



## Credit and Collateral Regulations for Corporate Banking Customers and Small and Medium-sized Enterprises

*(not applicable to customers serviced within the scope of the activity taken over by BNP Paribas Bank Polska S.A. as a result of a demerger of the entity with KRS number 14540, unless under the relevant annexes to Loan Agreements they have become subject to these regulations).*

### PART I

#### General provisions

#### §1 Application Scope of the Regulations

1. These Regulations shall be applicable to Credit (Loan) agreements and collateral actions concluded by the Bank with Entrepreneurs and Farmers.
2. Credit (Loan) Agreements refer to any Agreements that entail credit risk for the Bank, based on which the Bank provides an Entrepreneur or a Farmer indicated in the Agreement with appropriate funds subject to their repayment or with other solutions indicated in the Agreement.
3. Detailed terms and conditions on specific types of Credit (Loan) Agreements are presented in Part II of the Regulations and are binding upon those Borrowers that use the respective forms of financing.
4. Collateral actions are agreements or unilateral statements concluded or accepted by the Bank in order to secure the Bank's receivables arising from Credit (Loan) Agreements.

#### §2 Explanation of Terms and Expressions

The terms and expressions used in these Regulations shall have the following meaning:

- a) **Bank** - BNP Paribas Bank Polska Spółka Akcyjna, based in Warsaw;
- b) **Current Credit Term** – a period within the financing term for which the Bank may make available the Working Capital Facility,
- c) **Available Balance** – total amount of funds accumulated on the account and increased by the funds made available by the Bank under Credit facilities within the account, but decreased by all amounts blocked on the account by the Bank,
- d) **Business Day** – every weekday from Monday through Friday when the Bank performs its credit or collateral activities, with the exception of public holidays,
- e) **Interest Due Date** – means the fifth day of a month, and if such day is not a Business Day, then it shall mean the first Business Day that follows,
- f) **EURIBOR** – the Euro Interbank Offered Rate whose administrator is the European Money Markets Institute (EMMI) or another entity that will perform this function in the future, relevant for the period specified in the agreement for the variable base interest rate. The reference next to the rate name informs about the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year. EURIBOR is developed and published in accordance with the rules set out on the website at [www.emmi-benchmarks.eu](http://www.emmi-benchmarks.eu) on dates specified by the administrator,
- g) **€STR** – reference rate Euro short-term rate, the Administrator of which is European Central Bank (ECB) or another entity which assumes this role in the future;
- h) **Other Receivables** – receivables due to the Bank under an agreement other than credit Receivables, specifically, Other Receivables are interest, commissions and fees,
- i) **Derivative Instrument** – option, futures contract, swap, FX forward agreement and other property right whose price depends directly or indirectly on the price or value of financial instrument, foreign currency, interest rates, yield, financial indices, financial ratios, commodities, climate change indices, freight rates, greenhouse gas emissions levels, inflation ratios or other official statistical data, and also other assets, rights, commitments, indices or ratios (underlying instruments),
- j) **Credit (Loan)** – funds or facilities that the Bank provides to the Borrower for a specified period under an agreement, earmarked for a specific purpose; the Borrower shall return the funds to the Bank along with interest, commissions and fees due at scheduled repayment dates and fulfil other obligations resulting from the agreement,
- k) **Investment Loan** – a Loan other than Working Capital Loan, specifically extended to finance the Borrower's investment outlays specified in an agreement,
- l) **Working Capital Loan** – a Credit facility designed for financing the Borrower's current needs related to the business or agricultural activity conducted,
- m) **Borrower** – an Entrepreneur or a Farmer with whom the Bank has entered into a Loan Agreement,
- n) **CB Borrower** – a Borrower who is referred to in the Agreement as a CB Borrower or a Borrower whose Agreement dating from before 1 January 2023 was subject to the Credit and Collateral Regulations for corporate banking customers,
- o) **SME Borrower** – a Borrower who is referred to in the Agreement as a SME Borrower or a Borrower whose Agreement dating from before 1 January 2023 was subject to the Credit and Collateral Regulations for Small and Medium-sized Enterprise Customers,
- p) **Cross Rate** – FX rate applied by the Bank to exchange one foreign currency into another foreign currency; the exchange is made in such a way that the base foreign currency is first exchanged into PLN at the Bank's buying rate and then the funds obtained are exchanged into a target foreign currency at the Bank's selling rate,
- q) **LIBOR** – the London Interbank Offered Rate whose administrator is the ICE Benchmark Administration Limited or another entity that will perform this function in the future, relevant for the currency and period specified in the Agreement for the variable base interest rate. The reference next to the rate name informs about the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year. LIBOR is developed and published in accordance with the rules set out on the website at [www.theice.com](http://www.theice.com) on dates specified by the Administrator,

- r) **Maximum Base Rate** – the maximum value of the Variable Base Interest Rate specified in the Agreement,
- s) **Receivables** - any receivables due to the Bank under the Agreement,
- t) **Independent Expert Appraiser** – an appraiser who meets all of the following conditions:
- (i) he/she was not guided by the creditworthiness of the Borrower and it did not influence his/her decisions,
  - (ii) he/she or his/her spouse or first-degree relatives were not involved in the credit process for which the valuation is prepared,
  - (iii) he/she (or his/her spouse or first degree relatives) has no actual or potential conflict of interest in relation to the appraised asset, the appraisal process or the outcome of the appraisal,
  - (iv) he/she or his/her spouse or first degree relatives have not directly or indirectly held an interest in the appraised asset,
  - (v) he/she or his/her spouse or first-degree relatives were not related to the purchaser or seller of the appraised asset,
- u) **Interest Period** – a period under the Agreement and recurring through the whole Current Credit Term financing term, starting from the day following the end of the previous Interest Period and lasting to Interest Due Date under the Agreement (exclusive), however:
- (i) the first Interest Period starts on the day of the loan disbursement date and lasts until the nearest interest due date (exclusive), and
  - (ii) the last Interest Period lasts until the last day of the Current Credit Term or financing term (inclusive).
- If the Agreement does not specify any Interest Period, the Interest Period shall be one, three or six months, depending on the variable interest rate type stipulated in the Agreement,
- v) **Electronic Signature** – a qualified electronic signature (within the meaning of Article 3(12) of 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, or other electronic signature acceptable for the Bank. The list of electronic signatures (including advanced) acceptable to the Bank is available at the Bank's branches and on its website,
- w) **Banking Law** – Banking Law Act of 29 August 1997, along with implementing rules, likewise each act that amends or replaces the aforesaid Act along with implementing rules to such an amended or replaced Act,
- x) **Entrepreneur** – an entrepreneur within the meaning of Article 43<sup>1</sup> of the Civil Code Act dated 23 April 1964,
- y) **Sanction Legislation** - means any economic or trade sanctions, laws, regulations or preventive measures (including, for the avoidance of doubt, any sanctions or measures related to any embargo or asset freeze) enacted, administered, imposed or enforced by the United Nations or by the European Union (or the Republic of France or the Secretary to the Treasury of the United Kingdom), by the United States of America (including OFAC regulations) or any other competent institution;
- z) **Currency Conversion** – exchange of foreign currencies made by the Bank at a buy/sell rate prevailing at the Bank on the day of such conversion, and in the case of conversion of one foreign currency into another foreign currency - at the cross rate; FX standard rates prevailing at the Bank are available at the Bank's branches, on the Bank's website, at the Call Centre of the Bank, or provided by the Bank in any other way; currency conversion may be made with the Bank's consent only;
- aa) **Event of Default** – each event defined in §19 of the Regulations and/or designated as such in the Agreement or the Collateral documents,
- bb) **Split Payment Account** – auxiliary account, exclusively intended for credit/loan disbursement and making payments from the disbursed amount in the split payment mechanism,
- cc) **Farmer** – a natural person, legal person or organisational unit without legal personality that is granted legal capacity by the provisions of law, and runs an agricultural activity within the meaning of the agricultural tax law provisions, or activities in the field of special types of agricultural production,
- dd) **SARON** – reference rate Swiss Average Rate Overnight, the Administrator of which is SIX Swiss Exchange or another entity which assumes this role in the future;
- ee) **RFR** - €STR, SONIA, SOFR or SARON
- ff) **Compounded RFR Rate** – variable base interest rate calculated in accordance with provisions of Enclosure no 2 to the Regulations based on the RFR as specified in the agreement
- gg) **SONIA** - reference rate Sterling Over Night Index Average, the Administrator of which is Bank of England or another entity which assumes this role in the future;
- hh) **SOFR** - reference rate 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;
- ii) **MAR Regulation** – Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC,
- jj) **Internet Banking System** – an internet banking system provided available by the Bank,
- kk) **Table of Commissions and Fees (TCF)** – a document that includes a list of commissions and fees applied by the Bank from a CB Borrower or an SME Borrower, as applicable,
- ll) **Term SOFR** – reference rate 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 informs about the period to which it applies, for instance: 1M – one month, 3M – three months, 6M – six months;
- mm) **Term SONIA Refinitiv**- reference rate 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 informs about the period to which it applies, for instance: 1M – one month, 3M – three months, 6M – six months, 12M – twelve months;
- nn) **Interest Due Date** – the fifth consecutive day of the month, unless otherwise specified in the Agreement, and if that day is not a Business Day, the next Business Day,
- oo) **Tranche** – a portion of a loan disbursed in a specified amount and on a scheduled date based on the Borrower's instruction, or as a result of circumstances stipulated in the agreement or the Regulations,
- pp) **Making a Credit/Loan Available** – providing the Borrower with credit funds, while the disbursement of the credit made available may depend on the fulfilment by the Borrower of conditions determined in the agreement and Regulations,
- qq) **Agreement** – an agreement on granting the loan, unless the content of these Regulations provides otherwise,
- rr) **Credit Disbursement** – crediting the Borrower's account with credit funds or transferring the credit funds by the Bank into an account indicated by the Borrower, likewise other circumstances of a similar nature (e.g. granting a guarantee or opening a letter of credit) as a result of which the Bank transfers the credit funds or loses control over such funds due to the Borrower's earlier instructions;

- ss) **Entity Establishing the Collateral** – an entity that has established legal Collateral in favour of the Bank that secures the repayment of Receivables; provisions of the Regulations shall be applicable to the Entity Establishing the Collateral, accordingly (e.g. §3, §4, §17 and §18),
- tt) **Loan (Credit) Currency** – a currency specified in the agreement, in which loan Receivables are posted and credit interest accrues,
- uu) **WIBOR** – the Warsaw Interbank Offered Rate whose administrator is GPW Benchmark S.A. or another entity that will perform this function in the future, relevant for the period specified in the agreement for the variable base interest rate. The reference next to the rate name informs about the period it refers to, e.g.: 1M – one month, 3M – three months, 6M – six months, 1Y – one year. WIBOR is published at [www.gpwbenchmark.pl](http://www.gpwbenchmark.pl) on dates specified by the administrator,
- vv) **List** – the list referred to in Art. 96(b)(1) of the Act of 11 March 2004 regarding tax on goods and services, maintained by the Head of the National Tax Administration,
- ww) **Collateral** – a right authorizing the Bank to satisfy its matured Receivables in case the Borrower fails to repay them, or, as the case may be, any act-in-law that is the source of such a right;
- xx) **Creditworthiness** – capacity to repay any contracted loan along with due interest, fees and commissions at dates specified in the agreement.
- yy) **Order** – means each request of the Borrower regarding issuance of/amendment to a guarantee or opening/amendment to a letter of credit, submitted pursuant to a model applicable in the Bank in the written form or with use of Electronic Signature, or via the Internet Banking System,
- zz) **Variable Base Interest Rate** – reference rate set in the Agreement which is the basis for calculating Credit/Loan interest rate or by reference to which the amounts are payable between the Parties are determined, e.g. LIBOR, EURIBOR, WIBOR, SOFR, SONIA, SARON, Term SOFR, Term SONIA Refinitiv or Compounded RFR Rate based on the RFR specified in the Agreement for the period specified in the Agreement.

In the case the Variable Base Interest Rate reaches a negative value - for the purpose of the Credit/Loan interest rate calculation it is assumed that the interest rate is zero.

In the case of concluding a Derivative transaction hedging the interest rate risk after 15 December 2021, other than an interest rate CAP option, for the amount of the capital of the Credit/Loan secured by, and provided that the Bank has not confirmed different arrangements in this regard by the date of that transaction and in the period that the transaction remains in force, the restriction as referred to in the preceding sentence shall not apply. Upon expiry of such Derivative transaction, the underlying principle set out above will apply again.

If the sum of the Bank's margin and the Variable Base Interest Rate specified in the Agreement reaches a negative value for a given Interest Period, it is assumed that the interest rate on the Loan for that Interest Period is zero.

### §3 Disclosure Obligations of the Borrower

1. Subject to §17, the Borrower shall:

- a) provide the Bank with reliable and true information in paper form or with Electronic Signature, within a maximum of five Business Days, about:
  - (i) conclusion of loan, credit facility, leasing or factoring agreements, granting any suretyship, accessing to debt or assuming any obligations under promissory notes, issuance of debt instruments, guarantee or letter-of-credit agreements, if the value of obligations resulting from such agreements exceeds, within a financial year, 10% of the value of the Borrower's own funds calculated as at the end of the previous full fiscal year, and for a Farmer who does not prepare financial reports, if the said value exceeds PLN 50,000,
  - (ii) encumbering the Borrower's assets by a value exceeding, within a financial year, 10% of the Borrower's own funds calculated as at the end of the previous full fiscal year, and in the case of a Farmer who does not prepare financial statements, if the value exceeds PLN 50,000 in relation to encumbrances (own or of third parties) towards third parties, intention to alienate and alienation
  - (iii) sale of the Borrower's assets, by a value exceeding, within a financial year, 10% of the Borrower's own funds calculated as at the end of the previous full fiscal year, except for sale performed within the scope of the business activity pursued, and in the case of a Farmer who does not prepare financial statements, if the value exceeds PLN 50,000, and excluding the replacement of existing assets with new ones, in relation to encumbrances (own or of third parties) towards third parties,
  - (iv) changes in the agricultural production volume, area and quality of real estate classified as agricultural land, production direction and production assets, size and quality of the livestock, which may result in a deterioration of the economic and financial standing of the Borrower that threatens timely repayment of any obligations due to the Bank (it applies to a natural person who is a Farmer),
  - (v) petition filed to declare bankruptcy or to initiate restructuring proceedings concerning the Borrower or the Entity Establishing the Collateral,
- b) make available information and documents in paper form or with Electronic Signature, on dates indicated below or within three Business Days from receipt of a request from the Bank, which request will be made not more often than once in every 3 month, related to:
  - (i) its identification, registration and corporate data, information on representation and filed applications to change that data, including specifically the following:
    - extracts from the National Court Register ("KRS") or another register of similar type (or their electronic versions),
    - NIP (Tax Identification Number),
    - REGON (statistical number),
    - change of the registered office address,
    - tax residence certificate,
    - information about their ownership and capital structure,
  - (ii) information on financial and agricultural situation, Creditworthiness and capability of duly fulfilling its obligations towards the Bank, including in particular:
    - within 30 calendar days from the end of each calendar quarter of the Borrower's fiscal year, the following documents:
      - profit and loss account, balance sheet or F-01 report,
      - interim consolidated financial statements of the capital group to which the Borrower belongs, and, if the Borrower is not obliged to prepare such statements, the information about its business performance in the form agreed with the Bank in the Agreement.
 Documents for the fourth quarter of a given fiscal year should be submitted by the 20th day of the second month following the fiscal year to which the financial statements/performance report relates.
    - furthermore, annually:
      - preliminary financial statements in the form of profit and loss account and balance sheet, within three months from the end of the fiscal year, if only the F-01 was provided for the last quarter of the fiscal year,
      - the approved complete financial statements and (when the audit of the statements is required by the applicable laws) the auditor's report on the audit of the financial statements – within six months of the end of the relevant fiscal year,

- excerpt from the minutes of the annual meeting of shareholders/ordinary general meeting of shareholders concerning the resolution on consideration and approval of the management report on the Borrower's activities and the resolution on distribution of profit or coverage of loss – within six months and ten Business Days from the end of the relevant fiscal year,
- the approved complete consolidated financial statements of the capital group to which the Borrower belongs and (when the audit of the statements is required by the applicable laws) the auditor's report on the consolidated financial statements – within six months from the end of the relevant fiscal year,
- a tax return (CIT/PIT) within five Business Days from the expiry of the statutory deadline for its submission to the tax office, insofar as the Borrower is concerned.

If the Borrower is not required to keep books in accordance with the Accounting Act or prepares a balance sheet in the form applicable to a small or micro entity in accordance with the Accounting Act, it shall present information on the results of its operations in the form specified in appendix No 1 to the Accounting Act in respect of the profit and loss account, balance sheet, introduction and notes.

In the case of a Farmer who does not keep books in accordance with the Accounting Act – submission of information on agricultural activities in the form agreed with the Bank in the Agreement.

- For local government units:

- the draft budget resolution for the year concerned, including the draft Multiannual Financial Forecast – once a year,
  - the opinion of the Regional Chamber of Accounts on the draft budget for the year concerned, the draft Multiannual Financial Forecast, the possibility of financing the budget deficit (if planned), the forecast of the debt and servicing the debt,
  - reports on the implementation of the Borrower's budget (annual reports – once a year; semi-annual reports – twice a year; RB NDS, RB Z, RBN, RB 27S, RB 28S – once a quarter). In the case of the annual and semi-annual reports – additionally the opinion of the Regional Chamber of Accounts on the implementation of the budget,
  - statements of the entity's liabilities by amount, tenor, financing institution and collateral – once a year together with the annual report on the implementation of the Borrower's budget,
- number of persons employed, property rights that the Borrower is entitled to and encumbrances, if any, established on such rights, and financial commitments (both balance sheet and off-balance sheet ones), likewise any issued (including transactions on Derivative Instruments), judicial decisions obligating the Borrower to satisfy pecuniary claims, including judicial decisions pending appeal, and information about other banks that the Borrower keeps accounts with;
  - update of the valuation (appraisal report) of the real estate accepted as Collateral for Loans or other products granted to the Borrower by the Bank, made by an Independent Expert Appraiser, while the appraisal report update, with the revaluation performed at the Borrower's expense and submitted to the Bank once every three (3) years. If a revaluation report is not provided within the required timeframe, the Bank may demand that the Borrower remedy the deficiency within twenty Business Days of the Bank's demand. If the Borrower fails to comply, the Bank has the right to apply measures provided for in §18 para. 13 of these Regulations.
  - a current certificate of no arrears in taxes from the tax office / municipality office and a current certificate of no arrears in social security contributions from ZUS / KRUS, at the Bank's request not more often than once a quarter,
  - standard audit files for tax (JPK) or electronic financial statements (ESF),
  - other information or documents requested by the Bank for assessment of the Borrower's financial and economic standing,
- provide the Bank with documents confirming the provision of information about the tax arrangement (as defined in the Tax Ordinance), where such information was provided by the Borrower or any other entity, and the Borrower was aware of such provision of information – this applies to all situations in which the financing provided by the Bank may be considered an element of a tax arrangement,
  - notify the Bank within a maximum of three Business Days of changes in the information provided to the Bank and of the occurrence of an Event of Default and of the Events of Default occurring in relation to agreements with other financial institutions,
  - immediately inform the Bank of the expiration of the right to represent the Borrower, a change in the manner of representation, or a change of persons authorized to represent the Borrower; this obligation shall exist regardless of whether such changes are entered in the relevant registers
  - with respect to a natural person being a Farmer - about the sale or lease of a farm business or its part and equipment and about the establishment of a right of use thereon, about a combination, division of the farm business or a change in the ownership structure if such changes result or may result in a deterioration of the Borrower's economic and financial standing, within a maximum of five Business Days from the occurrence of that event,
  - undertake actions necessary to maintain its legal status and conduct its business in accordance with applicable law, in particular obtaining and renewing any licenses, permits, approvals, and authorizations necessary for conducting its business;
  - allow persons authorized by the Bank, after prior notice of the visit, to examine the books and business documents at the Borrower's premises in order to assess the Borrower's economic and financial standing, how financed transactions proceed, the economic structure of assets and liabilities, the manner in which the Loan is used, and the condition and value of the Collateral.
- The obligations specified herein above are considered fulfilled as far as the Borrower has published the relevant information or documents pursuant to separate provisions of law, including in particular regulations governing disclosure obligations related to the listing of the Borrower's securities on the Warsaw Stock Exchange.
  - If separate provisions of the law (including the MAR Regulation) impose different, longer time limits than those described in (b) above, the above obligations shall be considered properly fulfilled if the information is provided to the Bank within the time limits specified in those separate provisions of law.
  - With respect to obligations to provide documents on an ongoing basis, including financial documents prepared by the Borrower as required under all credit legal relationships established with the Bank, the documents required by the Bank can be provided by way of electronic communication, as an attachment sent via the Internet Banking System as an electronic file in a format acceptable to the Bank.
  - Documents provided in the above manner are considered effectively served on the Bank. The Borrower shall use only originals or copies of original documents at the time of their submission to the Bank, keep the original financial documents (prepared in the form determined in the Accounting Act) and other documents provided to the Bank, and if the need arises, to deliver the original documents at request of the Bank. The Borrower shall be held legally liable for damage that Bank may suffer in connection with using the data and information contained in unreliable or false financial documents.

#### **§4 Representations and Warranties**

- When signing the Agreement, any persons representing the Borrower shall represent that they are authorised to effectively contract financial obligations on behalf of the Borrower.
- The Borrower represents that, except for the circumstances of which the Borrower has previously informed the Bank in writing or with an Electronic Signature, to the best of the Borrower's knowledge:

- a) it is a commercial company validly incorporated and organised under the law applicable for the place of its registered office and has all the consents, licences, permits or authorisations (of both relevant State or local government bodies and its internal authorities), which are required to conduct its activity in compliance with law, and it will also ensure that the aforesaid statement remains applicable over the entire Agreement term;
  - b) the Borrower has obtained any necessary permits and authorisations to conclude the Agreement and establish Collateral, likewise to effect payments under the aforesaid agreements that are enforceable and binding obligations of the Borrower;
  - c) the Borrower has taken all necessary steps in order to conclude the Agreement and Collateral agreements, likewise to fulfil any obligations under the aforesaid agreements in a manner that shall not violate the company's memorandum and articles of association, founding deed, internal regulations, applicable laws and any other agreement that the Borrower is a party to, or is bound with, or any other relevant documents;
  - d) neither any judgement, arbitration award or any similar decision, nor any administrative decision has been passed against the Borrower which would be contrary or constitute an obstacle to the conclusion and performance of the Agreement or will cause an Event of Default;
  - e) neither any court action nor arbitration or administrative proceedings are pending against the Borrower, the unfavorable outcome of which would prevent the Borrower from performing its obligations under an Agreement or Collateral agreements to be concluded with the Bank or would render the Agreements unlawful, invalid or ineffective;
  - f) neither a bankruptcy petition nor motion for starting restructuring or other similar proceedings related to the Borrower's insolvency or risk of insolvency have been filed against the Borrower nor any of the above proceedings have been instituted against the Borrower, nor the Borrower is under liquidation;
  - g) the Borrower has not breached any of its obligations related to any encumbrance of a contractual, property or public law nature, insofar as such breach could prevent the Borrower from performing its obligations under the Agreement and Collateral Agreements concluded with the Bank, or which could render provisions in the Agreement or Collateral Agreements to be concluded with the Bank illegal, invalid or ineffective, and that there is no risk of such breach;
  - h) the Borrower's obligations resulting from the Agreements and Collateral agreements entered into with the Bank are not subordinated, as to the priority of repayment or satisfaction, to any other obligations resulting from the Agreements made between the Borrower and other entities, except for such obligations whose priority of repayment or satisfaction arises from generally applicable law;
  - i) neither the Borrower is in arrears with any liabilities of public or legal nature (such as tax liabilities or social security contributions, etc.) in excess of PLN 1,000;
  - j) the Borrower's assets are free from any encumbrances and rights of any third parties, and in particular they have not been established as Collateral for any obligation towards third parties;
  - k) any information and documents related to the Agreement and delivered to the Bank by the Borrower are correct and complete, and fully reflect the Borrower's legal, financial and economic standing;
  - l) the Borrower is not aware of any significant information, documents or circumstances, the disclosure of which could jeopardize the performance of the Agreement;
  - m) the Borrower irrevocably waives the option to offset the Borrower's claims towards the Bank with any of the Borrower's payment obligations due to the Bank;
  - n) without the Bank's consent, the Borrower shall not grant to any third parties (except the Borrower's employees) any authorisations or powers of attorney the scope of which matches with the Bank's powers arising from the authorisations and powers of attorney granted earlier by the Borrower; the authorisations and powers of attorney granted by the Borrower to the Bank in connection with concluding the Agreement are irrevocable, and they shall not expire upon the principal's death (in the event the principal is a natural person),
  - o) as at the date of conclusion of the Agreement it does not participate in a group of companies (in the meaning of the Act of 15 September 2000 Code of Commercial Companies and Partnerships);
  - p) no material adverse change has occurred to the Borrower's financial situation.
3. A natural person who is a Farmer additionally represents that until the repayment of all receivables due to the Bank under the credit (loan) agreements concluded:
- a) s/he will maintain the agricultural production volume at least equal to the level presented to the Bank in the application for granting the Credit/Loan,
  - b) s/her will maintain the area of real estate classified as agricultural land held by the Borrower under an ownership title, leasehold agreement or contract on lending for use, equal at least to the level presented to the Bank in an application for granting the Credit (Loan); as regards leasehold agreements or contracts on lending for use, the obligation is deemed fulfilled if the Borrower holds a title to the above real estate for a period not shorter than resulting from the contents of the leasehold agreements or contracts on lending for use which were presented to the Bank in the application for granting the Credit (Loan),
  - c) s/he will maintain the quality of real estate held and used, classified as agricultural land, in good agricultural culture that guarantees keeping the right to receive area subsidy payments and will ensure that no reasons for losing the right to receive area subsidy payments or the need to return them, will arise,
  - d) s/he will maintain the size of the livestock at the level that guarantees keeping the production volume equal at least to the level presented to the Bank in the application for granting the Credit/Loan,
  - e) s/he will maintain the remaining production assets, in particular machinery and farm buildings, at the level that guarantees running agricultural production equal at least to the level presented to the Bank in the application for granting the Credit/Loan,
  - f) s/he shall obtain the Bank's consent to make any changes regarding:
    - (i) agricultural production volume,
    - (ii) area and quality of the real estate classified as agricultural land,
    - (iii) other production assets,
    - (iv) production direction,
 which varies from declarations presented to the Bank in this scope with the loan application or in the scope defined in the Agreement. Under the pain of nullity, the consent must be given in writing or with use of Electronic Signature.
4. The Borrower undertakes to ensure that the representations made pursuant to sub-para. 2 and 3 and §24 and §25 shall continue to remain true throughout the entire financing term. At the same time, the Borrower shall notify the Bank within a maximum of three Business Days about any changes related to the circumstances referred to in sub-para. 2 and 3 above, and under §24 and §25.
5. The Borrower declares to have been notified that:
- a) during the term of the Agreement, it is required to take into account the interest rate risk and currency risk when determining the amount of debt to be repaid,

- b) currency risk (risk related to FX rate changes) consists in:
  - (i) increase in the Loan debt and the amount of Loan principal instalments or Loan principal and interest instalments denominated in Polish currency due to the Loan currency appreciation;
  - (ii) decrease in the Loan debt and the amount of Loan principal instalments or Loan principal and interest instalments denominated in Polish currency due to the Loan currency depreciation;
- c) interest rate risk means that:
  - (i) in the case of increase in the Variable Base Interest Rate - the Credit/Loan interest rate will increase, likewise the amount of Credit/Loan principal instalments or Loan principal-and-interest instalments will increase;
  - in the case of decrease in the Variable Base Interest Rate - the Loan interest rate will be lower, likewise the amount of Loan principal instalments or Loan principal-and-interest instalments will decrease;

## **§5 Creditworthiness Assessment**

1. Only the Bank shall be authorised to assess Creditworthiness of the Borrower and of a person applying for a Loan. Upon a motion of the entity applying for a Loan the Bank shall submit an explanation, in writing or with use of Electronic Signature, on the Creditworthiness assessment made. The provision of such explanation may be subject to payment by the person applying for the Loan of the fee for producing certificates or other documents related to the handling of products, as specified in the TCF.
2. The Bank may refuse to grant a Loan or give consent to amend financing terms and conditions without giving any reasons, and shall not be liable for any costs incurred by the entity applying for the Loan (the Borrower) in connection with the preparation and submission of a credit application.

## **§6 Financing Term**

1. The Bank will render funds or facility available to the Borrower for the "financing term" whose length is specified in the Agreement.
2. If the financing term is determined in the Agreement as one year or 12 months it shall be understood as 364 days.
3. The financing term commences from the day the Agreement comes into force and continues for the period indicated in the Agreement.
4. In the case the last day of the financing term does not fall on a Business Day, the financing term shall be prolonged until the nearest Business Day.
5. Termination of the Agreement, irrespective of its reasons, prior to the lapse of the financing term, shall result in shortening of the financing term until the day of the Agreement termination.
6. The Bank may render a credit facility available also for subsequent Current Credit Terms, within the financing term.
7. Duration of the first Current Credit Term is specified in the Agreement. The length of the subsequent Current Credit Terms will be determined in the Bank's notification regarding making the Loan available for the subsequent Current Credit Terms. Provisions of items 2 through 6 shall apply accordingly.
8. The Credit facility is made available to the Borrower for subsequent Current Credit Terms upon the Borrower's request in writing or with use of Electronic Signature, and requires the Bank's consent in writing or with use of Electronic Signature. The Bank's consent is conditional primarily on whether the Borrower's Creditworthiness is maintained or not.
9. Application for Making The Credit Available to the Borrower for a subsequent Current Credit Term together with all required documents should be submitted by the Borrower at least three months prior to the expiry of the previous Current Credit Term. The Bank shall respond to the application no later than one day before the end of the Current Credit Term. The Bank may agree To Make The Credit Available to the Borrower for the next Current Credit Term even if the application is submitted after the relevant deadline.
10. Should there be no approval for Making The Credit Available for a subsequent Current Credit Term, the Credit facility will not be extended for the subsequent Current Credit Term and the Borrower shall return the credit funds on the last day of the Current Credit Term validity at the latest; however, the Bank is not obligated to make the credit facility available for any subsequent Current Credit Terms.
11. Making the Credit Available for a subsequent Current Credit Term does not imply renewal of the obligation and does not require signature of an amendment to the Agreement unless other stipulations of the Agreement are changed.
12. Thirty (30) days before the end of the Current Credit Term, the Borrower may request from the Bank a confirmation, in writing or with use of Electronic Signature, of the decision on making the credit facility available for the next Current Credit Term, provided that the Borrower's request has been submitted in due time.
13. Discontinuity of the Current Credit Term does not prevent the Bank from providing the Credit available again unless the Agreement is terminated.

## **§7 Commissions and Fees**

1. The Borrower shall pay commissions and fees to the Bank as provided for in the Agreement, the Regulations or the TCF. The up-to-date TCF is available in each of the Bank's branches, on the Bank's website at [www.bnpparibas.pl](http://www.bnpparibas.pl) and from the Bank's Call Centre.
2. Commissions and fees are debited to the Borrower's account held with the Bank. The Bank debits the account without any additional instructions from the Borrower.
3. A failure to collect any fee or commission on time shall not release the Borrower from the obligation to pay it.
4. Any paid commissions and fees are non-refundable, even if the Loan granted has not been used by the Borrower.
5. The commission for granting or, at the Borrower's request, amending the Agreement consisting in increasing or decreasing the Loan or otherwise amending the Agreement shall be payable on the effective date of the Agreement or on the date of the amendment to the Agreement (annex to the Agreement), unless the Agreement provides otherwise. The commission for currency change is charged on the amount of the Loan after the currency change.
6. If the Agreement stipulates rules for Making a Credit Available also for subsequent Current Credit Terms, the Bank may charge a commission for granting the Loan for each Current Credit Term. The amount of commission for the first Current Credit Term shall be specified in the Agreement. The amount of the commission for each subsequent Current Credit Term shall be agreed in consultation between the Bank and the Borrower after the Borrower has applied for the Loan to be made available for the next Current Credit Term. If the Current Credit Term is renewed for a period of less than twelve months, the commission shall be charged and collected proportionally to that period.
7. The Bank shall charge a commitment fee (on the unused amount of the Loan) in the amount specified in the Agreement or the TCF on the Loan / Loan Tranche made available and not used (in whole or in part), except for the conditional (uncommitted) Loan. The fee shall be calculated for each day the Loan is not utilized, assuming that a year has 365 days, starting from the date the Loan is made available (in whole or in part) until the last permissible day of utilization of the Loan. The fee shall be charged:
  - a) for revolving Credits – on a monthly basis on the last day of each month, and when it is not a Business Day on the first following Business Day,



- b) for non-revolving Loans – no later than the date of Disbursement of the Loan / Loan Tranche or no later than the date on which the time limit for Disbursement of the Loan expires to no avail.
8. The Bank shall charge a fee for servicing the Loan in the amount specified in the Agreement (if the Agreement so provides). The fee shall be charged for allowing the Borrower to change the amount of the Loan made available to the Borrower and unused. A change in the amount of the Loan made available to the Borrower does not require an amendment to the Agreement. The fee shall be computed for the financing term on the average Loan amount made available by the Bank to the Borrower in a given calendar quarter and shall be charged by the Bank on the 15th day following the quarter end.
9. The Bank shall charge only one of the fees specified in sub-para. 7 and 8 per Agreement. The type of fee charged shall be specified in the Agreement.
10. Subject to sub-para. 11 below, the Bank shall charge an administrative fee (the commitment fee stipulated in the existing SME Borrowers' Agreements shall be renamed as an administrative fee as of 1 January 2023 and shall be paid by Borrowers in the amount corresponding to the existing commitment fee) – which shall be determined as of the last Business Day of the preceding calendar quarter, with the proviso that if the Loan is repaid on that date, the fee shall be determined on the basis of the balance of the Loan existing immediately prior to such repayment:
- on the amount of the Loan/limit which remains available as of that date – for revolving products,
  - on the amount of a disbursed Loan that remains outstanding as of that date - for non-revolving products (including guarantees issued under non-revolving guarantee facilities and letters of credit opened under non-revolving letter of credit facilities).
- The fee shall be payable on the 15th day of the first month of the specific quarter or on the first Business Day after that date, and if the date of the Loan maturity or expiry of a guarantee or a letter of credit falls before that date - on the date of full Loan repayment, expiry of the guarantee or letter of credit, on the basis of the amount of the Loan/limit available, or the amount of the Loan outstanding immediately before the repayment/expiry. The current rate of the fee is specified in the TCF. The Bank may change the fee once a year if one or more of the factors listed in sub-para. 22 of this article exists.
11. In respect of SME Borrowers' Agreements entered into before 30 September 2018 (and not amended in this regard), the Bank shall charge an administrative fee (the commitment fee stipulated in the existing SME Borrowers' Agreements shall be renamed as an administrative fee as of 1 January 2023 and shall be paid by SME Borrowers in the amount corresponding to the existing commitment fees specified in Agreements) in the amount established in the Agreement, calculated as at the end of each calendar year on the amount of the Loan used and on the value of the Bank's obligation as at the end of each calendar year under guarantees issued or letters of credit opened. The fee is payable on 15 January each year, or the next Business Day after this date, for the previous year, and if the date of the Loan maturity or expiry of a guarantee or a letter of credit falls before that date - no later than on the date of full Loan repayment or expiry of the guarantee or letter of credit. The Bank may change the amount of the fee once a year up to the maximum amount specified in the Agreement, if one or more of the factors listed in sub-para. 22 of this article exists.
12. The Bank shall charge a Tranche disbursement/administration fee in the amount specified in the Agreement or the TCF as consideration for the actions taken to make the Tranche available, including verification of the fulfilment of the conditions for making the Tranche available and correct use/settlement of the previous Tranche. The fee applies to the Loan in the credit account placed at the disposal of the MSP Borrower in Tranches. The fee shall be payable on the date of the first Loan Disbursement under a Loan Tranche and shall be calculated on the amount of the Loan Tranche made available to the Borrower; the fee shall not be charged in the case of a Loan made available on a one-time basis.
13. The Bank shall charge a fee for closing a revolving Credit limit at the Borrower's request. The fee shall be charged on the amount of the limit granted and shall be collected on the day the limit is closed. The rate of the fee shall be specified in the relevant TCF.
14. In the case of repayment of the non-revolving Loan in whole or in part earlier than specified in its repayment schedule, the Bank may charge a fee specified in the Agreement as: early repayment fee or compensation fee, respectively. The obligation to pay this fee arises when the Bank credits the amount paid towards the unmaturing Loan. The fee shall be determined on the basis of the amount of the early repayment of the Loan or the amount of the current limit of the Loan at the rate specified in the TCF or in the Agreement. Repayment as a result of termination of the Loan Agreement by the Borrower also constitutes early repayment.
15. The Bank may charge the Borrower a fee for providing documents needed to assess their financial and economic standing other than through electronic banking. The amount of this fee is specified in the TCF. The fee is payable no later than the last day of the month immediately following the month in which the required documents were provided.
16. The Bank may charge the Borrower a fee for failure to fulfil the obligation to provide the documents needed to assess the financial and economic standing of the Borrower within the deadline stated in the Regulations, the Agreement or the Bank's request, should the Borrower fail to comply with the disclosure obligations mentioned in § 3 sub-para. 1. The amount of this fee is specified in the TCF. The fee shall be payable monthly, no later than the last day of the month immediately following the month in which the Borrower failed to provide the Bank with the aforementioned required documents, until the Borrower fulfils this obligation. Payment by the Borrower of the above-mentioned fee shall not release the Borrower from the obligation to provide the Bank with the required documents.
17. If the Borrower fails to provide the Bank with documents confirming the establishment of the Loan Collateral, completion of the Loan Collateral or documents maintaining the effectiveness (validity) of the Loan Collateral, within the time limit specified in the Regulations, the Agreement or the Bank's request, the Bank may charge the Borrower a reminder fee in the amount specified in the TCF, payable on the day the Bank sends the reminder. Reminders shall be sent no more than twice a month until the Borrower fulfils the obligation. Payment by the Borrower of the above-mentioned fee shall not release the Borrower from the obligation to provide the Bank with the required documents.
18. The Bank may charge a fee for a monitoring visit to the Borrower in the amount specified in the TCF, the purpose of which is to assess the Borrower's economic and financial standing, the manner in which credit transactions proceed, the economic structure of assets and liabilities, the manner of use of the Loan, and the value of the Collateral for claims under the Agreement, and in the case of a Farmer – additionally to confirm that the sphere and volume of agricultural production, the area and quality of real estate classified as agricultural land, production assets, and livestock are maintained in accordance with the loan application submitted to the Bank, payable no more than once per calendar year, within ten Business Days from the date of the visit.
19. In the case of guarantees and letters of credit, subject to provisions of the TCF, the Borrower will reimburse the Bank for costs (including fees of banks and other intermediary institutions and reasonable costs of external legal advice), expenses (including consignments, translations and notices) and fees incurred in favour of third parties (in particular, calculated by banks that issue guarantees in the event of submitting an Order to issue a guarantee under the counterguarantee structure) incurred by the Bank in connection with negotiation, acceptance and execution of the Order, analysis of the demand for payment, dispute between the Bank and the guarantee/letter of credit beneficiary related to the guarantee issued /letter of credit opened, as well as resulting from any existing Event Of Default.
20. Moreover, if according to the Order instruction, costs related to the Order execution should be paid by the beneficiary, and the beneficiary refuses to pay them on their due date, the Borrower shall immediately pay them to the Bank no later than within five Business Days.
21. With respect to guarantees and letters of credit, if costs are denominated in a currency other than PLN and the Borrower's account is maintained in PLN, the Currency Conversion is made at the NBP mid-rate applicable on the payment date.

## Procedure for modifying the TCF

22. The Bank may unilaterally amend the TCF for valid reasons listed in sub-para. 23, following the procedure set forth in sub-paras. 25 and 26, insofar as the TCF concerns Loans, excluding the provisions individually agreed with the Borrower.
23. A valid reason for the modification of the TCF is considered to be one or more of the following situations:
- a) change of the consumer price index, compared to the previous index for a quarterly, six-month or yearly period - by at least 1%,
  - b) change of at least one of the interest rates published by the National Bank of Poland (NBP), including the Monetary Policy Council (RPP), in particular:
    - (i) change of the NBP Lombard Loan rate – by at least 1% of the indicator since the last change to that rate,
    - (ii) change of the NBP bill of exchange rediscount rate – by at least 1% of the indicator since the last change to that rate,
    - (iii) change of the NBP reference rate – by at least 1% of the indicator since the last change to that rate,
    - (iv) change of the mandatory reserve rate – by at least 1% of the indicator since the last change to that rate,
  - c) change of costs the Bank must incur to perform actions provided for in the Regulations, and specifically the costs of electricity, telecommunication/IT connections, IT, interbank settlements, card settlements, Payment Instruments, labour costs and costs of third-party services in relation to the previous price for the given service in a quarterly, six-month or yearly period by at least 0.1%,
  - d) change of scope, method or form of performance of the actions related to the product or service provided by the Bank under the Regulations and having an impact on the Bank's operations or on the change of costs of operations under the Regulations incurred by the Bank by at least 0.1%,
  - e) necessity to adjust the level of commissions and fees to competitive offers, in relation to the Bank's market position, taking into consideration the amount of assets and type of product or service provided by the Bank,
  - f) change or introduction of new provisions of law affecting the Bank's activity or increasing the Bank's operating costs covered by the Regulations, provided that the Bank is required, based on these Regulations, to adjust fees and commissions or entitled to collect fees and commissions, or if the amended or newly introduced provisions of law have a direct impact on activities related to the execution of the Agreement,
  - g) increase of the quality of the services on offer or introduction of new services or change to the manner of provision of services resulting from technical or technological solutions in the IT system impacting the Bank's activity and its services, or causing an increase in the costs of operations under the Regulations incurred by the Bank by at least 0.1%, as long as they ensure due performance of the Agreement or the Borrower has a choice of whether to use them,
  - h) change in macroeconomic conditions which affect the Bank's operations or increase in the costs the Bank incurs in connection with its operations specified in the Regulations,
  - i) in order to change the name of a document or service, changes of an organizational or orthographic nature, or changes clarifying the existing provisions of the TCF.
24. The Bank shall be entitled to modify the TCF without notice as long as the modifications consist solely in the reduction or discontinuation of fees or commissions.
25. The Bank shall serve notice of the proposed TCF modifications to the Borrower electronically or in paper form in accordance with the rules set forth in §20.
26. The Borrower may terminate the Agreement within fourteen calendar days of receiving information about the TCF modification, otherwise the modification shall be deemed to have been accepted by the Borrower and shall be effective.

## **§8 Making the Credit/Loan Available and Its Disbursement**

1. The Bank provides a Credit (Loan) available to the Borrower from the Agreement conclusion date, unless the Agreement provides otherwise and subject to item 2 below.
2. For overdraft facilities, The Credit is Made Available to the Borrower when the Bank confirms that the Borrower has fulfilled Credit Disbursement conditions or Making the Credit Available conditions, whereas if the overdraft Credit (Loan) Agreement refers to conditions of Making the Credit Available, they are considered identical with the Disbursement Conditions to the extent determined in the Regulations.
3. The Bank shall disburse the Credit Made Available upon the fulfilment of the following conditions (disbursement conditions):
  - a) payment of commissions or fees due and reimbursement of costs incurred by the Bank related to granting the credit(loan) as previously agreed and accepted by the Borrower,
  - b) opening a current account by the Borrower in the Bank in the credit currency,
  - c) establishment of Collateral, unless the Agreement provides otherwise,
  - d) payment of all and any public and legal fees related to the Credit granting and establishment of Collateral
  - e) prior to the first Loan Disbursement, delivery to the Bank by the Borrower of the credit application signed by persons authorized to represent the Borrower, that was previously sent to the Bank in electronic form via the "eWniosek" application, and original documents specified by the Bank in the credit application that were previously submitted to the Bank in the form of scans via the "eWniosek" application. In the case of discrepancies/inconsistencies between the aforementioned applications or documents, the Bank has the right to refuse to Disburse the Loan until the discrepancies are resolved and the e-Application is corrected, unless otherwise stipulated in the Agreement. The Bank may, at any time, demand that the Borrower to submit the originals of other documents, and the Borrower undertakes to deliver them to the Bank within three Business Days of receipt of that demand, and
  - f) fulfilment of other conditions for Making The Credit Available, as specified in the Agreement.

The confirmation of the fulfilment of the disbursement conditions is effected by presenting appropriate documents to the Bank.

4. In the event that within three (3) months of the Agreement conclusion, the Borrower has failed to satisfy the conditions necessary for the Loan Disbursement, then the Bank may withdraw from the Agreement or terminate it, even if the conditions are satisfied after the aforesaid period. The Bank may submit a statement on withdrawal from the Agreement within one year of the Agreement conclusion date, with immediate effect.
5. The Borrower shall, within three (3) months of entering into the Agreement, (unless the Agreement states otherwise), make, instructions to Disburse the revolving Credit or the non-revolving Loan in full or in some portion. Should the credit/loan not be disbursed within this term, even in some portion, the Bank may lower the loan amount by the unused portion.
6. The Credit/Loan shall be Disbursed by the Bank within three Business Days of satisfying all and any conditions that determine Credit/Loan availability and Disbursement. If an instruction made by the Borrower is also required for the Credit/Loan Disbursement, the time frame shall be determined from the date of obtaining such instruction by the Bank, and fulfilment of other disbursement conditions, whichever occurs later.
7. An Investment Loan or its part is Disbursed on the basis of a drawdown instruction submitted by the Borrower, or without such an instruction where the Agreement so stipulates. To the drawdown instruction, the Borrower attaches payment documents (invoices, bills, etc.) that identify a bank account into which the Bank makes a transfer against the Loan - in the case of refinancing the investment costs, it is the current account of



the Borrower held with the Bank - as well as documents confirming that the Loan will be disbursed in accordance with the purpose determined in the agreement. The Bank independently assesses whether a payment is consistent with the Loan's purpose. The Loan is disbursed in the net amount (i.e. without VAT) or gross amount in the event the Borrower is not a VAT payer, indicated in payment documents submitted by the Borrower, unless the Agreement provides otherwise.

8. Disbursement of the Credit/Loan despite the Borrower's failure to fulfil all the terms and conditions, upon which the disbursement depended, shall not discharge the Borrower from the fulfilment of the aforesaid terms and conditions.
9. If the Credit/Loan was made available in Tranches, the subsequent Credit/Loan Tranches shall be disbursed upon the fulfilment of relevant additional conditions specified in the Agreement for the disbursement of specific Tranches.
10. The Bank may refuse to Disburse the Credit (Loan) (or a Loan Tranche), including to issue a guarantee or open a letter of credit, if:
  - a) the Borrower fails to fulfil conditions for credit disbursement; (including the cases specified in §19 sub-para. 2 of the Regulations); or
  - b) the Borrower loses its Creditworthiness, or
  - c) Disbursement would lead to a breach of the financial indicators defined in the Agreement; or
  - d) after the Bank made the credit decision, it turned out that the Borrower fails to fulfil their obligations towards the Bank resulting from other titles than the Agreement under which the credit was to be disbursed; or
  - e) it is not possible for the Bank to acquire on the interbank financial market the funds in the amount and currency necessary to Disburse the Credit/Loan or the Credit/Loan Tranche for a given period of time or within the time period allowing the Bank to Disburse the Credit/Loan or the Credit/Loan Tranche in accordance with the Agreement.
11. As a result of the Credit/Loan Disbursement, the Credit/Loan is rendered available by the Bank to the Borrower in the Currency of the Credit/Loan. In the case of any economic situation changes that substantially affect the Bank's risk related to providing Credit/Loan in a foreign currency or in the case of a substantial decrease of availability of the foreign currency in the financial market, the Bank is entitled to exchange the Credit/Loan foreign currency into PLN. Such a change is made based on the Bank's declaration addressed to the Borrower in writing or with use of Electronic Signature. The currency change becomes effective unless the Borrower resigns from the Credit/Loan, not yet disbursed, whose currency is to be changed in this way. The not yet disbursed credit/loan resignation statement may be made within 20 Business Days from the day of receipt of the Bank's notification regarding the credit/loan currency change. Any commissions and fees accrued on the credit amount with respect to which the resignation was effectively made shall be returned by the Bank to the Borrower.
12. If the Borrower makes an instruction to pay funds from the Credit/Loan disbursed in the currency other than the Credit/Loan Currency, the Bank may make a Currency Conversion, provided that this currency is available at the Bank at the moment. In the event the specific currency is unavailable in the Bank, the Currency Conversion instruction is considered not submitted and the Bank shall immediately notify the Borrower that making the Currency Conversion is impossible.
13. Funds from the Working Capital Loan being disbursed are transferred to the Borrower's current account held in the Bank or to another account specified by the Borrower. The disbursement is made on the basis of a Credit/Loan Drawdown instruction, pursuant to terms and conditions defined in the Agreement and the instruction. In the case the disbursed Credit/Loan Currency is different from the currency of the current account to be credited, the Bank shall transfer funds from the disbursed Credit/Loan after the Currency Conversion.
14. In order to satisfy the Bank's matured receivables due from the Borrower on account of the agreement signed with the Bank regarding a Derivative Instrument - the Bank is entitled to disburse from the Credit/Loan made available but not disbursed in full or in some portion, an amount equal to the Bank's matured receivables and count it towards the receivables repayment, despite the Borrower's different instruction and regardless of the Borrower's fulfilment of all the terms and conditions necessary for the Credit/Loan Disbursement. If the Credit/loan Currency is different from the currency of the receivable being repaid, the Bank shall convert the respective Credit/Loan amount into the currency of the receivable.
15. In the event that the Borrower:
  - a) failed to fulfil the obligation to establish in favour of the Bank the Collateral required under a separate agreement to secure a non-matured or contingent receivable of the Bank arising from a transaction regarding a derivative instrument, or
  - b) failed to establish the Collateral required by the Bank pursuant to §18 item 5 of the Regulations, irrespective of the Borrower's instruction to the contrary, and regardless of the Borrower's fulfilment of all the terms and conditions necessary for the Credit/Loan Disbursement, the Bank is entitled to independently disburse, from a Credit/Loan granted but not disbursed in full or in part, a Credit/Loan amount equal to the amount that the Borrower would be obliged to pay on account of Derivative Instruments transactions, as per the Bank's valuation of the Borrower's commitments towards the Bank under such transactions, which valuation was made as if the payment term of the said amount fell on the day of the Bank's valuation.The amount of the Credit/Loan disbursed in the above manner will be collected by the Bank on account of the Collateral required by the Bank to be established by the Borrower, under the rules determined in a separate Collateral agreement. If the Credit/Loan Currency differs from the currency of the Collateral required by the Bank, then the Bank will make a Currency Conversion of the respective Credit/Loan amount into the collateral currency.
16. Foreign currency buy and sell rates applied by the Bank, hereinafter referred to as "FX rates," are determined by the Bank on the basis of the following:
  - a) average market FX rates of specific foreign currencies applied on the interbank FX market, published in the Thomson Reuters information service, hereinafter referred to as the "Average Market Foreign Exchange Rates", and
  - b) foreign exchange spreads determined in the Bank, pursuant to the rules determined below.
17. In the case that an Average Market Foreign Exchange Rate is not published in the information service referred to above, the Bank sets the FX 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 source of data relating to the Average Market Foreign Exchange Rates, on the basis of which the FX Rates have been set, is provided in the FX Table valid at the Bank.
18. The FX Rates are set by the Bank under the following rules:
  - a) a foreign currency sell rate, hereinafter referred to as the "Sell Rate", is set as an Average Market Foreign Exchange Rate increased by a foreign exchange spread set for foreign currency sale, hereinafter referred to as the "Currency Sell Spread" which is calculated in the following manner:  
$$\text{Currency Sell Spread} = \text{Average Market Exchange Rate} \times \text{sale correction factor.}$$
  - b) A foreign currency purchase rate, hereinafter referred to as the "Buy Rate", is set as an Average Market Foreign Exchange Rate decreased by a foreign exchange spread set for foreign currency purchase, hereinafter referred to as the "Currency Buy Spread" which is calculated in the following manner:  
$$\text{Currency Buy Spread} = \text{Average Market Exchange Rate} \times \text{purchase correction factor.}$$

19. 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.
20. The Bank sets the value of the purchase correction factor and the sale correction factor depending on the interbank foreign exchange market volatility, liquidity of particular currencies and competitiveness of FX Rates offered to the customers, while the amount of:
  - a) the Currency Sell Spread or the Currency Buy Spread calculated using these coefficients may not be higher than 5% of the Average Market Foreign Exchange Rate, whereas
  - b) The currency spread may not be higher than 10% of the average market exchange rate of the currency, with the proviso that the amount of these factors may be changed no more than once a calendar month.
21. Information on the amount of the sale correction factor and the purchase correction factor is published in the form of an official notice available from the Bank's branches and the Bank's website - [www.bnpparibas.pl](http://www.bnpparibas.pl).
22. Foreign currency rates binding at the Bank are published in the FX Table valid at the Bank from the day and time indicated therein until another FX Table becomes valid at the Bank. FX rates may vary during the day on which they are set.
23. On each Business Day two FX Tables valid at the Bank are prepared:
  - a) the first one, valid from 8.45 am, and
  - b) the last one, valid from 4.15 pm.
24. Irrespective of the times, specified in item 23 above, the Bank may prepare a new FX Table 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 FX Table valid at the Bank, and the change affected at least one currency listed in the FX Table valid at the Bank.
25. The FX Table valid at the Bank includes FX Rates determined on the basis of the Average Market Foreign Exchange Rates prevailing in the interbank currency market at 15 minutes prior to the time specified in the table, from which a given table is valid.
26. Current FX Tables valid at the Bank are available at the Bank's branches, in the Internet Banking System and they are published on the Bank's website - [www.bnpparibas.pl](http://www.bnpparibas.pl).
27. The rules and times of fixing the FX Rates may be changed in the following cases:
  - a) new legal provisions are introduced or the existing ones are amended with regard to fixing rates or foreign exchange spreads by banks, if this requires introducing this sort of changes at the Bank,
  - b) decisions or recommendations are issued by bank supervision bodies, competition and consumer protection bodies or other bodies so entitled, to the extent these changes include adjusting solutions adopted at the Bank to these decisions or recommendations,
28. Subject to sub-para. 30 below, a Credit/Loan disbursement is not made using the split payment mechanism referred to in Article 108a of the Value Added Tax Law of 11 March 2004.
29. Irrespective of the stipulations of the Agreement and the Regulations, the Bank allows the Borrowers to submit Credit/Loan payment orders via the Internet Banking System. The Credit/Loan payment orders may be submitted on behalf of the Borrower by each person who has been authorized by the Borrower in the Internet Banking System to submit such orders (under the terms and conditions established in that System).
30. The Borrower may, in a loan drawdown instruction, select the loan disbursement option in order to make a payment for a VAT invoice issued to the Borrower, in the split payment mechanism. To use this option, the Borrower must first open a Split Payment Account with the Bank. The Split Payment Account will be blocked all the time, which means that no other payments may debit or credit this account. A VAT account will be opened for the Split Payment Account, which will not be linked to any other account maintained by the Bank for the Borrower. In such a situation, the loan drawdown instruction will also constitute the Borrower's payment order with the content specified in the appendix to this instruction.

## §9 Credit/Loan Interest Rate

1. The Credit/Loan interest shall accrue for the actual number of days from the Credit/Loan (Credit/Loan Tranche) Disbursement day inclusive until the day preceding the Credit/Loan repayment. The interest shall be calculated on the Credit/Loan amount actually used.
2. The Credit/Loan interest shall be calculated using a fixed or variable interest rate. Agreements setting a Maximum Base Rate may be concluded. Where such an Agreement is concluded, Making The Credit/Loan Available shall give rise to the possibility of applying a Maximum Base Rate from the moment the Credit/Loan is made available. The signing of an amendment to the Agreement providing for the introduction of the Maximum Base Rate gives rise to the possibility of applying the Maximum Base Rate As from the 14th calendar day from the date of signing of the amendment to the Agreement however, if this day falls on a public holiday, the Maximum Base Rate shall start to apply on the first Business Day following this day. The provisions of the Agreement concerning the Maximum Base Rate shall cease to apply if the situations referred to in sub-paras. 13 and 14(b) below or in the Agreement.
3. A fixed interest rate cannot be changed over the Financing Term, subject to sub-para. 12 below.
4. A variable Credit/Loan interest rate corresponds to a Variable Base Interest Rate specified in the Agreement, increased by a number of percentage points specified in the Credit/Loan Agreement ("margin").
5. Any change of the Variable Base Interest Rate shall not be deemed an amendment to the Agreement. Change of the Variable Base Interest Rate shall result in an automatic change of the Credit/Loan variable interest rate, accordingly.
6. Variable Base Interest Rate may be, depending on the Credit/Loan Currency: LIBOR, EURIBOR, WIBOR, SOFR, SONIA, SARON, Term SOFR, Term SONIA Refinitiv or Compounded RFR Rate for the period specified in the Agreement or in case as specified in the Enclosure no. 1 to Regulations, Replacement Rate modified by the Adjustment.
7. In case of Variable Base Interest Rate being RFR or Compounded RFR Rate, Variable Base Interest Rate is determined separately for each day of the Interest Period (and in the case of the Compounded RFR Rate, it is determined in accordance with the provisions of Enclosure no. 2 to the Regulations). In such cases, the provisions of sections 8-11 do not apply.
8. The Variable Base Interest Rate is set for the first time on the Credit/Loan Disbursement day at the rate published two Business Days (established according to the country where the rate is published) before that day.
9. The Variable Base Interest Rate shall be updated by the Bank for the first time:
  - a) on interest maturity date that falls in a month following the month of the first Credit/Loan Disbursement, if that date differs from the Credit/Loan Disbursement date,
  - b) on interest maturity date that falls after the period corresponding to the Variable Base Interest Rate period (1M, 3M, 6M, etc.) indicated in the Agreement and counted from the Credit/Loan Disbursement date – if the Interest Due Date is the same as the Credit/Loan Disbursement date.
10. The Bank shall make subsequent updates of the Variable Base Interest Rates regularly in periods of time corresponding to the variable base interest rate periods (1M, 3M, 6M, etc.) specified in the Agreement and counted from the last update date.
11. Every update of the Variable Base Interest Rate is made at the rate published two Business Days (established according to the country where the rate is published) before that day..
12. The fixed interest rate of the Credit/Loan, or margin stipulated in the Agreement may be increased accordingly in order to cover costs incurred by the Bank in relation to granting the Credit/Loan. This may take place if in the course of the financing term, under law regulations implemented

after the Agreement conclusion, the Bank becomes obligated to establish Credit/Loan-related provisions, special funds, deposits or pay similar fees. Instead of increasing the fixed interest rate or the margin, however, the Bank may charge an additional commission or fee to the Borrower.

13. Where:

- a) Variable Base Interest Rate (or RFR being its basis) applicable to the currency of the Credit/Loan or its Tranche is not published; or
- b) it is not possible to set the interest rate for any other reason,
- c) Variable Base Interest Rate (or RFR being its basis) lost its representativeness or
- d) there is a change in the method of calculating the Variable Base Interest Rate (or RFR being its basis)

Bank will apply rules of procedures as specified in the Enclosure no. 1 to the Regulations

14. Where:

- a) the Agreement does not specify the interest rate, or
- b) the actual cost of respective financing by the Bank is higher in the interbank financial market than the amount of the published Variable Base Interest Rate, applicable to the Currency of the Credit/Loan facility or its Tranche  
unless the parties agree on a new interest rate through negotiations within ten Business Days, the Bank shall individually determine the interest rate that shall be the total of the Bank's margin and appropriate interest rate established by the Bank in good faith, based on available and credible sources, inclusive of the costs of acquisition by the Bank of the required amount for a given period.

15. Interest rates shall be set per annum. Interest for one day is calculated by dividing the interest rate by:

- 365 days for all credits/loans, except:
  - a) Credits/Loans repaid in equal loan principal and interest instalments,
  - b) Credits/Loans granted before 1 August 2016 other than overdraft facilities,
  - c) Credits/Loans for which the Variable Base Interest Rate is the RFR other than SONIA or Compounded RFR Rate based on the RFR other than SONIA
- 360 days for credits/loans listed in sections a) and c).

16. The Credit/Loan interest rate may not be higher than the maximum interest rate. In the event the Credit/Loan interest rate set forth in the manner stipulated in The Agreement is higher than the maximum interest rate, the Bank shall charge interest equal to the maximum interest for this period.

#### **§10 Grace Period**

The provisions concerning the grace period for the repayment of principal instalments for particular forms of financing can be found in Part II of the Regulations.

#### **§11 Currency of Credit/Loan Repayments**

1. Repayment of the Receivables shall be made in the Credit/Loan Currency.
2. Repayment of the Receivables in the Credit/Loan Currency may also be preceded by Currency Conversion made by the Bank. The Currency Conversion is applied in particular when a foreign currency Credit/Loan is repaid by way of debiting the Borrower's PLN account agreed upon for repayments.
3. The above-mentioned rules shall be also applied accordingly when the Bank offsets its obligations with the Borrower's receivables.

#### **§12 Credit/Loan Prepayment**

1. The Borrower has the right to prepay the Non-Revolving or Revolving Credit or a portion thereof, having notified the Bank about such an intention no later than three (3) Business Days prior to the date of the planned prepayment indicated in the instruction. Such an instruction, after the prepayment has been settled by the Bank, may not be withdrawn by the Borrower. Concurrently with making the prepayment, the Borrower shall pay any interest, commissions, fees and costs due to the Bank under the Agreement.
2. The instruction shall be realized no later than on the third Business Day after it has been made and will be realized as at the prepayment date indicated in the prepayment instruction, as long as there are funds to execute a prepayment, in the amount indicated in the instruction, at the execution date. The prepayment date indicated in the instruction may not be earlier than the date of submitting the instruction. If there are no sufficient funds in the full amount indicated in the instruction, the instruction may be executed at a later date, after sufficient funds are provided to make the prepayment in the amount resulting from the instruction, however, not later than on the 30th Business Day from the instruction submission date. In such a case, the prepayment will be made as at the date when the Borrower provides the funds sufficient to make the prepayment in the full amount resulting from the instruction.
3. The Bank, in the first place, shall count the amount paid towards the credit/loan Receivables that are due the earliest. A payment shall be counted towards relevant receivables on the third day after receiving the instructions, at the latest, however not later than on the repayment date of the matured Receivables.
4. In the case there are insufficient funds on the Borrower's bank account to cover the relevant prepayment fee the Bank shall be entitled to decrease the credit/loan prepayment amount by the fee due. The Bank is also authorised to allocate the amount of the prepayment, made in full or in some portion, towards the receivables due to the Bank from the Borrower on the day of making the instruction, arising from other title than the Agreement.
5. Notwithstanding the Agreement and the Regulations, the Bank allows the Borrower or an authorized person to submit early repayment instructions through the Internet Banking System.

#### **§13 Methods of Receivables Repayment**

1. Any Receivables shall be repaid at their maturity (payment date) at the latest into the bank account designated in the Agreement.
2. In the event the loan amount is to be repaid in equal instalments and it is not divisible into equal instalments, the instalment amount will be rounded down, depending on the Loan Currency, either to full Polish zlotys or other respective currency, and the last (balancing) instalment will constitute the difference between the Loan amount disbursed and the total of the remaining instalments.
3. The Receivables shall be repaid by debiting the Borrower's account by the Bank up to the balance available at the Receivables' maturity date. The Bank may debit the account without a separate instruction of the Borrower. The Borrower shall ensure that there are sufficient funds on the account to allow the repayment.
4. In the event the Receivables are to be repaid into a Credit/Loan account of the Bank (the Bank's internal account), the funds earmarked for the receivables repayment should credit that account at the Receivables maturity day at the latest.

5. The Bank may at any time designate an account other than the one indicated in the Agreement to be credited by the Borrower with funds necessary to cover the Bank's Receivables. Such change is made through the Bank's statement and shall not require conclusion of any annex to the Agreement.
6. in the event of occurrence of grounds for return of subsidies by the Agency for Restructuring and Modernisation of Agriculture ("ARMA") defined in the preferential credit agreement which refers to/ to which apply the General Preferential Financing Conditions mentioned in §22 para. 5, the Bank shall enforce the Receivables on its own behalf and in favour of the ARMA. Return of the Receivables includes also the amount equal to the subsidies already transferred along with interest in the amount as for tax arrears purposes, calculated from the date the subsidies were transferred by the ARMA to the Bank until the date they are returned to the ARMA account. The Bank will allot the funds obtained as result of enforcement or liquidation proceeding or as result of voluntary repayment by the Borrower, within 4 Business Days for reimbursement of subsidies along with interest, in the amount relative to the amount of the regained Receivables. The proportion between the receivables of the Bank and of the ARMA shall be set as at the date of the launch of the enforcement or liquidation proceedings or of the voluntary repayment by the Borrower, by comparison of the amount of the Borrower's debt resulting in the principal amount and the subsidies transferred by the Agency.

#### **§14 Default on Payments**

1. In the case any Receivables are not repaid at their maturity until 6.00 p.m. Warsaw time, they shall become past due debt.
2. To repay the past due debt, the Bank is authorised to debit each account held by the Borrower with the Bank, without the need to submit a separate instruction by the Borrower to that effect. In the situation that repayment of a past due debt is made debiting of the Borrower's account maintained in other currency than the currency of the past due debt, the Bank shall debit such account after a respective Currency Conversion.
3. In the event there are insufficient funds on the Borrower's account at the Bank to repay the past due debt, the Bank is authorised to debit also the guarantor's accounts maintained by the Bank with the amount of the past due debt.
4. For each such amount, the Bank will charge default interest in the amount of statutory interest determined pursuant to Article 481 of the Civil Code Act of 23 April 1964.
5. If a Borrower is late with repayment of the Borrower's obligation on account of a Credit/Loan granted, the Bank will request the Borrower to make the repayment, and informs the Borrower that the Bank may file an application for restructuring the debt in the manner and under the rules determined in the Banking Law.
6. The Bank shall notify the Entity Establishing the Collateral of any delays in the loan repayment, in a manner elected by the Bank, particularly: in writing, with use of Electronic Signature, by phone or by email.

#### **§15 Allocation of Credit/Loan repayments**

1. The Borrower shall, on due dates, provide funds in the account indicated in the Agreement for repayment of receivables thereunder.
2. If the available balance of funds is insufficient to satisfy the Bank's claims under the Agreement, further repayments of the Receivables shall be credited in the following order:
  - a) court and enforcement costs and other costs and expenses due from the Borrower, covered by the Bank,
  - b) commissions and fees,
  - c) interest on past due debt,
  - d) matured non-paid interest (overdue),
  - e) overdue principal,
  - f) contractual interest,
  - g) principal receivable (principal).
3. The above-mentioned order of receivables repayment refers to the Receivables arising from all agreements concluded between the Bank and the Borrower, and any indication that a given amount is transferred to repay a specific agreement shall not change the aforesaid repayment order.

#### **§16 Financing Term Extension**

1. The financing term may be extended only upon the Bank's written consent granted in writing or with use of Electronic Signature, otherwise it shall be null and void
2. Extension of the financing term shall not be regarded as a conclusion of a new Agreement (renewal) but as an amendment to the existing Agreement under which the Bank granted the Loan. Granting Credit for the next Current Credit Term processes under the rules stipulated in the Regulations.

#### **§17 Other Obligations of the Borrower**

1. In the course of the agreement the Borrower shall not:
  - a) grant powers of attorney to third parties (except for the Borrower's employees) so that they could administer the Borrower's accounts held with the Bank, assign rights arising under such accounts to third parties, pledge such rights or impose other restrictions on using these accounts in favour of third parties,
  - b) use the Credit/Loan for other purposes than specified in the Agreement;
  - c) neither establish any pledge or mortgage (subject to article 72 of the Act on Land and Mortgage Registers and Mortgages and Article 311 of the Civil Code) nor otherwise encumber any of its assets, whether owned now or purchased in the future, encumbered for the benefit of the Bank, in connection with obligations (own or other persons') towards third parties,
  - d) sell the Borrower's assets, except for sale resulting from the Borrower's current business operations and sales of old assets as part of their modernization process.
2. Furthermore, the Borrower shall also:
  - a) hold its current accounts with the Bank throughout the entire financing term, likewise channel the Borrower's settlements through the aforesaid accounts,
  - b) lawfully conduct the Borrower's business, obtain any necessary permits, licenses and concessions,
  - c) lawfully keep the Borrower's accounting books and records, and commission independent auditors to review the Borrower's financial statements, if it is required by law,
  - d) promptly and duly perform the Borrower's obligations towards the Bank,
  - e) promptly and duly perform the Borrower's public and private obligations,
  - f) provide information about starting or ending its participation in a group of companies (in the meaning of the Act of 15 September 2000 Code of Commercial Companies and Partnerships), and during the period of its participation in the group of companies each time inform the Bank about having received a binding instruction and about whether or not it followed such an instruction,

- g) maintain the Borrower's property in a non-deteriorated state (except for deterioration caused by normal wear and tear resulting from regular business activity) and continue its uninterrupted insurance in the manner suitable for the type of business activity and risks to which his property may be exposed, in order to guarantee the continuity of the business activity, likewise immediately inform the Bank within a maximum of five Business Days of any material damage occurring in this property exceeding 5% of its total value,
- h) when contracting loan obligations comparable to those towards the Bank towards third parties, establish Collateral for such obligations only on the condition that, at the same time, similar Collateral is established in favor of the Bank, on pari passu terms, for each comparable Loan granted by the Bank that remains outstanding, so that the level of the Bank's collateral is at least the same, as the collateral established in favour of third parties that finance the Borrower, in particular with regard to the type, priority, value and quality of the collateral established for the Borrower's loan liabilities due to the Bank, and taking into account the loan type, amount and term, and if establishing of such Collateral is not possible, the Borrower shall establish other Collateral or additional Collateral in favour of the Bank in the form and value required by the Bank.
- i) make any transactions or conclude any agreements with other persons, including affiliated entities, at arm's length only unless the Borrower can objectively justify a departure from arm's length conditions and provided it causes no negative tax consequences for the Borrower. The Borrower shall not make any transactions in which services provided by the parties are inequivalent, in particular free-of-charge transactions, donations,
- j) to maintain throughout the entire financing period valid obligatory insurance (applies to natural persons who are Farmers):
  - (i) farmers' civil liability insurance (OC) on owning an agricultural farm - the insurance policy should include the total area of the agricultural farm (own and leased land) and buildings insurance (own and rented) included in the agricultural farm - as defined in the Act of 22 May 2003 on obligatory insurance, Insurance Guarantee Fund and the Polish Bureau of Transport Insurance
  - (ii) of crop covered by obligatory insurance in a given year, according to the Act of 7 July 2005 on Crop and farm animals insurance,

### **§18 Credit/Loan Collateral - General Provisions**

1. The Borrower shall immediately establish the legal collateral stipulated in the Agreement. If the Collateral is not established within the time limit set forth in the Agreement, the Bank has the right to send reminders in accordance with §7 sub-para. 16.
2. At the Bank's request, the Borrower shall immediately establish legal Collateral or additional legal Collateral in the case when:
  - a) the Borrower's Creditworthiness, as assessed on the basis of documents and information presented or obtained independently by the Bank during the term of the Agreement, has deteriorated, or
  - b) the value of the established Collaterals has decreased according to assessment with the same method as was originally used to determine the collateral value of other method agreed on by the parties, or,
  - c) the previously established Credit/Loan Collateral has ceased be effective or their effectiveness has been questioned by the Borrower, the Entity Establishing the Collateral or a third party, or
  - d) the Bank has become entitled to terminate the Agreement.
3. In the above-mentioned situation, the Bank, taking into consideration the opinion and just interests of the Borrower, will set out the type, method of establishment and conditions of the additional Collateral.
4. The Bank may prevent the Borrower from using the Loan until the additional Collateral is established.
5. If:
  - a) the Borrower contracts a financial commitment towards a third party (including also making Derivative Instrument transactions), or
  - b) the Borrower makes any transaction with a third party which results or may result in the encumbrance of the Borrower's assets in connection with the Borrower's own commitments or commitments of third parties, which in the Bank's opinion prevent the Borrower from performing its obligations towards the Bank under the Loan or under the Derivative Instrument transactions effected with the Bank,
 at the request of the Bank, the Borrower shall immediately establish, in favour of the Bank, Collateral or additional Collateral for the Bank's receivables on account the Credit/Loan and on account of Derivative Instrument transactions. The form and value of such Collateral or additional Collateral shall correspond, in the Bank's opinion, to the increased credit risk of the Bank resulting from the above.
6. The Borrower shall take actions towards the Party Establishing Collateral to ensure fulfilment of any obligations under the Collateral agreement by the Party Establishing Collateral, likewise to maintain the collateral value, and notify the Bank, no later than within five Business Days, of any circumstances which result in the reduction in value for the Bank of the Collateral accepted. Failure to perform these obligations by the Borrower shall give the Bank the right to demand establishment of additional Collateral.
7. The Bank is not obliged to notify the Entity Establishing the Collateral of any events related to the agreement performance, in particular, of any amendments to the agreement, prepayment of the credit/loan or refusal to disburse the credit/loan. In a situation where legal provisions oblige the Bank to inform the Entity establishing the collateral of specific circumstances related with performance of the agreement the By the Borrower. The Bank will provide such information in the form agreed on with the Entity establishing the collateral.
8. The Bank is authorised by the Borrower to provide the Entity Establishing the Collateral, at a request of the latter, with the Agreement, likewise information on the Borrower's outstanding debt balance and Receivables repayment dates. The Bank is not obliged to notify the Borrower about the above request made by the Entity Establishing the Collateral.
9. Towards the Bank, the Entity Establishing the Collateral may not plead either the lack of awareness of the Borrower's obligations, or the lack of information of the Borrower's financial standing or Creditworthiness.
10. The Entity Establishing the Collateral may not require the Bank to disclose detailed information on the Collateral established by other persons, including the Collateral established by the Borrower.
11. Costs related to:
  - a) establishment, change, supplementation or maintaining validity (effectiveness) of Collateral,
  - b) management, safekeeping or guarding the Collateral assets, likewise the manner of maintaining the Collateral,
  - c) release of the Collateral asset (including deregistration from the relevant register),
 shall be borne by the Borrower or the Entity Establishing the Collateral.
12. The Bank may satisfy its claims against the Collateral in a sequence selected at its discretion, taking into consideration the principle of proportionality of measures. The possibility of satisfying its claims against the Collateral is not conditional upon ineffective enforcement of the Receivables due from the Borrower.
13. The Bank shall be authorized, either on its own or through third parties, to inspect, by prior appointment with the Borrower or the Entity Establishing the Collateral, the condition of Collateral assets, and the Borrower and the Entity Establishing the Collateral shall, no later than within five Business Days, make such inspection possible for the Bank or the third party and provide them with an appraisal (or reappraisal) of the value of the Collateral prepared by an Independent Expert Appraiser.

14. In the event the Credit/Loan repayment is secured by an assignment of receivables and the debtor under the receivables assigned makes a payment related to the receivables in favour of the Bank using the split payment mechanism, referred to in Article 108a of the Value Added Tax Law of 11 March 2004, the amount corresponding to the whole or part of the VAT arising from the invoice, received into a VAT account of the Bank linked to the account indicated to the debtor under the receivables assigned as the repayment account, will be transferred by the Bank into the VAT account linked to the current account held by the Borrower/assignor maintained by the Bank, or another account specified by the Borrower/assignor.  
The amount of the payment related to the receivables, made using the split payment mechanism in favour of the Bank by the debtor under the receivables assigned, in the part including VAT, will not be included in the calculation of the maximum total amount of the receivables which have been or should have been assigned to the Bank under the agreement of the assignment of receivables.
15. The Entity Establishing the Collateral in the form of an assignment undertakes and ensures the Bank that its account will be on the List during the term of the assignment agreement.
16. In the event the account of the Entity Establishing the Collateral in the form of the assignment is not on the List, the Bank has the right to withhold the transfer of the referenced amounts, until the Entity's account is entered in the List in accordance with applicable regulations in this respect.
17. The provisions of para. 15-16 shall not apply if the Entity Establishing the Collateral proves to the Bank that under the applicable provisions of the VAT Act dated 11 March 2004, it is not obligated to enter its account in the List.

## **§19 Agreement Dissolution due to Credit/Loan Termination and Events of Default**

1. The Bank shall be entitled to terminate the Credit facility Agreement (in its entirety or in part) under the provisions of the Banking Law pertaining to the Agreement, i.e.
- in the case of the violation by the Borrower of the credit terms and conditions or
  - in case of loss of Creditworthiness.

In the event the conditions of a Credit Agreement termination are fulfilled, the Bank may also decrease the amount of the granted Loan or its specific Tranches (in full or in part) or increase the margin to no more than twice its previous rate, and in the case of the fixed interest rate it may increase the interest rate by no more than 2 percentage points (however, in such a manner that the total contractual interest rate does not exceed the maximum interest rate determined pursuant to Article 359 of the Civil Code of 23 April 1964) or increase a commission for new guarantees / letters of credit and /or future commissions for already issued guarantees / opened letters of credit, from the next settlement period, to the amount not higher than twice the existing rate.

2. The following shall be also deemed a breach of the terms and conditions for the granting of the Loan:
- the Borrower presenting false or incomplete information at conclusion of the Agreement, the Borrower presenting false or incomplete information required according to §3, §4, §17 and §18 hereof, presenting falsified or false documents or in any other way misleading the Bank at conclusion of the agreement and during its term,
  - a material change of the Borrower's ownership or capital structure without the Bank's prior consent (granted in writing or with use of Electronic Signature); the material change is deemed to be the following:
    - loss of control (over 50% of shares (interest)) by the composition of shareholders existing as at the Agreement conclusion time, or loss of their right to elect the majority of the composition of management or supervisory bodies,
    - a change which results in a loss of control by the entity having, as at the Agreement conclusion date, the status of the Borrower's controlling entity, where the control means that the controlling entity, directly or indirectly:
      - holds the majority of voting rights in any governing body of the Borrower, also by means of agreements with other right holders, or
      - holds the right to appoint or revoke the majority of the members of the Borrower's governing or supervisory bodies, or
      - is authorised to set out financial and operational policies for the Borrower, individually or through person or entities it has appointed under a contract concluded with other holders of voting rights, or
  - limiting or abandoning of the Borrower's business operations declared to the Bank as the main operation at the moment of granting the credit or moving the Borrower's registered office outside the territory of Poland, without the Bank's prior consent (granted in writing or with use of Electronic Signature),
  - merger with another entity, division or transfer of the Borrower's enterprise to any entity under any title whatsoever, without the Bank's prior written consent (granted in writing or with use of Electronic Signature),
  - encumbrance or alienation of real estate mortgaged in favour of the Bank without the Bank's prior consent (granted in writing or with use of Electronic Signature),
  - notice of termination (or other manner of unilateral early termination), unilateral decrease of credit or refusal to disburse credit for reasons specified in Article 75 of the Banking Law (or other analogous provisions in other jurisdictions) by any financial institution (including the Bank) of a credit/loan agreement concluded with the Bank or another agreement entailing credit risk (including in particular factoring or leasing agreements); the above applies also to a parent company (within the meaning of the Code of Commercial Companies and Partnerships Act of 15 September 2000) of the Borrower and a company with respect to which the Borrower is apparent company (within the meaning of the Code of Commercial Companies and Partnerships Act of 15 September 2000),
  - suspension by the Borrower of the repayment of the entire debt or its part, announcement of such an intention or admittance that the Borrower is unable to repay its debts on their maturity dates, or starting negotiations, due to financial difficulties, with one or more creditors to restructure its financial debt,
  - the Borrower has breached provisions of law related to anti-money laundering, counter-terrorist financing, observance of sanction provisions or sanctions which the Bank is obliged to apply as a member of the BNP Paribas Group, or the Bank has become aware of reliable information about the use of the Bank's activities by the Borrower for criminal actions or actions associated with criminal actions,
  - loss of right to the entirety or part of subsidy for investment under credit, when, under the Agreement the subsidy was supposed to be used to repay the credit;
  - occurrence of another event which, according to the Bank, may materially impair the legal, economic or financial situation of the Borrower to the extent jeopardising its ability to duly perform its obligations arising under any agreement concluded with the Bank.
3. In the event of termination of the Agreement, the Borrower shall lose the ability to use the Loan as soon as it receives a notice of termination.
4. In the event a guarantee credit line Agreement, letter of credit line Agreement, multi-option credit line Agreement or multi-option premium/premium bis credit line Agreement have been terminated with a notice or if not all Receivables under such Agreements have been paid on the last day of the financing term, any matured Receivables denominated in currencies other than the credit limit currency will be converted by the Bank into the currency of the credit limit and aggregated into one Receivable. The Currency Conversion and aggregation of the matured Receivables takes place at the latest on the termination date of such Receivables.



## §20 Delivery of Letters

1. Any letters from the Borrower to the Bank should be addressed to the Bank's Branch which maintains the Borrower's current account.
2. The Borrower's holding of a bank account with the Bank, to which the possibility of using electronic access channels (Internet Banking System) or providing the Bank an e-mail address, is tantamount to the Borrower's consent for the Bank to deliver correspondence via the Internet Banking System or to an e-mail address, including amendments to the Regulations and the TCF and other products held by the Borrower at the Bank;
3. The Bank has the right to send correspondence in a secured form to the email address. In such a case, only the person who can open and read the attachment is the authorized to receive the password who is assigned by the Borrower as the person authorized to receive the current account statements sent by email.
4. Any correspondence sent by the Bank to the Borrower, either by mail or via courier, to the most recent mailing address provided by the Borrower or registered office address, in the case the Borrower failed to provide a mailing address or the Bank received returned correspondence three times, or the correspondence address in a branch of the Bank.
5. Letters shall be deemed duly served on the following dates:
  - a) if delivered in person or by a messenger – on the day of their receipt,
  - b) if delivered via email - on the date of sending the email,
  - c) if delivered via electronic access channels / Internet Banking System – at the moment they are correctly entered into the electronic access channel / Internet Banking System,
  - d) if delivered by a registered letter or a registered letter against acknowledgement of receipt if the Bank does not have a proof of delivery - after 21 days from the date of sending to the last address provided by the other party, unless this party proves it was unable to read the correspondence in that time.

## §21 Complaints

1. The Borrower may lodge complaints (objections) in the Bank concerning services provided by the Bank.
2. Complaints may be lodged in writing – in person at a branch or at the Bank's registered office, or by mail sent to the address of a branch or the Bank's registered office, orally – by telephone on the call centre number +48 22 566 99 99 (charged according to the operator's price list), or in person to be documented at a branch or the Bank's registered office, and by electronic means - through electronic banking systems or using a complaint form on the Bank's website: [www.bnpparibas.pl](http://www.bnpparibas.pl). Full contact details of the Bank's branches and registered office are provided at the website and in the Bank's branches.
3. When the Borrower has lodged a complaint, the Bank considers the complaint and provides a reply to the Borrower in paper or using another durable medium, whereas the Bank replies to the Borrower by email at the Borrower's request.
4. The Borrower's complaints are considered and replied by the Bank no later than within 30 days of the date of the complaint receipt. In particularly complex cases that prevent the Bank from resolving the complaint within the above time frames, in the information delivered to the Borrower, the Bank explains the reasons for the delay, specifies the circumstances that need clarification and sets a time scale for solving the complaint that cannot exceed 60 days of the complaint receipt, if the Borrowers are natural persons.

## §22 Amendments to the Regulations

1. The Bank may - for valid reasons, specified in para. 2, in the manner defined in para. 4 - amend the Regulations, excluding the stipulations agreed individually with the Borrower.
2. Valid reasons for amending the Regulations include:
  - a) introduction of new law provisions or amendments to the applicable ones, or issuance of recommendations or interpretations by authorized state bodies on the manner of application of such law provisions, if it results in the need to adjust the agreement provisions to solutions arising from the law provisions, recommendations or interpretations issued,
  - b) change of the functionality of banking services or products offered by the Bank resulting from changes of the Bank's IT infrastructure, which entail no additional obligations of the Borrower, to the extent in which it results in the need to adjust the Agreement provisions,
  - c) changes in the Bank's offering that consist in broadening the scope of services or products, providing that it ensures the due performance of the Agreement and does not lead to the increase in the Borrower's financial encumbrances under the Agreement and it is not detrimental to his/her interests,
3. Within 14 days of receiving a notification of amendments to the Regulations - the Borrower may terminate The Agreement by giving a 30-day notice. On the last day of the notice period at the latest, the Borrower shall repay the total amount of all his/her liabilities towards the Bank arising under the Loan granted. If the Agreement is not terminated, the amendments shall be deemed approved by the Borrower and binding.
4. The Bank shall present the Borrower with a notification of the scope of proposed changes to the Regulations in electronic or written form, according to rules set out in § 20 hereof.
5. The Regulations supersede:
  - 1) "General Financing Conditions for Institutional Customers Subject to the Accounting Act at the Bank BGŻ BNP Paribas SPÓŁKA AKCYJNA (OWK KI)" (applicable to customers serviced at the Bank's branches which before the merger date were branches of BGŻ S.A.) and "General Financing Conditions for Institutional Customers Subject to the Accounting Act at Bank Gospodarki Żywnościowej SPÓŁKA AKCYJNA (OWK KI)",
  - 2) "General Financing Conditions for Institutional Customers Not Subject to the Accounting Act at Bank BGŻ BNP Paribas SPÓŁKA AKCYJNA (OWK KI MIKRO)" (applicable to customers serviced in the Bank's branches which before the merger date were branches of BGŻ S.A.) and "General Financing Conditions for Institutional Customers Not Subject to the Accounting Act at Bank Gospodarki Żywnościowej SPÓŁKA AKCYJNA (OWK KI MIKRO)",
  - 3) "General Financing Conditions at Bank Gospodarki Żywnościowej Spółka Akcyjna of projects co-financed using EU Funds under the Rural Development Program for the years from 2007 to 2013" "Agro Unia - Development of the Agribusiness Sector" and "General Financing Conditions at Bank Gospodarki Żywnościowej Spółka Akcyjna of projects co-financed using EU Funds under "Sustainable Development of the Fisheries Sector and Coastal Fishing Areas in the period 2007-2013 Operational Programme" "Agro Unia - Development of the Fishing Sector" and "General Financing Conditions at Bank Gospodarki Żywnościowej Spółka Akcyjna of projects co-financed using EU Funds under Operational Programs for the years from 2007 to 2013 (Innovative Economy OP; Infrastructure and Environment OP; Development of Eastern Poland OP; Regional Operational Programs) - "BGŻ Loan - European Union - Support of the Entrepreneurship Sector" and "General Financing Conditions at Bank Gospodarki Żywnościowej Spółka Akcyjna of investment projects co-financed using EU Funds under Operational Programs for the years from 2007 to 2013 (Innovative Economy OP; Infrastructure and Environment OP; Development of Eastern Poland OP; Regional Operational Programs) - "BGŻ Loan - European Union - Support of the Entrepreneurship Sector", (applies to customers using loans for financing of investments co-financed with EU Funds in the Bank's branches which were branches of BGŻ S.A. prior to the merger date),

4) "General Preferential Financing Conditions For Institutional Customers at Bank Gospodarki Żywnościowej Spółka Akcyjna (OWKp MIKRO)" and "General Preferential Financing Conditions For Institutional Customers at Bank Gospodarki Żywnościowej Spółka Akcyjna (OWKp KI) and "General Preferential Financing Conditions at Bank BGŻ PNB Paribas SA (OWK-PR)" (applicable to customers serviced in the Bank's branches which were branches of BGŻ S.A. prior to the merger date) and "General Preferential Financing Conditions at BNP Paribas Bank Polska SA (OWK-PR)", hereinafter referred to also as "General Preferential Financing Conditions".

### **§23 Other Stipulations**

1. The conclusion, amendment and termination of the Agreement or Collateral Agreements (documents) shall require the written form or the use of an Electronic Signature under pain of nullity. An Electronic Signature is not allowed for a promissory note and a mortgage, and where a special form is required (e.g. a notarial deed containing a declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure).
2. Polish law shall be applicable to judge legal relationship arising between the Bank and the Borrower.
3. Any receivables due to the Bank under the Agreement may not be assigned to any third party without the Bank's consent granted in writing or with use of Electronic Signature, otherwise the assignment shall be considered null and void.
4. In the event of invalidity or ineffectiveness of any provisions of the Regulations, the Agreement or Collateral agreement, the remaining provisions shall remain in full force and effect.
5. In the case the Bank fails to exercise any of its rights arising from the provisions of the Regulations, an Agreement or Collateral agreement - it may never be regarded as waiving such rights. The Bank may inform the Borrower, by means of a unilateral statement, of the waiver of such a right in relation to the Borrower.
6. The Regulations may be prepared and forwarded also in English language versions. In case of any discrepancies between the language versions, the Polish language version shall prevail.
7. The Bank and other entities within the BNP Paribas Group offer their services on the international market, to a wide range of customers. Therefore it is possible that such services will be provided to entities that are the Borrower's partners or competitors. The Borrower takes note of that fact.

### **§24 Representations regarding environmental, social and corporate governance risks**

1. The Borrower hereby represents that to the best of the Borrower's knowledge:
  - a) the Borrower's activity which is to be financed with the Loan funds, is conducted pursuant to the applicable national and local regulations, provisions binding in the European Union, international conventions and international agreements which Poland is party to, regarding environmental, social and governance issues, including provisions on environmental protection, employment likewise occupational health and safety;
  - b) the Borrower has received and currently holds all the necessary permits required pursuant to the regulations regarding environmental, social and governance issues in connection with the activity conducted by the Borrower;
  - c) neither the Borrower nor its business activity, operational activity or fixed assets are the subject of a court dispute or actions undertaken to protect the environment, employment, occupational health and safety likewise social issues by any authorities.
2. The Borrower shall notify the Bank about any serious social, environmental or governance events, including in particular the following:
  - a) employee fatal accidents related to the Borrower's activity,
  - b) any damage caused to the environment within the meaning of the Act on the prevention and remedying of environmental damage (or other relevant act which may replace it in the future).
3. The Bank has the right to demand presentation of documents and information regarding compliance with law regarding the environmental, social and governance issues and also to conduct an on-site control to assess the environmental, social and governance activities.
4. The Bank represents that it has been running its business based on values and guidelines which reflect the Bank's commitments in relation to human rights, fundamental freedoms and natural environment. The Bank wishes to cooperate with customers whose business practices and management style represent a high level of responsibility in this respect. The principles are reflected in the BNP Paribas Responsible Business Principles, available at the following link: <https://www.bnpparibas.pl/csr/strategia-csr>.
5. The Bank represents and the Borrower acknowledges and undertakes to comply with the fact that the credit/loan may not be used to finance the following:
  - a) transactions related to:
    - (i) controversial weapons (controversial types of weapons which have indiscriminate effects and cause unnecessary damage and injuries, including in particular: cluster munitions, anti-personnel mines, chemical weapons, biological weapons, nuclear weapons and depleted uranium ammunition),
    - (ii) production, trade or use of drift nets over 2.5 km in length, asbestos fibres, products including PCB (polychlorinated biphenyls),
    - (iii) trade in endangered species of plants or animals subject to CITES and having no permit,
  - b) directly or indirectly, transactions, projects or parties engaged in using forced labour (including slave labour or child labour),
  - c) transactions or projects which can have a lasting negative impact on the natural environment.

### **§25 Regulations regarding Sanction Legislation**

1. The Borrower represents and warrants the Bank that as at the date of the agreement and the date of submitting each order:
  - a) the Borrower, the Entity Establishing the Collateral and its/their subsidiaries or parent entities, its/their undertakings, members of its/their authorities, remain compliant with the Sanction Legislation,
  - b) none of the entities listed in section (a) above:
    - (i) is either an entity subject to the Sanction Legislation or participates in a transaction because of which it may very likely be considered an entity subject to the Sanction Legislation; or
    - (ii) is either subject to or participates in any proceedings or investigation conducted against it/them in connection with the Sanction Legislation, or has/have been involved in the Sanction Legislation circumvention or evasion practice,
    - (iii) has either a registered office or branch in the country or in the territory which (or whose government) is subject to the Sanction Legislation which prohibit maintaining relationship with this government, country or territory.
2. The Borrower additionally undertakes that, until the full repayment of all Receivables due to the Bank, the funds obtained under any risk-bearing product will neither be available, whether directly or indirectly, to a sanctioned entity nor will be used by a sanctioned entity to reach benefits.
3. The Bank shall not be held liable for any damage caused by any delay or refusal to execute, blockade or freeze of the order or any payment, failure to return documents or other actions arising from the Bank's compliance with the Sanction Legislation.



## PART II

### Credit/Loan Agreements and general financing Agreement

#### §1 Non-revolving Loan Profile

1. The non-revolving Loan is a Loan with a predefined repayment schedule.
2. Repayment of the non-revolving Loan in whole or in some portion shall not entitle the Borrower to reuse the same Loan within its repaid amount.
3. The non-revolving Loan may be a Working Capital Loan or Investment Loan.
4. Any loan granted by the Bank is a non-revolving Loan, unless otherwise stipulated in the Regulations or the Agreement.
5. In the event that the Agreement provides for a grace period with regard to a Non-Revolving Loan, the following provisions shall apply:
  - a) the grace period shall be set in months,
  - b) the grace period commences on the first day of the month that follows the month in which the Loan disbursement period has expired,
  - c) the grace period shall not extend the financing term,
6. The grace period for the repayment of a Non-Revolving Loan does not imply a grace period for the payment of the Bank's other matured Receivables, including but not limited to interest.

#### §2 Revolving Credit Profile

1. Repayment of a revolving Loan prior to the end of the financing term shall entitle the Borrower to reuse the credit limit within its repayment amount, however, up to the Loan amount (limit) and until the lapse of the Current Credit Term.
2. Repayment of the revolving Credit prior to the financing term end is made based on the instruction given by the Borrower through the Bank's debiting the Borrower's current account indicated in the Agreement.
3. The revolving Credit shall be disbursed and repaid in a minimum amount indicated in the Agreement. The repayment of the Loan or its part shall not be made on the day of disbursement of the Loan or its part.
4. The revolving Credit is a Working Capital Loan.
5. **(Applicable to SME Borrowers only)** The Borrower shall, during the term of the Agreement, ensure inflows from its business or agricultural production activities to the account in the amount specified in the Agreement.
6. **(Applicable to SME Borrowers only)** In the event of the failure of a Borrower other than a Farmer to comply with the obligation to ensure monthly inflows to the account in the amount specified in the Agreement, the Bank may begin reducing the Loan amount by 20% of the Loan granted each month starting from the 25th day of the month in which the first breach is determined on the part of the Borrower, and will shall inform the Borrower accordingly in writing or using an Electronic Signature. The reduction of the Loan amount shall continue until the end of the Current Credit Term regardless of whether the Borrower begins to comply with the above obligation. If the amount of the used Loan is higher than the amount of the Loan after the reduction, the Borrower, on the date of the reduction of the Loan, shall repay the used Loan in the excess amount in accordance with the notification made available by the Bank in the Internet Banking System. In the case of failure to repay within the deadline, the unpaid amount shall become past due debt. The Borrower shall monitor receipts to its accounts so as to ensure repayment of the maturing Loan.

#### §3 Guarantee Facility Profile

1. Under a guarantee credit line Agreement, the Bank enables the Borrower to submit orders to issue a guarantee, in original or via the Internet Banking System.
2. The Bank may refuse to execute the order submitted by the Borrower without specifying the refusal reason, in particular in the event the Borrower has violated stipulations of the guarantee credit line Agreement or the Regulations, or if the order breaches any social, environmental or governance responsibility criteria (CSR/ESG) required by the BNP Paribas Group.
3. The total amount of guarantees to be issued by the Bank may not exceed the credit amount (credit limit) indicated in the Agreement. The active guarantees issued under the Agreement and amounts paid by the Bank under the guarantees that remain unpaid by the Borrower shall decrease the amount of the credit limit available.
4. In the event of any ambiguities in the content of the Order or non-compliance between the Order and the contents of the documents attached thereto, the Bank may ask the Borrower to remove them. The Bank can also require the submission of additional documents that are necessary, in the Bank's opinion, to take a decision on the Order execution.
5. Any activity carried out between the Borrower and the guarantee beneficiary shall not affect the scope of the liabilities of the Borrower towards the Bank under the guarantee issuance order.
6. Validity periods of guarantees issued may not end later than 14 days prior to the end of the financing term.
7. The guarantee facility Agreement may be either non-revolving or revolving. With regard to a non-revolving loan Agreement, the credit limit shall not increase, and the Borrower may not submit subsequent Orders for guarantees. In the case of a revolving Agreement, any expiration of the Bank's obligation under a guarantee issued at the Borrower's request prior to the end of the financing term (or the Current Credit Term, if any) shall cause an increase in the available credit limit and entitle the Borrower to re-submit subsequent Orders for the issuance of guarantees by the Bank up to the credit limit and until the end of the financing term or the Current Credit Term, if any.

#### Credit Currency

8. The credit limit may be denominated in PLN, USD or EUR. However, guarantees may be issued in any currency indicated by the Borrower, provided that the buy/sell rate of such a currency is quoted by the Bank. In the case the guarantee currency differs from the credit limit currency, the amount of the credit limit being used is each time decreased by the guarantee amount, which is increased, to secure against FX risk, by additional 5% of the guarantee amount, and in the case of a guarantee whose validity period exceeds six months, by additional 10% of the guarantee amount, using the FX rate binding at the Bank on the day of issuing the given guarantee.
9. In the event that the guarantees issued under the Agreement are denominated in a currency other than PLN, USD, EUR, the credit limit amount thus used is determined through a conversion of the guarantee currency into the credit currency. Making such a conversion shall not require a separate instruction of the Borrower.
10. *(deleted)*

#### Payment under the Guarantee

11. In the event that the guarantee beneficiary demands payment under the guarantee issued by the Bank, the Bank shall effect the payment and the Borrower is obligated to return the paid amount to the Bank on the same date when the Bank made the payment under the guarantee. If the Bank effects the payment in a foreign currency other than the credit limit currency, the Borrower is obligated to repay the amount paid by the Bank after its Currency Conversion into the credit limit currency. The Currency Conversion shall be made on the day of making the payment by the Bank.
12. The Bank shall make a payment under a guarantee after all the conditions described in the guarantee are fulfilled, in particular after a demand for payment is made or all required documents and statements are submitted. The Bank is not obliged to verify the circumstances that result from submitted documents or presented statements, unless the content of the guarantee indicates otherwise.
13. The Bank shall, no later than within three Business Days, inform the Borrower that it has received a demand for payment from the guarantee beneficiary or its bank, and then about whether the Bank considered the demand consistent with the guarantee content and made the payment (with an indication of its date) or whether refused to make the payment, or about a withdrawal of the demand for payment by the beneficiary.
14. The Bank is not obliged to analyse the existence, validity, effectiveness and legal effects of any legal relationship between the Borrower and the guarantee beneficiary, in each case when the payment is consistent with the guarantee terms and conditions. The assessment of the demand consistence is made solely by the Bank.
15. The Bank debits the Borrower's accounts held in the Bank, without the need of a separate instruction from the Borrower, with the amount and currency paid to the guarantee beneficiary. The Borrower shall ensure a sufficient amount of funds on the Borrower's accounts held in the Bank to cover the amount paid by the Bank under the guarantee. If there are insufficient funds on the Borrower's accounts, the debt becomes past due and the Bank is entitled to withhold the issuance of guarantees ordered by the Borrower.
16. The Borrower hereby agrees that in the case of a past due debt, the Bank shall be authorized to submit a statement, in writing or with use of Electronic Signature, on the Borrower's liability novation within the meaning of Article 506 of the Civil Code; as a consequence, the Borrower's liability shall become a liability under a non-revolving loan with the principal debt amount corresponding to the amount paid by the Bank under the guarantee, repayment date of seven (7) days of the date of payment under the guarantee made by the Bank, and interest rate for past-due debt amounting to the maximum default interest rate determined under Article 481 of the Civil Code Act dated 23 April 1964. Whenever the Entity Establishing the Collateral is different from the Borrower, and the collateral is a suretyship or a limited property right, the Entity Establishing the Collateral gives consent to maintain the collateral established by that Entity despite making the novation.
17. Subject to the mandatory provisions of law, the Bank shall not be liable to the Borrower for damage suffered by the Borrower as a result of the issuance of a guarantee in accordance with the order or payments made by the Bank under the guarantee in accordance with its content, unless the damage occurred unlawfully, as a result of wilful misconduct of the Bank.

#### **Security Deposit**

18. The Bank is authorised to demand a security deposit and the Borrower shall establish the same in the following cases:
  - a) if so provided for in the Agreement or the Order,
  - b) if an Event of Default occurs,
  - c) the guarantee validity period is longer than then Current Credit Term (as long as such a term is determined) and then the credit is not provided available for the subsequent Current Credit Term.
19. The security deposit constitutes collateral for conditional receivables due to the Bank from the Borrower regarding the reimbursement of amounts paid by the Bank under guarantees issued under the Agreement.
20. The Borrower shall establish the security deposit prior to the credit disbursement in the case specified in sub-para. 18(a) and, in the cases specified in sub-para. 18(b)-(c), within a maximum of 5 Business Days of receipt of the Bank's demand.
21. The security deposit is established by an ownership transfer of an amount as Collateral made by the Borrower in favour of the Bank pursuant to Article 102 of the Banking Law.
22. In cases specified in item 18 sections b) - c), in the request to establish the security deposit, the Bank indicates the amount corresponding to the valid guarantees issued by the Bank under the Agreement, and the account which should be credited with the amount.
23. The Borrower shall ensure sufficient funds on the Borrower's account to establish the security deposit. In the event of insufficient funds in the Borrower's accounts, the Bank is entitled to lodge a claim against the Borrower for payment of the missing amount needed to make the deposit.
24. The Borrower hereby grants the Bank an irrevocable power of attorney to enter into a security deposit Agreement by and between the Bank and the Borrower, without prior request to the Borrower to fulfil that obligation, under standard terms and conditions applied by the Bank. Article 108 of the Civil Code shall not apply. To effectively establish the deposit, it is not necessary to conclude an Agreement in writing. It shall be sufficient when the Bank charges the specified amount against the Borrower's account and, in the cases determined in sub-para. 18(b)-(c), notifies the Borrower about the establishment of the deposit and its parameters. The security deposit is established in the guarantee currency, unless it has been agreed otherwise. If the Borrower's accounts are maintained in a currency other than the currency in which the security deposit is to be established, the Bank shall make a Currency Conversion on the terms specified in the Regulations, taking account of the Agreement or the Regulations regarding hedging the exchange rate risk.
25. Funds of the security deposit will not earn interest, unless the parties have agreed otherwise.
26. If the parties have decided that the security deposit established in cases specified in para. 18(a) will bear interest, than the interest will be calculated at the fixed interest rate applicable to term deposits in the currency of the security deposit on the date of its collection from the Borrower's account, determined in the Table of interest rates for funds in a BNP Paribas Bank Polska S.A. account or at the interest rate individually agreed with the Bank.
27. If the parties have decided that the security deposit will bear interest, remuneration for using the amount of the deposit (interest) will be calculated by the Bank at the end of the period for which the deposit was established (i.e. ten Business Days from the expiry date (including due to return of the guarantee or the beneficiary releasing the Bank from any obligations arising from the guarantee before the expiry date)), unless the parties have agreed otherwise. The Bank will transfer the accrued remuneration to the Borrower's account from which the security deposit has been collected (after the deduction of the costs of transferring the funds).
28. In the event that the Bank makes a payment in favour of the beneficiary of the guarantee issued by the Bank, the Bank may recover the paid amount against the security deposit established (satisfaction with the collateral) without any separate instruction of the Borrower, whereof the Bank will notify the Borrower forthwith within a maximum of five Business Days.
29. The amount of the security deposit shall be decreased accordingly in the case of a guarantee expiry, likewise return of the guarantee by its beneficiary prior to its validity date, without requesting any payment under the guarantee in the meantime. The security deposit shall be decreased within no more than ten Business Days of the guarantee expiry (including due to the return of the guarantee or a release of the Bank by the beneficiary from obligations under the guarantee prior to its validity date), in such a manner that the Bank returns the relevant funds plus the interest accrued to the Borrower's current account.

#### **§4 Profile of a Letter of Credit Line Agreement**

1. Under a letter of credit line Agreement, the Bank enables the Borrower to submit Orders to open letters of credit (L/Cs), in original or via the Internet Banking System.
2. The Bank may refuse to execute the order submitted by the Borrower to open or amend a letter of credit, without specifying the refusal reason, in particular in the event the Borrower has violated stipulations of the letter of credit line agreement or the Regulations, or if the order breaches any social, environmental or governance responsibility criteria (CSR/ESG) required by the BNP Paribas Group.
3. The total amount of letters of credit to be issued by the Bank together with the tolerated L/C amount indicated in the letter of credit order may not exceed the Credit amount (credit limit) indicated in the Agreement. Any letters of credit issued under the Agreement and amounts paid by the Bank under the L/Cs that remain unpaid by the Borrower shall decrease the amount of the credit limit available.
4. In the event of any ambiguities in the content of the Order or non-compliance between the Order and the contents of the documents attached thereto, the Bank may ask the Borrower to remove them. The Bank can also require the submission of additional documents that are necessary, in the Bank's opinion, to take a decision on the Order execution.
5. Any activity carried out between the Borrower and the letter of credit beneficiary shall not affect the scope of the liabilities of the Borrower towards the Bank under the order to open the L/C.
6. The performance date of L/Cs opened by the Bank may not end later than 14 days prior to the end of the financing term.
7. The L/C line Agreement may be either a non-revolving facility agreement or revolving facility agreement. In the case of a non-revolving Agreement, the credit limit does not increase, and the Borrower does not have the option to re-submit Orders for the Bank to open letters of credit. In the case of a revolving Agreement, any expiration of the Bank's obligation under a letter of credit opened at the Borrower's request prior to the end of the financing term (or the Current Credit Term, if any) shall increase the available credit limit and entitle the Borrower to re-submit subsequent Orders for the opening of letters of credit by the Bank up to the credit limit and until the end of the financing term or the Current Credit Term, if any.

#### **Loan Currency**

8. The credit limit may be denominated in PLN, USD or EUR. However, L/Cs may be opened in any currency indicated by the Borrower, provided that the buy/sell rate of such a currency is quoted by the Bank. In the case the L/C currency differs from the credit limit currency, the amount of the credit limit being used is each time decreased by the L/C amount, which is increased, to secure against FX risk, by additional 5% of the L/C amount, and in the case of an L/C whose term of realization exceeding six months, by additional 10% of the L/C amount, using the FX rate binding at the Bank on the day of opening the given L/C.
9. In the event that the letters of credit issued under the Agreement are denominated in a currency other than PLN, USD, EUR, the credit limit amount thus used is determined through a conversion of the L/C currency into the credit currency. Making such a conversion shall not require a separate instruction of the Borrower.
10. *(deleted)*

#### **Payment under a Letter of Credit**

11. In the event of a payment under a letter of credit opened by the Bank, the Bank shall effect the payment and the Borrower is obligated to return the paid amount to the Bank on the same date when the Bank made the payment under the letter of credit. If the Bank effects the payment in a foreign currency other than the credit limit currency, the Borrower is obligated to repay the amount paid by the Bank after its Currency Conversion into the credit limit currency. The Currency Conversion shall be made on the day of making the payment by the Bank.
12. The Bank shall make a payment under a letter of credit after all the conditions described in the L/C are fulfilled, in particular after all required documents and statements are submitted. The Bank is not obliged to verify the circumstances that result from submitted documents or presented statements, unless the content of a letter of credit indicates otherwise.
13. The payment is made regardless of the existence, validity, effectiveness and legal effects of any legal relationship between the Borrower and the L/C beneficiary, in each case when the payment is consistent with the L/C terms and conditions.
14. The Bank debits the Borrower's accounts held at the Bank, without the need of a separate instruction from the Borrower, in the amount and currency paid to the L/C beneficiary. The Borrower shall ensure a sufficient amount of funds on the Borrower's accounts held at the Bank to cover the amount paid by the Bank under the L/C. If there are insufficient funds on the Borrower's accounts, the debt becomes past due and the Bank is entitled to withhold the performance of L/Cs ordered by the Borrower.
15. The Borrower hereto agrees that in the case of a past due debt, the Bank shall be authorized to submit a statement, in writing or with use of Electronic Signature, on the Borrower's liability novation within the meaning of Article 506 of the Civil Code; as a consequence, the Borrower's liability shall become a liability under a non-revolving loan with the principal debt amount corresponding to the amount paid by the Bank under the L/C, repayment date of seven (7) days of the date of payment under the L/C made by the Bank, and interest rate for past-due debt amounting to the maximum default interest rate determined under Article 481 of the Civil Code Act dated 23 April 1964. Whenever the Entity Establishing the Collateral is different from the Borrower, and the collateral is a suretyship or a limited property right, the Entity Establishing the Collateral gives consent to maintain the collateral established by that Entity despite making the novation.
16. Subject to the mandatory provisions of law, the Bank shall not be liable to the Borrower for damage suffered by the Borrower as a result of opening the L/C in accordance with the Order or payments made by the Bank under the L/C in accordance with its content, unless the damage occurred unlawfully, as a result of wilful misconduct of the Bank.

#### **Security Deposit**

17. The Bank is authorised to demand a security deposit and the Borrower shall establish the same in the following cases:
  - a) if so provided for in the Agreement or the Order,
  - b) if an Event of Default occurs,
  - c) the letter of credit validity period is longer than then Current Credit Term (as long as such a term is determined) and then the credit is not provided available for the subsequent Current Credit Term.
18. The security deposit constitutes collateral for conditional receivables due to the Bank from the Borrower regarding the reimbursement of amounts paid by the Bank under letters of credit opened under the agreement.
19. The Borrower shall establish the security deposit prior to the Loan disbursement in the case specified in sub-para. 17(a) and, in the cases specified in sub-para. 17(b)-(c), within a maximum of five Business Days of receipt of the Bank's demand.
20. The security deposit is established by an ownership transfer of an amount as collateral made by the Borrower in favour of the Bank pursuant to Article 102 of the Banking Law,
21. In cases specified in item 17 sections b) - c), in the request to establish the security deposit, the Bank indicates the amount corresponding to the valid letters of credit opened by the Bank under the agreement, and the account which should be credited with the amount.
22. The Borrower shall ensure sufficient funds on the Borrower's account to establish the security deposit. In the event of insufficient funds in the Borrower's accounts, the Bank is entitled to lodge a claim against the Borrower for payment of the missing amount needed to make the deposit.



23. The Borrower hereby grants an irrevocable power of attorney to enter into a security deposit agreement by and between the Bank and the Borrower, without the prior request upon the Borrower to fulfil that obligation, under standard terms and conditions applied by the Bank. Article 108 of the Civil Code shall not apply. To effectively establish the deposit, it is not necessary to make the agreement in writing. It will be sufficient when the Bank collects the specified amount from the Borrower's account and, in cases determined in item 18 sections b) -c), notifies the Borrower about the establishment of the deposit and its parameters. The security deposit is established in the L/C currency, unless it has been agreed otherwise. In the event the Borrower's accounts are maintained in other currency than the currency of the security deposit to be made, the Bank shall make a Currency Conversion on the terms specified in the Regulations, and allowing for the provisions of the Agreement or the Regulations regarding hedging the exchange rate risk.
24. Funds of the security deposit will not earn interest, unless the parties have agreed otherwise.
25. If the parties have decided that the security deposit established in cases specified in para. 17(a) will bear interest, than the interest will be calculated at the fixed interest rate applicable to term deposits in the currency of the security deposit on the date of its collection from the Borrower's account, determined in the Table of interest rates for funds in a BNP Paribas Bank Polska S.A. account or at the interest rate individually agreed with the Bank.
26. If the parties have decided that the security deposit will bear interest, remuneration for using the amount of the deposit (interest) will be calculated by the Bank at the end of the period for which the deposit was established (i.e. ten Business Days from the expiry date of obligations arising from the last letter of credit), unless the parties have agreed otherwise. The Bank will transfer the accrued remuneration to the Borrower's account from which the security deposit has been collected (after the deduction of the costs of transferring the funds).
27. In the event that the Bank makes a payment in favour of the beneficiary under the letter of credit opened by the Bank, the Bank may recover the paid amount against the security deposit established (satisfaction with the collateral) without any separate instruction of the Borrower, whereof the Bank will notify the Borrower accordingly within a maximum of five Business Days.
28. The amount of the security deposit shall be decreased accordingly in the case of the expiry of the Bank's obligations under letters of credit opened to the Borrower's order. The security deposit shall be reduced no later than ten Business Days from the date of the L/C expiry, in such a manner that the Bank returns the relevant funds plus the interest accrued to the Borrower's current account.

## **§5 Overdraft Facility profile**

1. Under the overdraft Agreement, the Bank undertakes to make available appropriate funds to the Borrower up to the credit amount specified in the Agreement, on the Borrower's account maintained by the Bank. The funds shall be used against the debit limit of the said account.
2. Any instructions of the Borrower that are not fully covered by the agreed credit amount shall not be executed. The same shall apply to the Borrower's instructions in the case the available debit limit is insufficient for covering the Bank's Receivables related to the execution of a given instruction.
3. The overdraft facility may be used repeatedly and each payment into the Borrower's current account reduces the outstanding debit balance.
4. Any payments into the Borrower's current account shall not decrease the outstanding debt balance of the overdraft facility, if the Bank is entitled to use the funds for the repayment of other Receivables due to the Bank from the Borrower.
5. The overdraft facility is a Working Capital Loan.
6. **(Applicable to SME Borrowers only)** The Borrower shall, during the term of the Agreement, ensure inflows from its business or agricultural manufacturing activities to the Account in the amount specified in the Agreement.
7. **(Applicable to SME Borrowers only)** In the event of the failure of a Borrower other than a Farmer to comply with the obligation to ensure monthly inflows to the account in the amount specified in the Agreement, the Bank may begin reducing the Loan amount by 20% of the Loan granted each month starting from the 25th day of the month in which the first breach is determined on the part of the Borrower, and will shall inform the Borrower accordingly in writing or using an Electronic Signature. The reduction of the Loan amount shall continue until the end of the Current Credit Term regardless of whether the Borrower begins to comply with the above obligation. If the amount of the used Loan is higher than the amount of the Loan after the reduction, the Borrower, on the date of the reduction of the Loan, shall repay the used Loan in the excess amount in accordance with the notification made available by the Bank in the Internet Banking System. In the case of failure to repay within the deadline, the unpaid amount shall become past due debt. The Borrower shall monitor receipts to its accounts so as to ensure repayment of the maturing Loan.

## **§6 Profile of a Multi-Option Credit Line Agreement**

1. Under the multi-option credit line Agreement, the Bank undertakes to put funds at the disposal of the Borrower, accept orders to issue guarantees or open L/Cs, up to the credit amount specified in the Agreement (credit limit), and the Borrower undertakes to return the used funds along with other dues or to fulfil other obligations arising under The Agreement.
2. The Borrower's instructions may be executed through the financing forms stipulated in the Agreement. All applicable provisions of the Regulations shall apply accordingly.
3. The multi-option credit line agreement may determine credit limits for particular forms of financing.
4. Particular forms of financing are used based on instructions submitted by the Borrower, which shall not be understood as entering into a credit relationship separate from the Agreement.
5. The multi-option credit line agreement is a revolving facility.
6. If one of the financing forms is a revolving credit, which in the event of the lack of funds on the Borrower's account can be utilised to repay Receivables due to the Bank under the Orders to issue a guarantee or open a letter of credit - the provisions of the Regulations and the credit agreement regarding the minimum amount of revolving credit disbursement and repayment - shall not apply.

### **Credit Currency**

7. The Agreement shall specify credit limits (sub-limits) for particular currencies.
8. The Borrower agrees that the Bank may, under its unilateral declaration submitted to the Borrower, exclude or limit the possibility of using the credit limit in a given currency or to reduce the credit limit determined for particular currencies. The Bank's declaration shall be effective as of the commencement of the next Current Credit Term and should be submitted at least one month prior to the effective date.
9. In order to monitor the credit limit utilisation level in the event the currency of the credit facility, guarantee or L/C is different from the currency in which the credit limit amount is expressed:
  - a) with respect to credit facilities – the Bank prior to each:
    - (i) extension of the financing term, making the credit available for the next Current Credit Term or increase of the credit amount made available,
    - (ii) disbursement of a new Credit facility, and
    - (iii) each last day of a month, has the right to convert, on the basis of NBP mid-rates, the disbursed credit facilities into the currency in which the credit limit amount has been determined, and
  - b) with respect to guarantees and L/Cs - the amount of the credit limit being used is each time decreased by a guarantee and L/C amount, which is increased, to secure against risk arising from FX differences, by additional 5%, and in the case of a guarantee and L/C whose

term of realisation exceeds six months, by additional 10%, using the FX rate applicable at the Bank on the day of issuing the given guarantee / opening the given L/C.

If the credit limit is overrun due to FX differences, the Borrower shall repay the excess amount no later than following the date the overrun occurs. The Bank is authorised to debit the Borrower's account with the excess amount without any separate instructions of the Borrower. The information on the overrun is available in the Internet Banking System.

### **§7 Profile of Multi-option Premium and Premium bis Credit Line Agreements**

1. Under the multi-option premium/premium bis credit line Agreement, the Bank undertakes to put funds at the disposal of the Borrower, accept Orders to issue guarantees or open L/Cs, up to the credit amount specified in the Agreement (credit limit), and the Borrower undertakes to return the used funds along with other dues or to fulfil other obligations arising under the Agreement.
2. The Borrower's instructions may be executed through the financing forms stipulated in the Agreement. All applicable provisions of the Regulations shall apply accordingly.
3. The multi-option credit line Agreement may determine credit limits for particular forms of financing.
4. The particular forms of financing are used based on instructions submitted by the Borrower, which shall not be understood as entering into a credit relationship separate from the Agreement.
5. The multi-option premium/premium bis credit line agreement is a revolving facility.
6. If one of the financing forms is a revolving credit, which in the event of the lack of funds on the Borrower's account can be utilised to repay Receivables due to the Bank under the orders to issue a guarantee or open a letter of credit - the provisions of the Regulations and the credit agreement regarding the minimum amount of revolving credit disbursement and repayment - shall not apply.

#### **Credit Currency**

7. The Agreement may specify credit limits (sub-limits) for particular currencies.
8. The Borrower agrees that the Bank may, by way of a unilateral declaration submitted to the Borrower, exclude or limit the possibility of using the credit limit in a given currency or reduce the credit limit determined for particular currencies. The Bank's declaration shall be effective as of the end of the Current Credit Term and should be submitted at least one month prior to the effective date.
9. With respect to the multi-option premium credit line Agreement, if the currency of the credit facility, being disbursed (including a guarantee or a letter of credit) is different from the credit limit currency, the credit limit amount provided available is each time decreased by 10% of the amount of the disbursement to secure against FX risk.
10. If the credit limit is overrun due to FX differences, the Borrower shall repay the excess amount no later than following the date the overrun occurs. The Bank is authorised to debit the Borrower's account with the excess amount without any separate instructions of the Borrower. The information on the overrun is available in the Internet Banking System.

### **§8 General Financing Agreement Profile**

1. The general financing Agreement is a framework agreement under which the Bank undertakes to put funds at the disposal of the Borrower up to the amount determined in the general financing Agreement (credit limit) or to render it possible for the Borrower to use other opportunities indicated in the Agreement, upon the conclusion of specific Agreements with the Borrower.
2. The Bank is not obliged to conclude specific Credit Agreements. Specific Credit Agreements will not be concluded in particular when at the Agreement conclusion time the Borrower is not Creditworthy and does not meet other requirements of the Bank with respect to particular types of financing or if it would violate any regulations currently binding in the Bank.
3. Under the general financing Agreement, the Borrower shall repay Receivables due to the Bank under the specific Credit Agreements at dates and on conditions set out in the specific Credit Agreements. Once concluded, the specific credit agreements become enclosures to the general financing Agreement.
4. The credit limit is a revolving limit. Upon repayment of a credit granted under the specific Credit Agreement, the Borrower may reuse the credit limit within the repaid amount, however, up to the credit limit and during the term stipulated in the general financing Agreement.
5. The general financing Agreement is concluded for an indefinite period of time and may be terminated immediately by each of the parties thereto. The termination of the general financing Agreement becomes effective however only after the expiry or termination of all specific Credit Agreements concluded under the general financing Agreement.
6. Any failure to meet the conditions of specific credit agreements shall be treated as the default on the general financing agreement.

#### **Collateral for Receivables under the General Financing Agreement**

7. The Collateral provided for in the general financing Agreement secures the repayment of the Bank's Receivables arising from all specific Credit Agreements concluded under the said General Financing Agreement.
8. The establishment of the Collateral under the general financing Agreement shall not exclude the possibility of establishing any additional Collateral for the Bank's Receivables arising from specific Credit Agreements.
1. The Collateral provided for in the general financing Agreement shall be valid also after its expiry (termination) until the full repayment of all Receivables arising from specific Credit Agreements concluded under the general financing Agreement.

### **§9 Home Equity Loan Profile**

1. Repayment of the home equity loan in whole or in part shall not entitle the Borrower to reuse the same loan with regard to the repaid portion of the loan.
2. The home equity loan is repaid according to the repayment schedule determined.

## BMR Appendix

### §1

This Schedule 1 to the Regulations, which constitutes integral part thereof, hereinafter referred to as the "**Rules**", constitutes the rules of operation by the Bank in the case of temporary or permanent cessation of the provision of the Variable Base Interest Rate or change to the method of its calculation, as well as in other cases listed in § 9.13 of the Regulations.

### §2

Capitalized terms used in the Rules which are not defined in the Regulations or Agreement shall have the meaning defined below:

1. **Administrator** means the entity that has control over the provision of the Benchmark,
2. **BMR** means 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, as amended,
3. **Replacement Day** means:
  - a. if the Announcement on the Lack of License occurs, the later of:
    - i. the first day following the 15 Business Day period after the Announcement on the Lack of License, or
    - ii. the first day in which the Current Rate may not be lawfully applied to agreements specified in the BMR,
  - b. if the Announcement on the Cessation of Publication occurs, the later of:
    - i. the first day following the 15 Business Day period after the Announcement on the Cessation of Publication, or
    - ii. the first day on which the Current Rate has not been published in connection with the Announcement on the Cessation of Publication,
  - c. in the case of the Cessation of Representativeness, the later of:
    - i. the first day following the 15 Business Day period after the Announcement on the Cessation of Representativeness, or
    - ii. the first day on which the Current Rate has ceased to be representative in accordance with the Announcement on the Cessation of Representativeness,
4. **Working Group** means a working group, nominated by, operating under the supervision of or with the participation of public authorities or market regulators, preparing the proposal for the replacement of the Current Rate,
5. **ISDA** means International Swaps and Derivatives Association, Inc.,
6. **Adjustment** means positive, negative or zero value and/or formula or calculation methodology to be applied in accordance herewith in order to limit or eliminate the economic effects of replacing the Current Rate with the Replacement Rate. The adjustment may include calculation method (in particular, daily compounding or adding of a series of overnight reference rates over a period for which interest is calculated) and/or other amendments related to the substitution of the Current Rate.
7. **CCP** means the authorised central counterparty, through which the Bank clears transactions, which uses the Variable Base Interest Rate and hedge the risk of its changes, e.g. LCH Ltd. or KDPW\_CCP,
8. **LMA** means Loan Market Association,
9. **Appointing Entity** means the European Commission, any relevant authority supervising the Administrator, the Administrator, authorized public authority or any other entity authorized in accordance with applicable laws to recommend or nominate the Alternative Rate and the Adjustment,
10. **Bloomberg Rule Book** means the up-to-date „IBOR Fallback Rate Adjustments Rule Book” or another rule book which will replace it,

11. **Alternative Rate** means the Variable Base Interest Rate (which is the benchmark under the BMR) replacing the Current Rate in the Fallback Event, established in accordance with the Regulations.
12. **Current Rate** means the Variable Base Interest Rate applicable prior to the occurrence of the Fallback Event,
13. **Fallback Event** means one of the following events:
  - a. a credible source provides public information that the Variable Base Interest Rate 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 Variable Base Interest Rate or such permit or registration for the provision of the Variable Base Interest Rate has been revoked or suspended (the "**Announcement on the Lack of License**"),
  - b. the Appointing Entity provides public information that the Administrator has permanently ceased to or is to permanently cease to publish the Variable Base Interest Rate if, until the date of such information no replacement entity is specified for the Administrator which would continue to calculate or publish the Variable Base Interest Rate (the "**Announcement on the Cessation of Publication**"),
  - c. the Appointing Entity provides public statement that the Variable Base Interest Rate is no longer representative or will cease to be representative for its underlying market and for the economic reality it was supposed to measure (or will stop being representative) and that it is not possible to make Variable Base Interest Rate representative again (the "**Announcement on the Cessation of Representativeness**"),
  - d. the Variable Base Interest Rate is not published due to reasons other than connected with the Regulatory Event (the "**Temporary Lack of Publication**"),
14. **Benchmark** means a benchmark as defined in BMR,
15. **Regulatory Event** means the Announcement on the Lack of License, the Announcement on the Cessation of Publication and/or the Announcement on the Cessation of Representativeness.

### §3

1. The Bank will establish the Alternative Benchmark and the Adjustment in accordance with §5 - §11 from the first Interest Period falling on the Replacement Day or after that day, for the remainder of the term of the Agreement, subject to other provisions of this paragraph.
2. If during the period from the Regulatory Event date to the Replacement Day no Current Rate has been published or it may not be lawfully used – the Alternative Rate and the Adjustment are applied starting from the first Interest Period after the occurrence of the Regulatory Event. In such case, the Bank shall establish the Alternative Rate and the Adjustment as at the Replacement Day again.
3. Following the occurrence of the Regulatory Event, the Alternative Rate and the Adjustment are applied irrespective of the later cessation of the grounds for the replacement of the Current Rate.
4. A change of the method of calculation of the Variable Base Interest Rate 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 Agreement.

### §4

In the event of the Temporary Lack of Publication, the Bank uses the last available value of the Variable Base Interest Rate before the day of the Temporary Lack of Publication. If during the time of the Temporary Lack of Publication the Regulatory Event occurs, the provisions applicable to the Regulatory Event shall be applied.

### §5

1. If a Regulatory Event related to LIBOR or EURIBOR occurs, the Bank shall first apply the fallback solutions described in §6 and §12. In the case where the fallback solutions described in §6 cannot be applied, the fallback solutions described in §7 - §12 shall apply.
2. If a Regulatory Event related to the Base Rate other than LIBOR and EURIBOR occurs, the fallback solutions described in §7 - §12 shall apply.

### §6

1. If a Regulatory Event related to LIBOR for currencies specified below occurs, the Bank shall apply as the Alternative Rate the RFR in the currency of the Current Rate:
  - 1) for GBP LIBOR (LIBOR for pound sterling) – SONIA,
  - 2) for USD LIBOR (LIBOR for United States dollar) – SOFR,after its modification in accordance with section 3.
2. If a Regulatory Event related to EURIBOR occurs, the Bank shall apply as the Alternative Rate €STR after its modification in accordance with section 3.
3. The Bank shall modify the RFR from the overnight rate to the rate applicable to a period equal to the period of the Current Rate. The modification is made by the Bank in the manner based on one of the methodologies used on the market:
  - 1) methodology proposed by ISDA for derivative transactions in accordance with the Bloomberg Rule Book,
  - 2) one of the methodologies proposed by LMA for loan agreements,
  - 3) other related methodology, e.g. providing for obtaining of a term rate based on arithmetic or geometric average of the RFRs over a given period.
4. The Bank shall choose the methodology taking into account its technical and IT capabilities and the development and specifics of the local market. The Bank can introduce adjustments to the methodology resulting from IT solutions adopted by the Bank (e.g. regarding convention of working days, RFR observation period shift or rounding).
5. The Bank shall apply the Adjustment calculated in accordance with §12 to the Alternative Rate.
6. If a Regulatory Event related to CHF LIBOR occurs, the Bank shall apply the solutions consistent with the Commission Implementing Regulation (EU) 2021/1847 of 14 October 2021 on the designation of a statutory replacement for certain settings of CHF LIBOR, i.e:
  - 1) for 1M CHF LIBOR– applies SARON 1 month Compound Rate (SAR1MC, ISIN CH0477123886) as the Alternative Rate and adds to it the Adjustment in the value of -0.0571 percentage point;
  - 2) for 3M CHF LIBOR– applies SARON 3 months Compound Rate (SAR3MC, ISIN CH0477123902) as the Alternative Rate and adds to it the Adjustment in the value of 0.0031 percentage point;
  - 3) for 6M CHF LIBOR – applies SARON 3 months Compound Rate (SAR3MC, ISIN CH0477123902) as the Alternative Rate and adds to it the Adjustment in the value of 0.0741 percentage point;
  - 4) for 1Y CHF LIBOR – applies SARON 3 months Compound Rate (SAR3MC, ISIN CH0477123902) as the Alternative Rate and adds to it the Adjustment in the value of 0.2048 percentage point.

## **§7**

If the Regulatory Event occurs, the Bank shall apply the Alternative Rate and the Adjustment nominated by the Appointing Entity provided that the nomination relates to the type of clients which includes the Borrower and to the type of arrangements which includes the 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 in accordance with §12.

## **§8**

In the case where the fallback solutions described in §7 cannot be applied, the Bank shall apply the Alternative Rate and the Adjustment nominated by the central bank for the currency of the Base Rate provided that the nomination relates to the type of clients which includes the Borrower and to the type of arrangements which includes the Agreement. If the central bank for the currency of the Variable Base Interest Rate does not nominate the Adjustment (nor does it indicate that the Adjustment shall not be applied), the Adjustment shall be established in accordance with §12.

## **§9**

In the case where the fallback solutions described in §7 - §8 cannot be applied, the Bank shall apply the Alternative Rate and the Adjustment nominated by the Working Group provided that the nomination relates to the type of clients which includes the Borrower and to the type of

arrangements which includes the 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 in accordance with §12.

#### **§10**

In the case where the fallback solutions described in §7 - §9 cannot be applied, the Bank shall apply the Alternative Rate and the Adjustment as applied by the CCP for the Benchmark which is the same as the Variable Base Interest Rate.

#### **§11**

In the case where the fallback solutions described in §7 - §10 cannot be applied, the Bank shall apply as the Alternative Rate the reference rate of the central bank for the currency of the Variable Base Interest Rate. The Bank applies the Adjustment established in accordance with §12.

#### **§12**

1. This §12 shall apply unless the provisions of the Rules provide otherwise.
2. The method of calculating the Adjustment is analogous to the adjustment methodology of the Bloomberg Rule Book, i.e. the Adjustment is calculated as the median difference between the Current Rate and the Alternative Rate for the period of 5 years (or shorter, if the Current Rate or the Alternative Rate 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 Rate.

#### **§13**

If the Regulatory Event occurs, the Bank will provide the Borrower with the information on the applied fallback, the established Alternative Rate and its value, and, if applicable, the information on the applied Adjustment. The information shall be provided in the way specified for notifications under the Agreement. The Bank will publish information regarding the establishment of the Alternative Rate and the Adjustment on the website of the Bank [www.bnpparibas.pl](http://www.bnpparibas.pl).

#### **§14**

Following permanent replacement of the Current Rate with the Alternative Rate, the provisions of the Agreement and the Rules which apply to the Variable Base Interest Rate and to the Current Rate shall be applied accordingly to the Alternative Rate and the Adjustment.



**BMR Appendix**  
**Calculation of the Compounded RFR Rate**

This Schedule 2 to the Regulations, which constitutes integral part of Regulations, hereinafter referred to as the "**Schedule**", describes the method of calculating the Compounded RFR Rate.

Capitalized terms used in the Schedule shall have the meaning defined in the Regulations and the Agreement, unless otherwise defined in this Schedule.

Chapter 1 of the Schedule – contains general description of the rules for calculating the Compounded RFR Rate for the purposes of providing a better presentation of the rules.

Chapter 2 of the Schedule – contains detailed rules for calculating the Compounded RFR Rate. The rules described in Chapter 2 shall prevail in the case of any discrepancies with Chapter 1.

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

**§ 1**

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 interest for the Credit/Loan in respect of a given Interest Period, it is necessary to determine all RFRs for the Interest Period.
2. In order to determine the Compounded RFR Rate sufficiently early to allow for the timely payment of the interest, 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 Banking Days unless the Agreement provides for a shorter period). As a result, the amount of the interest due in relation to the Interest Period is known at the end of the Observation Period which falls before the end of the Interest Period and before the interest payment date.
3. The value of the Compounded RFR Rate is determined separately for each day of the Interest Period.
4. In order to determine the Compounded RFR Rate based on which the interest for a given day of the Interest Period that is the RFR Banking Day (**RFR Banking Day "I"**) accrues, three steps must be completed,

**Step 1: calculating the Annualised Cumulative Compounded Rate for the RFR Banking Day "i"**

5. In order to determine the Compounded RFR Rate (annualised) for the RFR Banking Day "i", consecutive values of the RFR from the Observation Period are compounded (capitalized) during the period corresponding to the period from the beginning of a given Interest Period to the RFR Banking Day "i" (it corresponds to although it is not the same as compounded interest or capitalized interest – 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 Annualised Cumulative Compounded Daily Rate is compounded (capitalized)).
6. Annualised Cumulative Compounded Rate is not compounded (capitalized) on days that are not RFR Banking Days. Instead, the value of the RFR from the last RFR Banking Day has a greater weight for the purposes of compounding (capitalizing) 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 multiplied by 1 – for Thursday).
7. There are two methods of compounding, depending on the period which is used for the purposes of determining the RFR Banking Days:
  - 1) without observation shift – days from the Interest Period are used for the purposes of determining the RFR Banking Days;
  - 2) with observation shift – days from the Observation Period (which is the Interest Period moved backwards by the Lookback Period) are used for the purposes of determining the RFR Banking Days.
8. Depending on the terms of the agreement, one of the methods described in section 7 and, as a result, corresponding provisions of Chapter 2 are used.

9. Annualised Cumulative Compounded Rate is rounded to:
- 1) four (4) decimal places, if it is based on SONIA or SARON; or
  - 2) five (5) decimal places, if it is based on SOFR.

**Step 2: calculating the Unannualised Cumulative Compounded Rate for the RFR Banking Day "i"**

10. Annualised Cumulative Compounded Rate for the RFR Banking Day "i" is multiplied by appropriate proportion in order to obtain the Unannualised Cumulative Compounded Daily Rate for the RFR Banking Day "i".

**Step 3: calculating the Compounded RFR Rate for the RFR Banking Day "i" (annualised)**

11. The Unannualised Cumulative Compounded Rate for the previous RFR Banking Day is subtracted from the Unannualised Cumulative Compounded Rate for the RFR Banking Day "i". The result is multiplied by appropriate proportion in order to obtain the Compounded RFR Rate (annualised) for the day of the Interest Period that is the RFR Banking Day "i". As a result, the Compounded RFR Rate for a given day of the Interest Period is determined.
12. In the case where a given day of the Interest Period is not a RFR Banking Day, the Compounded RFR Rate for that day is equal to the Compounded RFR Rate for the first RFR Banking Day preceding that day of the Interest Period.
13. In the case where the Compounded RFR Rate for a given day is lower than zero, it is deemed that the Compounded RFR Rate for that day is equal to zero. In the case of concluding a derivative transaction hedging the interest rate risk, other than an interest rate CAP option, for the amount of the capital of the Credit/Loan secured by , and provided that the Bank has not confirmed different arrangements in this regard by the date of that transaction and in the period that the transaction remains in force, restriction as referred to in the preceding sentence shall not apply. Upon termination of such a derivative transaction, the basic principle set forth above shall again be applied.

**Chapter 2. Detailed rules of calculating the Compounded RFR Rate**

**§ 2**

**[Common definitions]**

Capitalized terms used in the Schedule and not defined in the Regulations and the agreement, shall have the following meaning:

1. **RFR Banking Day** means any day except for:
  - a. a. Saturday and Sunday,
  - b. b. any other day during which banks in the country of the currency of the RFR are closed for their regular activity,
2. **Lookback Period** means 5 RFR Banking Days unless the agreement specifies a different Lookback Period.
3. **RFR** means the RFR specified in the agreement based on which the Compounded RFR Rate is calculated.

**§ 3**

**[Rules for calculating the Compounded RFR Rate in accordance with the method without observation shift]**

1. The provisions of this § 3 shall apply if the agreement specifies that the method without observation shift applies.
2. **Step 1: calculating the Annualised Cumulative Compounded Rate for a day in the Interest Period that is the RFR Banking Day**

The Annualised Cumulative Compounded Rate for a given day in the Interest Period that is the RFR Banking Day (RFR Banking Day "i") is the percentage rate per annum (rounded to: (a) four (4) decimal places, if it is based on SONIA or SARON or (b) five (5) decimal places, if it is based on SOFR) calculated as set out below:

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

where:

"**SSRFR<sub>ipa</sub>**" means the Annualised Cumulative Compounded Rate for the RFR Banking Day "i";

"**d<sub>0</sub>**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, the RFR Banking Day "i";

"i" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

"**RFR<sub>i-OP</sub>**" means, for any RFR Banking Day "i" in the Cumulation Period, the RFR for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "i";

"**n<sub>i</sub>**" means, for any RFR Banking Day "i" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day (in the periods without holidays it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday, and in case of holidays the value will be increased by 1 for each day that is a holiday);

"**bo**" means 360, unless the RFR is SONIA, where "**bo**" is 365;

"**tn<sub>i</sub>**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period.

### 3. **Step 2: calculating the Unannualised Cumulative Compounded Rate for the RFR Banking Day "i"**

The Unannualised Cumulative Compounded Rate for the RFR Banking Day "i" is the percentage calculated as set out below (with possible rounding resulting from the IT systems of the Bank):

$$SSRFR_i = SSRFR_{ipa} \times \frac{tn_i}{bo}$$

where:

"**SSRFR<sub>i</sub>**" means Unannualised Cumulative Compounded Rate for the RFR Banking Day "i";

"**SSRFR<sub>ipa</sub>**" has the meaning given to that term above;

"**tn<sub>i</sub>**" has the meaning given to that term above;

"**bo**" has the meaning given to that term above.

### 4. **Step 3: calculating the Compounded RFR Rate for the RFR Banking Day "i" (annualised)**

The Compounded RFR Rate for the RFR Banking Day "i" in the Interest Period is the percentage rate per annum (with possible rounding resulting from the IT systems of the Bank) calculated as set out below:

$$SRFR = (SSRFR_i - SSRFR_{i-1}) \times \frac{bo}{n_i}$$

where:

"**SRFR**" means the Compounded RFR Rate for the RFR Banking Day "i" in the Interest Period, annualised;

"**SSRFR<sub>i</sub>**" has the meaning given to that term above;

"**SSRFR<sub>i-1</sub>**" means, in relation to the RFR Banking Day "i": (a) the Unannualised Cumulative Compounded Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period (if such day exists) or (b) zero (if such day does not exist);

"**bo**" has the meaning given to that term above;

"**n<sub>i</sub>**" means the number of calendar days from, and including, the RFR Banking Day "i" up to, but excluding, the following RFR Banking Day (in the periods without holidays it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday, and in case of holidays the value will be increased by 1 for each day that is a holiday).

5. In the case where a given day of the Interest Period is not a RFR Banking Day, the Compounded RFR Rate for that day is equal to the Compounded RFR Rate for the first RFR Banking Day preceding that day of the Interest Period.
6. In the case where the Compounded RFR Rate for a given day is lower than zero, it is deemed that the Compounded RFR Rate for that day is equal to zero. In the case of concluding a derivative transaction hedging the interest rate risk, other than an interest rate CAP option, for the amount of the capital of the Credit/Loan secured and provided that the Bank has not confirmed different arrangements in this regard by the date of that transaction and in the period that the transaction remains in force, restriction as referred to in the preceding sentence shall not apply. Upon termination of that derivative transaction, the basic principle set forth above shall again be applied.

#### § 4

##### [Rules for calculating the Compounded RFR Rate in accordance with the method with observation shift]

7. The provisions of this § 4 shall apply if the Agreement specifies that the method with observation shift applies.
8. **Step 1: calculating the Annualised Cumulative Compounded Rate for a day in the Interest Period that is the RFR Banking Day**

The Annualised Cumulative Compounded Rate for a given day in the Interest Period that is the RFR Banking Day (RFR Banking Day "i") is the percentage rate per annum (rounded to: (a) four (4) decimal places, if it is based on SONIA or SARON or (b) five (5) decimal places, if it is based on SOFR) calculated as set out below:

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

where:

"**SSRFR<sub>ipa</sub>**" means the Annualised Cumulative Compounded Rate for the RFR Banking Day "i";

"**d<sub>0</sub>**" means the number of RFR Banking Days in the OP Cumulation Period;

"**OP Cumulation Period**" means the period from, and including, the Corresponding OP Day for the first day of the IP Cumulation Period to, and including, the Corresponding OP Day for the last day of the IP Cumulation Period;

"**Corresponding OP Day**" means, in relation to any RFR Banking Day "**bd**" during that Interest Period, the RFR Banking Day which: (a) is in the Observation Period and (b) falls the applicable Lookback Period prior to that RFR Banking Day "**bd**";

"**Observation Period**" means the period from and including the day falling the applicable Lookback Period prior to the first day of that Interest Period and ending on, but excluding, the day falling the applicable Lookback Period prior to the last day of that interest period;

"**IP Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, the RFR Banking Day "i";

"**i**" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant RFR Banking Day in chronological order in the OP Cumulation Period;

"**RFR<sub>i</sub>**" means, for any RFR Banking Day "i" in the OP Cumulation Period, the RFR for that RFR Banking Day "i";

"**n<sub>i</sub>**" means, for any RFR Banking Day "i" in the OP Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day (in the periods without holidays it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday, and in case of holidays the value will be increased by 1 for each day that is a holiday);

"**bo**" means 360, unless the RFR is SONIA, where "**bo**" is 365;

"**tn<sub>i</sub>**" means the number of calendar days from, and including, the first day of the OP Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the OP Cumulation Period.

9. **Step 2: calculating the Unannualised Cumulative Compounded Rate for the RFR Banking Day "i"**

The Unannualised Cumulative Compounded Rate for the RFR Banking Day "i" is the percentage calculated as set out below (with possible rounding resulting from the IT systems of the Bank):

$$SSRFR_i = SSRFR_{ipa} \times \frac{tOSn_i}{bo}$$

where:

"**SSRFR<sub>i</sub>**" means Unannualised Cumulative Compounded Rate for the RFR Banking Day "i";

"**SSRFR<sub>ipa</sub>**" has the meaning given to that term above;

"**tOSn<sub>i</sub>**" means the number of calendar days from, and including, the first day of the IP Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the IP Cumulation Period;

"**bo**" has the meaning given to that term above.

#### 10. **Step 3: calculating the Compounded RFR Rate for the RFR Banking Day "i" (annualised)**

The Compounded RFR Rate for the RFR Banking Day "i" in the Interest Period is the percentage rate per annum (with possible rounding resulting from the IT systems of the Bank) calculated as set out below:

$$SRFR = (SSRFR_i - SSRFR_{i-1}) \times \frac{bo}{OSn_i}$$

where:

"**SRFR**" means the Compounded RFR Rate for the RFR Banking Day "i" in the Interest Period, annualised;

"**SSRFR<sub>i</sub>**" has the meaning given to that term above;

"**SSRFR<sub>i-1</sub>**" means, in relation to the RFR Banking Day "i": (a) the Unannualised Cumulative Compounded Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period (if such day exists) or (b) zero (if such day does not exist);

"**bo**" has the meaning given to that term above;

"**OSn<sub>i</sub>**" means the number of calendar days from, and including, the RFR Banking Day "i" up to, but excluding, the following RFR Banking Day (in the periods without holidays it will be 1 for Monday, Tuesday, Wednesday, Thursday and 3 for Friday, and in case of holidays the value will be increased by 1 for each day that is a holiday).

11. In the case where a given day of the Interest Period is not a RFR Banking Day, the Compounded RFR Rate for that day is equal to the Compounded RFR Rate for the first RFR Banking Day preceding that day of the Interest Period.

12. In the case where the Compounded RFR Rate for a given day is lower than zero, it is deemed that the Compounded RFR Rate for that day is equal to zero. In the case of concluding a derivative transaction hedging the interest rate risk, other than an interest rate CAP option, for the amount of the capital of the Credit/Loan secured by, and provided that the Bank has not confirmed different arrangements in this regard by the date of that transaction and in the period that the transaction remains in force, restriction as referred to in the preceding sentence shall not apply. Upon termination of that derivative transaction, the basic principle set forth above shall again be applied.