Central Counterparty for the Benchmark which is the same as the Current Benchmark.
5. If the Bank cannot use the solutions described in items 1–4, it shall apply (taking into account economic specificity and solutions commonly adopted on the market) the Alternative Benchmark and Adjustment commonly used in the interbank market as a substitute for Reference Rate in Derivative Transactions.
6. If the Bank cannot use the solutions described in items 1–5, it shall apply as the Alternative Rate the reference rate of the central bank for the currency of the Reference Rate. The Bank shall apply the Adjustment established in accordance with § 8.

#### § 7. Regulatory Event for Reference Exchange Rate or Barrier Reference Rate

1. If a Regulatory Event related to the Reference Exchange Rate or Barrier Reference Rate occurs, the Bank shall apply Bloomberg FX Fixing as an Alternative Benchmark for the relevant currency pair and for the same hour in the same time zone as those of Benchmark publication. If the Bank is unable to use this solution for the relevant currency pair, it shall apply the Alternative Benchmark calculated in accordance with item 5 – based on Bloomberg FX Fixing.
2. If the Bank is unable to use the solution described in item 1, it shall apply WM Reuters Spot Rate as an Alternative Benchmark for the relevant currency pair and for the same hour in the same time zone as those of Benchmark publication. If the Bank is unable to use this solution for the relevant currency pair, it shall apply the Alternative Benchmark calculated in accordance with item 5 – based on WM Reuters Spot Rate.
3. If the Bank is unable to use the solutions described in items 1–2, it shall apply the average FX rate announced by the National Bank of Poland as an Alternative Benchmark. If the Bank is unable to use this solution for the relevant currency pair, it shall apply the Alternative Benchmark calculated in accordance with item 5 – based on the average FX rate announced by the National Bank of Poland.
4. The Bank shall not apply the Adjustment to the Alternative Benchmark determined in accordance with items 1–3.
5. If the Alternative Benchmark used by the Bank does not have a currency pair corresponding to the Benchmark, the Bank shall calculate the Alternative Benchmark on the basis of: Alternative Benchmark for EUR and the Transaction Currency and Alternative Benchmark for EUR and the Settlement Currency. If there is no Alternative Benchmark for EUR and the Transaction Currency and Alternative Benchmark for EUR and the Settlement Currency, the Bank shall calculate the Alternative Benchmark on the basis of: Alternative Benchmark for USD and the Transaction Currency and Alternative Benchmark for USD and the Settlement Currency.

#### § 8. Adjustment

1. The Bank shall apply § 8 unless other provisions of the Rules of Procedure stipulate otherwise.
2. The method of calculating the Adjustment is analogous to the adjustment methodology of the Bloomberg Rule Book. The Bank shall calculate the Adjustment as the median difference between the Current Benchmark and the Alternative Benchmark for the period of 5 years (or shorter, if the Current Benchmark or the Alternative Benchmark has been calculated for the shorter period) preceding the Regulatory Event (subject to the application of detailed solutions as provided in that regard under the Bloomberg Rule Book).
3. The Bank adds the Adjustment to the Alternative Benchmark.

#### § 9. Information

If the Regulatory Event occurs, the Bank will provide Customer with the information on the applied fallback, the established Alternative Benchmark and, if applicable, the information on the applied Adjustment. The Bank will provide the information in the manner stipulated for notifications in the Master Agreement. If the Regulatory Event concerns the Reference Rate, the Bank will also publish information regarding the Alternative Benchmark and the Adjustment at [www.bnpparibas.pl](http://www.bnpparibas.pl).

#### § 10. Application of provisions

Following permanent replacement of the Current Benchmark with the Alternative Benchmark, the provisions of the Master Agreement and the Rules of Procedure which apply to the Benchmark and Current Benchmark shall be applied by the Bank accordingly to the Alternative Benchmark and the Adjustment.

## Rules for calculating the Compounded RFR Rate

Rules for calculating the Compounded RFR Rate (hereinafter: Rules for Calculating) describe the method using which the Bank calculates the Compounded RFR Rate. Terms used in Rules for Calculating shall have the meaning as assigned to them in the Regulations and the Transaction Descriptions – unless otherwise stipulated herein. The Rules for Calculating are an integral part of the Regulations and the Transaction Descriptions.

**Chapter 1** of the Rules for Calculating contains a general description of the rules for calculating the Compounded RFR Rate provided by the Bank to present these rules.

**Chapter 2** of the Rules for Calculating contains detailed rules for calculating the Compounded RFR Rate. The rules described in Chapter 2 shall prevail in the case of any discrepancies between Chapter 1 and Chapter 2.

### Chapter 1. General description of the rules for calculating the Compounded RFR Rate

- § 1. The Compounded RFR Rate is calculated on the basis of daily RFRs for a given Interest Period. As a consequence, in order to determine the Compounded RFR Rate, it is necessary to determine all RFR values for the specified Interest Period.
- § 2. In order to determine the value of Compounded RFR Rate sufficiently early to allow for the timely payment based on the Compounded RFR Rate at the end of Interest Period, the period during which the value of the RFR is observed (the Observation Period) is moved backwards in relation to the Interest Period by the Lookback Period (5 RFR Business Days unless the Transaction Terms provide for a different period). As a result, the Compounded RFR Rate is known at the end of the Observation Period which falls before the end of the Interest Period and before the payment date.
- § 3. In order to determine the Compounded RFR Rate, consecutive values of the RFR from the Observation Period are compounded (capitalised) for the duration of the Observation Period (it corresponds to (but is not equivalent to) compounded interest or interest capitalisation) – in this case, the interest rate calculated as of the previous day constitutes the basis for the application of the RFR from the next day and in this way the value of the Compounded RFR Rate is compounded (capitalised).
- § 4. The Compounded RFR Rate is not compounded (capitalised) on days that are not RFR Business Days. Instead, the value of the RFR from the last RFR Business Day has a greater weight for the purposes of compounding (capitalisation) that corresponds to the period of its use (e.g. RFR for Friday is multiplied by 3 for Friday, Saturday and Sunday, while the RFR for Thursday is only multiplied by 1 – for Thursday).
- § 5. There are two Compounding Methods, specifying differently which period is used for the purposes of determining the RFR Business Days:
- 1) method without observation shift – days from the Interest Period are used by the Bank for the purposes of determining the RFR Business Days – or
  - 2) method with observation shift – days from the Observation Period (which is the Interest Period moved backwards by the Lookback Period) are used by the Bank for the purposes of determining the RFR Business Days.
- § 6. Depending on Transaction Terms, the Bank uses one of the methods described in § 5 and, as a result, corresponding provisions of Chapter 2.
- § 7. The Bank shall round the Compounded RFR Rate to:
- 1) 4 decimal places – if it is based on SONIA or SARON – or
  - 2) 5 decimal places – if it is based on SOFR.

### Chapter 2. Detailed rules for calculating the Compounded RFR Rate

#### § 8. Rules for calculating the Compounded RFR Rate in accordance with the Compounding Method *without observation shift*

1. **The Compounded RFR Rate** for a given Interest Period is equal to the percentage rate per annum described using the following formula and rounded according to § 7:

$$SRFR = \left[ \prod_{i=1}^{d_0} \left( 1 + \frac{RFR_{i-OP} \times n_i}{bo} \right) - 1 \right] \times \frac{bo}{tn_i}$$

where:

<b>SRFR</b>	the Compounded RFR Rate for the given Interest Period
<b>d<sub>0</sub></b>	the number of RFR Business Days in the Interest Period
<b>i</b>	a series of whole numbers from one to <b>d<sub>0</sub></b> , each representing the relevant RFR Business Day in chronological order in the Interest Period
<b>RFR<sub>i-OP</sub></b>	for any RFR Business Day "i" in the Interest Period – the RFR for the RFR Business Day which is the applicable Lookback Period prior to that RFR Business Day "i"
<b>n<sub>i</sub></b>	for any RFR Business Day "i" – the number of calendar days from (and including) that RFR Business Day "i" up to (but excluding) the following RFR Business Day. In the periods without holidays, it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday. In case of holidays, the value will be increased by one (1) for each day that is a holiday
<b>bo</b>	360, unless the RFR is SONIA, where "bo" is 365
<b>tn<sub>i</sub></b>	means the number of calendar days in the Interest Period

#### § 9. Rules for calculating the Compounded RFR Rate in accordance with the Compounding Method *with observation shift*

1. **The Compounded RFR Rate** for a given Interest Period is equal to the percentage rate per annum described using the following formula and rounded according to § 7:

$$SRFR = \left[ \prod_{i=1}^{d_0} \left( 1 + \frac{RFR_i \times n_i}{bo} \right) - 1 \right] \times \frac{bo}{tn_i}$$

where:

<b>SRFR</b>	the Compounded RFR Rate for the given Interest Period
<b>d<sub>0</sub></b>	the number of RFR Business Days in the Observation Period
<b>Observation Period</b>	the period from and including the day preceding the first day of that Interest Period by the Lookback Period and ending on, but excluding, the day preceding the last day of that Interest Period by the Lookback Period
<b>i</b>	a series of whole numbers from one to <b>d<sub>0</sub></b> , each representing the relevant RFR Business Day in chronological order in the Observation Period
<b>RFR<sub>i</sub></b>	for any RFR Business Day "i" in the Observation Period – the RFR for the RFR Business Day "i"
<b>n<sub>i</sub></b>	for any RFR Business Day "i" – the number of calendar days from (and including) the RFR Business Day "i" up to (but excluding) the following RFR Business Day. In the periods without holidays, it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday. In case of holidays, the value will be increased by one (1) for each day that is a holiday
<b>bo</b>	360, unless the RFR is SONIA, where "bo" is 365
<b>tn<sub>i</sub></b>	means the number of calendar days in the Observation Period



## The rules for setting the exchange rates indicated in the Table of Exchange Rates. Availability of the current Table of Exchange Rates

- § 1. Foreign currency buy and sell rates applied by the Bank (hereinafter: **Exchange Rates**) are determined by the Bank on the basis of:
- 1) average market Exchange Rates of specific foreign currencies applied on the interbank FX market, published in the Refinitiv information service (hereinafter: **Average Market Foreign Exchange Rates**) and
  - 2) foreign exchange spreads determined in the Bank, pursuant to the rules determined below.
- § 2. In the case that an Average Market Foreign Exchange Rate is not published in the information service referred to above, the Bank sets the Exchange Rates based on data relating to the Average Market Foreign Exchange Rates published in another information or transaction service. Should it be the case, information on the service being the source of these data is provided in the Table of Exchange Rates by the Bank.
- § 3. The Exchange Rates are set by the Bank according to the following rules:
- 1) foreign currency sell rate (hereinafter: **Sell Rate**) is set as an Average Market Foreign Exchange Rate increased by a foreign exchange spread set for foreign currency sale (hereinafter: **Currency Sell Spread**), which is calculated in the following manner:  

$$\text{Currency Sell Spread} = \text{Average Market Exchange Rate} \times \text{sale correction factor}$$
  - 2) foreign currency buy rate (hereinafter: **Buy Rate**) is set as an Average Market Foreign Exchange Rate decreased by a foreign exchange spread set for foreign currency purchase (hereinafter: **Currency Buy Spread**), which is calculated in the following manner:  

$$\text{Currency Buy Spread} = \text{Average Market Exchange Rate} \times \text{purchase correction factor}$$
- § 4. The difference between the Sell Rate and the Buy Rate of a given currency, calculated in line with the rules specified above, is a Foreign Exchange Spread which is a sum of the Currency Sell Spread and the Currency Buy Spread.
- § 5. The Bank sets the value of the purchase correction factors and the sale correction factors depending on the interbank foreign exchange market volatility, liquidity of particular currencies and competitiveness of Exchange Rates offered to the Customers. However, the spread determined using these factors may not be higher than:
- 1) for the Currency Sell Spread or the Currency Buy Spread: 5% of the Average Market Foreign Exchange Rate,
  - 2) for the Currency Spread: 10% of the Average Market Foreign Exchange Rate,
- with the proviso that the amount of these factors may be changed no more than once a calendar month.
- § 6. Information on the amount of the sale correction factors and the purchase correction factors is available at Bank branches and on the Bank's website – [www.bnpparibas.pl](http://www.bnpparibas.pl).
- § 7. Foreign currency rates binding at the Bank are published in the Table of Exchange Rates valid from the day and time indicated therein until another Table of Exchange Rates becomes valid. Exchange Rates may vary during the day on which they are set.
- § 8. On each business, day two Tables of Exchange Rates are prepared by the Bank:
- 1) the first one, valid from **8:45 am**, and
  - 2) the last one, valid from **4:15 pm**.
- The Bank may also prepare a new Table of Exchange Rates valid at the Bank if, in the time span between these hours, the Average Market Foreign Exchange Rate changed by at least half the value of the Currency Sell Spread or the Currency Buy Spread in relation to the valid Table of Exchange Rates.
- § 9. The Table of Exchange Rates includes Exchange Rates determined on the basis of the Average Market Foreign Exchange Rates prevailing in the interbank currency market 15 minutes prior to the time specified in the table, from which a given table is valid.
- § 10. Current Tables of Exchange Rates are available at the Bank's branches, in the Internet banking system and on the website – [www.bnpparibas.pl](http://www.bnpparibas.pl)
- § 11. The rules and terms of fixing the Exchange Rates may be changed if:
- 1) new commonly applicable legal provisions are introduced or the existing ones are amended with regard to fixing Exchange Rates or spreads by banks, if this requires the Bank to change the rules and time frames for fixing Exchange Rates,
  - 2) decisions or recommendations are issued by bank supervision bodies, competition and consumer protection bodies or other bodies entitled to do this, to the extent these changes require the Bank to adjust the rules and time frames for fixing Exchange Rates.