



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

### 1. INTRODUCTION

This document is for information purposes only. BNP Paribas Bank Polska Spółka Akcyjna (further: **we, us, our**) addresses it to you, our Customers, who use, or intend to use, the investment service provided by our Global Markets Line, notably buying or selling financial instruments on own account (dealing on own account) to execute Customer orders (further: **the Investment Service**). The rules for the provision of the Investment Service are set forth in:

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

### 2. INFORMATION ABOUT US

#### 2.1. BASIC INFORMATION

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

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

Our registration data can be found at website: [bnpparibas.pl](http://bnpparibas.pl)

#### 2.2. CONTACT DATA

BNP Paribas Bank Polska Spółka Akcyjna

Global Markets Line

ul. Kasprzaka 2, 01-211 Warszawa

The list of branches is available at website: [bnpparibas.pl](http://bnpparibas.pl)

#### 2.3. LANGUAGES OF COMMUNICATION

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

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

In some cases, we may:

- use a language other than Polish for communication with you. It must, however, be the result of our mutual arrangements,
- draw up and conclude documents and contracts with you in English. It must, however, be the result of our mutual arrangements that we set forth in the contract.

Transactions on financial instruments are executed in Polish or English.

#### 2.4. MANNER OF COMMUNICATION

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

In addition, you can communicate with us:

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

#### 2.5. PERMIT

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

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

In addition, we have the following permits:

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

We are supervised by the Polish Financial Supervision Authority.

**Important!**

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

## 2.6. SYSTEM TO PROTECT YOUR ASSETS

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

## 2.7. RULES FOR THE PROVISION OF THE INVESTMENT SERVICE

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

## 2.8. NO OPERATION THROUGH AN AGENT

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

## 2.9. REPORTS ON THE PROVISION OF THE INVESTMENT SERVICE

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

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

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

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

## 2.11. RULES OF FILING AND HANDLING COMPLAINTS

Rules applicable to the filing and handling of complaints are set forth by contract or regulations. You can also find them at website: [bnpparibas.pl](http://bnpparibas.pl).

## 2.12. COSTS AND FEES RELATED TO THE INVESTMENT SERVICE

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

Before we enter into a contract with you – we will provide you with a breakdown of estimated costs and fees, including those relating to:

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

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

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

## 3. INFORMATION ABOUT MiFID

### 3.1. KEY INFORMATION

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

MiFID stands for “*markets in financial instruments directive*”.

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

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

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

MiFID's main purpose is to:

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

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

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

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

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

#### 4. RULES OF CUSTOMER CLASSIFICATION

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

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

These are:

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

- l) public bodies that manage public debt, central banks, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank or other international organisations with similar functions,
- m) other institutional investors whose main business is investing in financial instruments, including entities engaged in securitisation of assets or entering into other types of financial transactions,
- n) entities other than those specified in (a)-(m), who are treated as professional customers under Article 3a(1) of the Act on Trading.
3. **Eligible Counterparty** – you are entitled to the lowest level of protection. We assume that, as an Eligible Counterparty, you have extensive knowledge of how financial instrument markets and the Investment Service work.

The **Eligible Counterparty** category is granted to three types of Customers:

- Professional Customers – this concerns Customers referred to in (a)-(j) and (l)-(m) above – with whom we enter into or mediate transactions as part of the Investment Service,
- entities from other Member States who have Eligible Counterparty status under the law of the Member State in which they have their registered office or place of residence,
- Professional Customers referred to in (k) above, whom we regard, at their request, as **Eligible Counterparties** and with whom we enter into or mediate transactions as part of the Investment Service.

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

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

## 6. APPROPRIATENESS ASSESSMENT OF FINANCIAL INSTRUMENTS AND THE INVESTMENT SERVICE

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

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

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

### 6.1. CUSTOMER REASSIGNMENT INTO A HIGHER CATEGORY

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

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

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

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

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

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

## 6.2. CUSTOMER REASSIGNMENT INTO A LOWER CATEGORY

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

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

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

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

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

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

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

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

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

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

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

## 7. INFORMATION ON INDUCEMENTS – FROM OUR PERSPECTIVE

When providing the Investment Service to you, we do not accept or transfer any monetary (including fees and commissions) or non-monetary benefits (further: **Inducements**), with the exception of:

- monetary (including fees and commissions) and non-monetary benefits other than Inducements that we receive from you or from a person acting on your behalf, or that we transfer to you or to a person acting on your behalf,
- monetary and non-monetary benefits that we receive from a third party or that we transfer to a third party and that are necessary for us to be able to provide the Investment Service to you,
- monetary (including fees and commissions) and non-monetary benefits other than those listed in the previous two items, including but not limited to those transferred to a third party or to a person acting on behalf of that party, or received from a third party or from a person acting on behalf of that party, provided that:
  - we have provided you with information on the amount (or on the method of determining the amount), the scope and the purpose of the monetary and non-monetary benefits in a reliable, accurate and clear manner prior to the conclusion of the contract,
  - the acceptance or transfer of monetary or non-monetary benefits did not have an adverse influence on our actions which are to be reliable, professional, in accordance with the principles of fair trade and in accordance with the best interest of you as our Customers, and
  - we accept or transfer monetary or non-monetary benefits to improve the quality of the Investment Service.

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

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

- information on monetary (including fees, commissions) and non-monetary benefits,
- information on monetary (including fees or commissions) and non-monetary benefits that you pay and that are necessary for us to be able to provide the Investment Service to you,
- a brief description of the rules for accepting and transferring the Inducements at our bank; we will also provide a detailed description at your request.

## 8. INFORMATION ABOUT FINANCIAL INSTRUMENTS

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

## 9. GENERAL INFORMATION ON THE “POLICY ON THE MANAGEMENT OF CONFLICT OF INTEREST AT BNP PARIBAS BANK POLSKA S.A.”

We have in place the “Policy on the Management of Conflict of Interest at BNP Paribas Bank Polska S.A.” (further: the **Conflict of Interest Policy**) which sets out the principles for our management of Conflicts of Interest and sets out the measures we apply and the course of action. The document describes, inter alia:

- the Conflict of Interest and the criteria for its classification,
- general rules for identifying, preventing, managing, disclosing and recording actual or potential Conflicts of Interest that have arisen or may arise at the Bank, in particular in connection with our provision of the Investment Service or banking services that may affect the Investment Service.

The Conflict of Interest Policy describes in detail the risk management within the individual categories of Conflicts of Interest:

- between you and us,
- between you and an Employee or a Relevant Person or a Person directly or indirectly related to us by a control relationship,
- between two or more of our Customers,
- between us and the Employees.

We act honestly, fairly and impartially. We do this in compliance with the principles of:

- banking secrecy and professional secrecy,
- the primacy of your interests, and
- market integrity and professional ethics.

Those values must be reflected in the conduct and actions of all Employees who are therefore required to follow the principles adopted in the Conflict of Interest Policy and our other internal regulations.

## 9.1. DEFINITIONS AND CHARACTERISTICS OF CONFLICTS OF INTEREST

### Conflict of Interest

- a situation where:
  - it is possible to promote an interest over another interest which is subject to a pre-existing obligation to protect,
  - in the course of our business, our interests or those of our Customers or Employees are conflicting (directly or indirectly),
- we are aware of circumstances that may lead to a conflict between the interests of two or more Customers to whom we have obligations.

We distinguish between transactional and non-transactional Conflicts of Interest.

A Conflict of Interest may also arise from our membership of the BNP Paribas Group. In such a case, the relationship of control and the flow of information between us, our parent or other subsidiaries may include, for example:

- access to proprietary, confidential or otherwise sensitive information originating from various entities of the BNP Paribas Group, or
- pressure to conduct business on a non-arm's length terms.

**Interest** – any advantage which may provide a profit or help avoid a loss. Such benefits or losses may be of any kind: financial, reputational, professional, commercial, personal, collective, monetary or non-monetary

**Relevant Person** – any person listed in Article 2(1) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

**Employee** – each of the below-listed persons:

- a person who is a member of the Supervisory Board of the Bank or of the Management Board of the Bank

- a natural person with whom the Bank has established an employment relationship pursuant to the Labour Law
- a natural person who performs activities for us under a civil law contract
- A Relevant Person or persons directly or indirectly related to us by a control relationship

Other capitalised terms have the same meaning as we gave them in the “Information Package for Customers of the Global Markets Line of BNP Paribas Bank Polska S.A.”.

## 9.2. CATALOGUE OF CONFLICTS OF INTEREST AND PREVENTION OF CONFLICTS OF INTEREST

Our primary task is to identify and prevent potential Conflicts of Interest.

The catalogue of Conflicts of Interest is an auxiliary tool that facilitates the identification and analysis of Conflicts of Interest, and serves to manage potential Conflicts of Interest and identify actual Conflicts of Interest.

The Catalogue of Conflicts of Interest:

- contains facts known to us which may give rise to a conflict between:
  - our interest, the interest of an Employee, a person directly or indirectly related to us by a relationship of control and our duty to act fairly, in accordance with your best interest,
  - interests of several Customers
- allows any Employee or person directly or indirectly related to us by a relationship of control to compare the situation with the situations envisaged in the catalogue which give rise to or are likely to give rise to a Conflict of Interest.

In order to prevent Conflicts of Interest:

- we have appropriate procedures, processes and tools,
- we raise our Employees' awareness and provide training for them,
- we have implemented risk mitigation measures to prevent certain permanent Conflicts of Interest – e.g. information barriers (Chinese walls), division of responsibilities among Employees.

## 9.3. DETECTION OF CONFLICTS OF INTEREST — OBLIGATION TO VERIFY AND REPORT

We take measures that prevent Conflicts of Interest. However, there is always a risk that Conflict of Interest situations may arise or indeed occur. We must therefore properly detect and manage such situations.

Information on potential Conflicts of Interest comes for example from:

- a notification by an Employee
- your complaint
- a business alert
- an analysis we perform as part of our internal processes, e.g. a product, Customer or counterparty onboarding process
- an alert from a filtering tool
- an alert reported by a whistleblowing channel.

In response to a Conflict of Interest, we may:

- accept a Conflict of Interest as it is, or accept it under certain conditions in order to prevent its abuse and to ensure the protection of an overriding Interest, or
- reject a Conflict of Interest situation (e.g. by withdrawing from a possible transaction).

In addition, there are situations where certain Conflicts of Interest with third parties (in particular with you) may require disclosure by law. In all situations, we must manage Conflicts of Interest in accordance with the law.

Each Employee has the duty to identify a situation in which:

- there may be a potential Conflict of Interest,
- such a Conflict of Interest exists.

Any identification of a new situation in which a Conflict of Interest may arise shall be reported in order to assess whether the organisational and administrative measures taken are appropriate and sufficient to eliminate any adverse impact on, inter alia, your interest.

## 9.4. REGISTER OF CONFLICTS OF INTEREST

We keep a register of Conflicts of Interest. The Register of Conflicts of Interest contains a list of identified situations where a Conflict of Interest may have occurred, or actually occurred, and their sources, the date on which the Conflict of Interest was identified or removed, how the Conflict of Interest was managed (remedial measures taken) and a description of the risk to you or other Customers.

## 9.5. WAYS OF CONFLICTS OF INTEREST MANAGEMENT

We manage Conflicts of Interest in two main ways:

- *a priori* – we establish permanent preventive arrangements that protect against Conflicts of Interest and use permanent, functional and structural methods to manage Conflicts of Interest (systemic solutions), and
- depending on the case and the facts of the case – we adapt solutions that already exist at the Bank or select specific measures to manage conflicts of interest on a case-by-case basis.

#### 9.5.1. CONFLICTS OF INTEREST MANAGEMENT – SYSTEMIC SOLUTIONS

Permanent and preventive ways of managing Conflicts of Interest at the Bank and our entities are inextricably linked to our business. They include but are not limited to the following systemic solutions:

- general ethical and professional principles that apply to all Employees,
- a control mechanism in the form of the compliance function and units that perform compliance-related tasks,
- organisational separation of teams and functions to ensure mutual independence,
- security mechanisms,
- internal procedures that meet regulatory requirements,
- preventing any undue influence on any of the Bank's activities by persons active in those activities, including outside the Bank.

If a Conflict of Interest is persistent and unavoidable, a permanent system should be created that effectively segregates potentially conflicting transactions, so that the activities of individual units and organisational units within our Bank are fully independent. In practice, we mainly use separate reporting channels, organisational solutions, physical barriers, i.e. limited access to premises and information.

#### 9.5.2. MANAGING CONFLICTS OF INTEREST ON A CASE-BY-CASE BASIS

The process of managing a specific Conflict of Interest consists of the following steps, all of which must be documented:

- we analyse the situation – as a result of that analysis (performed on the basis of our regulations on the methodology for identifying and analysing Conflicts of Interest), we identify a potential or actual Conflict of Interest,
- we decide on one of the following solutions:
  - we manage a Conflict of Interest by selecting appropriate measures, special non-standard and effective safeguards against any breach of the interests of either party,
  - we disclose a Conflict of Interest when it is impossible to manage it effectively,
  - we waive or refuse to take further action with respect to a given transaction, project or provision of services.

We will provide you with details of the Conflict of Interest Policy upon your request.

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

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

#### 10.1. DEFINITIONS

**Bundled Package Selling** – provision by us of:

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

**Tied Package Selling** – provision by us of:

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

#### **Additional information:**

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



## Cross-Selling – Bundled Package Selling or Tied Package Selling

### 10.2. SERVICES SUBJECT TO CROSS-SELLING

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

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

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

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

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

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

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

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

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

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

- the service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of buying or selling financial instruments on own account as referred to in Article 69(2)(3) of the Act on Trading, and
- the service of maintaining bank accounts that we opened for you to provide the above Investment Service.

Tied Package Selling refers to your dual-currency deposit transactions with us for the conclusion and settlement of which you needed to open accounts with the Bank, both in the deposit currency and in the exchange currency.

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

BUNDLED PACKAGE SELLING					
TYPE OF SERVICE	TYPE OF INSTRUMENT	RISKS	INFORMATION ON RISKS	COSTS	INFORMATION ON COSTS
The service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of buying or selling financial instruments on own account as referred to in Article 69(2)(3) of the Act on Trading	Financial instruments to hedge market risks (exchange rate or interest rate changes) related to the Customer's business	<ul style="list-style-type: none"> <li>- Risks associated with the financial instrument purchased, especially the risk of losing some or all of the money invested</li> <li>- Risk of error on your part when determining the terms and conditions of a financial instrument transaction</li> <li>- Risk of failure of IT systems – in this case you have the right to file a complaint</li> <li>- Risk of mistake by our employee – in this case you have the right to file a complaint</li> <li>- Risk of no guarantee from the Bank Guarantee Fund. The mandatory deposit guarantee system (as referred to in the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring) does <u>not</u> cover claims under master contracts or transactions executed thereunder</li> </ul>	<ul style="list-style-type: none"> <li>- In the "Description of Risk related to Financial Market Instruments" which: <ul style="list-style-type: none"> <li>• contains a description of financial instruments offered by the Bank and related risks,</li> <li>• the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> <li>• the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a>,</li> </ul> </li> <li>- In product presentations which the Bank provides to the Customer to the e-mail address indicated by them, when enabling the Customer to conclude transactions within the scope of such products,</li> <li>- In the Key Information Documents for the Retail Customer ("KIDs") which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid">bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid</a></li> </ul>	<ul style="list-style-type: none"> <li>- Margin included in the transaction price or early termination price</li> </ul>	<p><b>Maximum costs</b></p> <ul style="list-style-type: none"> <li>- In the Master Agreement concluded with the Customer or in the regulations for the provision of the Investment Service, i.e. in the "Regulations on Foreign Currency and Derivative Transactions" (<i>Enclosure no. 1 to the Regulations</i>) which: <ul style="list-style-type: none"> <li>• the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> <li>• the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a>,</li> </ul> </li> <li>- In the Key Information Documents for the Retail Customer ("KIDs") which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid">bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid</a></li> </ul> <p><b>Average costs</b></p> <ul style="list-style-type: none"> <li>- In the Master Agreement concluded with the Customer or in the regulations for the provision of the Investment Service, i.e. in the "Regulations on Foreign Currency and Derivative Transactions" (<i>Enclosure no. 1 to the Regulations</i>) which: <ul style="list-style-type: none"> <li>• the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> <li>• the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a></li> </ul> </li> </ul> <p><b>Estimated costs</b></p> <ul style="list-style-type: none"> <li>- In the information on the estimated costs of the transaction which the Bank provides to the Retail Customer: <ul style="list-style-type: none"> <li>• orally or in FX PI@net – prior to the conclusion/ early termination of the</li> </ul> </li> </ul>

					<p>transaction, i.e. when presenting the quotation for the transaction/ early termination of the transaction,</p> <ul style="list-style-type: none"> <li>to the e-mail address indicated by the Customer, in the "Information about the estimated costs of the Transaction" – after the conclusion/ early termination of the transaction</li> </ul> <p><b>Fixed costs (applies to transactions entered by Retail Customer via an External Trading Platform)</b></p> <ul style="list-style-type: none"> <li>in the document "List of ETP margins", which the Bank provides to the Retail Customer before launching the possibility of ordering transactions via External Trading Platform.</li> </ul> <p><b>Actually incurred costs of transaction conclusion or early termination</b></p> <ul style="list-style-type: none"> <li>In the information accompanying confirmations and in the annual costs statement which the Bank provides to the Customer to the e-mail address indicated by the Customer.</li> </ul>
Service of granting loans	Loan	<p>- Currency risk (exchange rate fluctuations) – if you take a loan in a different currency than the one in which you earn, your loan debt and instalments expressed in Polish zlotys are likely to increase when the currency of the loan increases</p> <p>- Interest rate risk – if the variable base rate of interest increases, the interest rate on the loan and the amount of instalments to be paid are also likely to increase</p>	<p>- In the loan agreement concluded with the Customer,</p> <p>- In the regulations for the provision of services of granting loans or any other document provided to the Customer, i.e., respectively:</p> <p><b>Customers from the Business Customers (Micro-Enterprises) Segment:</b></p> <ul style="list-style-type: none"> <li>"Credit and Collateral Regulations for Micro Enterprises" (§4 <i>Representations and Warranties of the Borrower</i>) which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa</a></li> </ul>	- Loan costs	<p>- In the loan agreement concluded with the Customer,</p> <p>- In the table of commissions and fees to the regulations for the provision of services of granting loans or any other document provided to the Customer, i.e., respectively:</p> <p><b>Customers from the Business Customers (Micro-Enterprises) Segment:</b></p> <ul style="list-style-type: none"> <li>"Table of Commissions and Fees for Banking Actions Performed in Favour of Business Customers (Micro-Enterprises) – credit products offered by BNP Paribas Bank Polska S.A. ("the Table")" (respectively: <i>CHAPTER 1. Basic commissions and fees for credit products intended for Business Customers</i> -</li> </ul>

			<ul style="list-style-type: none"> <li>• “Information for the borrower on the interest rate risk and costs of the non-revolving loan”</li> </ul> <p><b>Customers from the Corporate Customers Segment and from the Small and Medium-sized Enterprises Segment:</b></p> <ul style="list-style-type: none"> <li>• “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)” (§4 <i>Representations and Warranties of the Borrower</i>) or</li> <li>• Regulations Regarding Credit Services Provided by BNP Paribas Bank Polska S.A. to Corporate Banking Customers (applicable to products and services within the activity taken over by BNP Paribas Bank Polska S.A. as a result of a demerger of the entity with KRS no. 14540) (§5 <i>Representations of the Borrower</i>)</li> <li>• “Regulations Regarding Credit Services Provided by BNP Paribas Bank Polska S.A. to Small and Medium-sized Enterprises (applicable to products and services within the activity taken over by BNP Paribas Bank Polska S.A. as a result of a demerger of the entity with KRS no. 14540) (§5 <i>Representations of the Borrower</i>), which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa</a></li> </ul>	<p><i>Entrepreneurs; CHAPTER 2. Basic commissions and fees for credit products intended for Farmers; CHAPTER 5. Other commissions and fees for credit products)</i></p> <ul style="list-style-type: none"> <li>• “Table of Commissions and Fees for Banking Actions Performed in Favour of Business Customers (Micro-Enterprises) – credit products offered by BNP Paribas Bank Polska S.A. from 08/01/2024 to natural persons running a farm (“the Table”) (<i>CHAPTER 1. Basic commissions and fees for credit products intended for Farmers; CHAPTER 5. Other commissions and fees for credit products</i>)</li> </ul> <p>to the “Credit and Collateral Regulations for Micro-Enterprises”.</p> <p>The Bank publishes the above-mentioned tables of fees and commissions on the website: <a href="http://bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa</a></p> <ul style="list-style-type: none"> <li>• “Information for the borrower on the interest rate risk and costs of the non-revolving loan”</li> </ul> <p><b>Customers from the Corporate Customers Segment and from the Small and Medium-sized Enterprises Segment:</b></p> <ul style="list-style-type: none"> <li>• “Table of Commissions and Fees for Corporate Customers” (<i>XVIII. LOANS</i>)</li> <li>• “Table of Commissions and Fees in BNP Paribas Bank Polska SA for Small and Medium-sized Enterprises” (<i>SECTION III. Loans</i>)</li> </ul> <p>respectively to: “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</p>
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					<p>annexes to loan agreements they have become subject to these regulations)” or the “Regulations Regarding Credit Services Provided by BNP Paribas Bank Polska S.A. to Corporate Banking Customers (applicable to products and services within the activity taken over by BNP Paribas Bank Polska S.A. as a result of a demerger of the entity with KRS no. 14540)” or the “Regulations Regarding Credit Services Provided by BNP Paribas Bank Polska S.A. to Small and Medium-sized Enterprises (applicable to products and services within the activity taken over by BNP Paribas Bank Polska S.A. as a result of a demerger of the entity with KRS no. 14540)”.</p> <p>The Bank publishes the above-mentioned tables of fees and commissions on the website:  <a href="http://bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa</a></p>
TIED PACKAGE SELLING					
TYPE OF SERVICE	TYPE OF INSTRUMENT	RISKS	INFORMATION ON RISKS	COSTS	INFORMATION ON COSTS
<p>The service of order execution as referred to in Article 69(2)(2) of the Act on Trading and the service of buying or selling on own account of financial instruments as referred to in Article 69(2)(3) of the Act on Trading</p>	<p>Investment Instruments (Dual Currency Deposits)</p>	<p>- Risks associated with the financial instrument purchased, especially the risk of losing some or all of the money invested</p> <p>- Risk of error on your part when determining the terms and conditions of a financial instrument transaction</p> <p>- Risk of failure of IT systems – in this case you have the right to file a complaint</p> <p>- Risk of mistake by our employee – in this case you have the right to file a complaint</p>	<p>- In the regulations for the provision of the investment service, i.e. the “Regulations on Dual Currency Deposit Transactions” (Enclosure no. 2 to the Regulations, § 6. General Description of Risks Inherent in Dual Currency Deposits) which:</p> <ul style="list-style-type: none"> <li>• contains a description of dual currency deposits and related risks</li> <li>• the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> <li>• the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a>,</li> </ul> <p>- In product presentations which the Bank provides to the Customer to the e-mail address indicated by them, when enabling the Customer to conclude transactions within the scope of such products,</p>	<p>- Margin included in the transaction price or early termination price</p>	<p><b>Maximum costs</b></p> <p>- In the Master Agreement concluded with the Customer or in the regulations for the provision of the Investment Service, i.e. in the “Regulations on Dual Currency Deposit Transactions” (<i>Enclosure no. 1 to the Regulations</i>) which:</p> <ul style="list-style-type: none"> <li>• the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> <li>• the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a>,</li> </ul> <p>- In the Key Information Documents for the Retail Customer (“KIDs”) which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid">bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid</a></p>

		<p>- Risk of no guarantee from the Bank Guarantee Fund. The mandatory deposit guarantee system (as referred to in the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring) does <u>not</u> cover claims under master contracts or transactions executed thereunder</p>	<p>- In the Key Information Documents for the Retail Customer ("KIDs") which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid">bnpparibas.pl/repozytorium/priip/dokumenty-zawierajace-kluczowe-informacje-kid</a></p>		<p><b>Average costs</b></p> <p>- In the Master Agreement concluded with the Customer or in the regulations for the provision of the Investment Service, i.e. in the "Regulations on Dual Currency Deposit Transactions" (<i>Enclosure no. 1 to the Regulations</i>) which:</p> <ul style="list-style-type: none"> <li>the Bank provides to the Customer prior to the conclusion of the Master Agreement,</li> </ul> <p>the Bank publishes on the website: <a href="http://bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2">bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2</a>,</p> <p><b>Estimated costs</b></p> <p>- In the information on the estimated costs of the transaction which the Bank provides to the Retail Customer:</p> <ul style="list-style-type: none"> <li>orally or in FX PI@net – prior to the conclusion/ early termination of the transaction, i.e. When presenting the quotation for the transaction/ early termination of the transaction,</li> <li>to the e-mail address indicated by the Customer, in the "Information on the estimated costs of the transaction" – after the conclusion/ early termination of the transaction</li> </ul> <p><b>Actually incurred costs of transaction conclusion or early termination</b></p> <p>- In the transaction confirmations and in the annual costs statement which the Bank provides to the Customer to the e-mail address indicated by the Customer</p>
Service of bank account maintenance		<p>The risk of bank bankruptcy which may result in:</p> <ul style="list-style-type: none"> <li>temporary lack of access to funds in your account, or</li> <li>your inability to withdraw money from the account – above the amount</li> </ul>	<p>- In the agreement for maintaining bank accounts concluded with the Customer,</p> <p>- In the regulations for the provision of the service of bank account maintenance, i.e., respectively:</p>	- Account maintenance costs	<p>- In the agreement for maintaining bank accounts concluded with the Customer,</p> <p>- In the table of commissions and fees to the regulations for the provision of the service of bank account maintenance, i.e., respectively:</p>

		<p>guaranteed by the Bank Guarantee Fund, i.e. the PLN equivalent of EUR 100 000</p>	<p><b>Customers from the Business Customers (Micro-Enterprises) Segment:</b></p> <ul style="list-style-type: none"> <li>• “Regulations on Accounts, Term Deposits, Cards and Other Selected Services for Customers - Micro-Enterprises in BNP Paribas Bank Polska S.A.” which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa</a></li> </ul> <p><b>Customers from the Corporate Customers Segment and from the Small and Medium-sized Enterprises Segment:</b></p> <p>“Regulations regarding Accounts and Provision of Other Services for Corporate Customers and Customers from the Small and Medium-sized enterprises segment” which the Bank publishes on the website: <a href="http://bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/umowy-i-regulaminy/produkty-banku-bnp-paribas-sa</a></p>	<p><b>Customers from the Business Customers (Micro-Enterprises) Segment:</b></p> <ul style="list-style-type: none"> <li>• “Table of Commissions and Fees for Banking Actions Performed in Favour of Business Customers (Micro-Enterprises)” – deposit packages offered by BNP Paribas Bank Polska S.A.” (<i>CHAPTER 1 – ACCOUNT OPENING AND MAINTENANCE</i>) or to the “Regulations on Accounts, Term Deposits, Cards and Other Selected Services for Customers - Micro-Enterprises in BNP Paribas Bank Polska S.A.”.</li> </ul> <p>The Bank publishes the above-mentioned table of fees and commissions on the website: <a href="http://bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa</a></p> <p><b>Customers from the Corporate Customers Segment and from the Small and Medium-sized Enterprises Segment:</b></p> <ul style="list-style-type: none"> <li>• Table of Commissions and Fees for Corporate Customers” (<i>I. SERVICE AND MAINTENANCE OF BANK ACCOUNTS</i>) or</li> <li>• “Table of Commissions and Fees at BNP Paribas Bank Polska S.A. for Small and Medium-sized Enterprises” <i>SECTION I. Commission and fee plans, SECTION II. Fees and commissions applicable to all Customers</i>)</li> </ul> <p>to the “Regulations regarding Accounts and Provision of Other Services for Corporate Customers and Customers from the Small and Medium-sized enterprises segment”.</p> <p>The Bank publishes the above-mentioned tables of fees and commissions on the website: <a href="http://bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa">bnpparibas.pl/repozytorium/oplaty-i-oprocentowanie/produkty-banku-bnp-paribas-sa</a></p>
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## Policy on the Execution of Orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.

### § 1. General Provisions

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

### § 2. Definitions

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

**Bank (We)** – BNP Paribas Bank Polska S.A.

**MiFID** – Directive 2014/65/EU of the European Parliament and of the Council on financial instruments markets, and amending Directive 2002/92/EC and Directive 2011/61/EU

**Customer (You)** – the customer referred to in § 4, whom we provide with the Investment Service

**Retail Customer** – a Customer classified as such by the Bank in accordance with the Act on Trading

**Professional Customer** – a Customer classified as such by the Bank in accordance with the Act on Trading

**Mark-up (margin)** – a difference between the Transaction price for you and the price of maintaining the position for us

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

**Commission Delegated Regulation (EU) 2017/565** – Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

**Commission Delegated Regulation (EU) 2017/575** – Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions

**Commission Delegated Regulation (EU) 2017/576** – Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution

**Trading Venue** – regulated market, MTF (multilateral trading facility), or OTF (organised trading facility) within the meaning of MiFID and its implementing regulations

**Transaction** – a transaction concluded between you and us under the relevant contract or regulations, the subject of which is the financial instrument as indicated in paragraphs 1 to 7 respectively in Enclosure 1.1 to the Policy

**Eligible Counterparty** – a Customer classified as such by the Bank in accordance with the Act on Trading

**Investment Service** – buying or selling financial instruments on own account to execute Customer orders, or offering financial instruments, or receiving and transmitting orders to buy or sell financial instruments

**Act on Trading** – the Act of 29 July 2005 on trading in financial instruments

**Best Execution** – our obligation to act in your best interests in order to obtain the best possible results for you when executing orders for your benefit that involve financial instruments within the meaning of the Act on Trading

### § 3. Purpose of the Policy

1. The purpose of the Policy is to ensure that our investment activities comply with:
  - high standards of professional conduct and
  - legal obligations deriving from the following documents, among others: MiFID, Commission Delegated Regulation (EU) 2017/565, Commission Delegated Regulation (EU) 2017/575, Commission Delegated Regulation (EU) 2017/576 and the Act on Trading.
2. By following this Policy, we:
  - provide protection of your interest in regard to transactions on financial instruments,
  - establish professional quality standards for the Investment Service we provide,
  - establish a basis for our internal procedures to act in your best interest.

### § 4. Scope of application of the Policy



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

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

### **Scope of application of the Best Execution**

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

### **How we meet the Best Execution**

4. Where a Transaction is entered into on the request-for-quotes basis, we consider the price criterion from the terms of the Transaction as the only criterion for the Best Execution. The criteria of likelihood and speed of execution of the Transaction are secured through your acceptance of the quote.
5. Where a Transaction is entered into on the matched-principal basis, we consider specifically the following as the criterion for the Best Execution Requirement:
  - characteristics of the financial instruments that are the subject of the order,
  - the price criterion,
  - the execution time,
  - the specific nature of the order,
  - the characteristics of available execution venues.
6. Where a Transaction is entered into on the matched-principal basis, we meet the Best Execution Requirement in terms of:
  - 1) the characteristics of the financial instrument that is the subject of the order – we select a type of a back-to-back transaction to hedge your risks.
 

As part of the back-to-back transaction (in accordance with our regulation on the principles of calculation and materiality testing: valuation adjustments to fair value and losses at the time of entering into the transaction), we close the following transactions: Commodity Swaps, Flexiterm Forwards and Asian FX Options. We do this because:

    - we do not have limits of an appropriate size that are necessary to maintain an open market risk position,
    - we do not have the licence that is necessary to maintain open positions in these instruments.

This means that all Commodity Swaps, Flexiterm Forward transactions and Asian FX Options are closed back-to-back; we always enter into back-to-back transactions on market terms using current prices,
  - 2) price criterion – we select a back-to-back transaction execution venue in such a way as to ensure that the transaction execution price is the best of all available to us to hedge your exposure. In order to enter into a back-to-back transaction with a counterparty, we must have:
    - limits in place on (market and counterparty) risk, and
    - documentation (i.e. a master agreement or collateral agreement) with our counterparty. That documentation sets out the rules for entering into, settling and potentially securing transactions, based, among others, on documentation standards of the Association of Polish Banks or the International Swap Derivative Association.

With the price criterion, we ensure its fairness by comparing the price parameters of the transaction with you (excluding the Margin) with the price parameters of the hedging instrument, i.e. a back-to-back transaction with a counterparty,
  - 3) the execution time – we select a back-to-back transaction execution venue in such a way as to ensure that the execution time of the transaction is as close to your expectations of securing the exposure as possible. In order to enter into a back-to-back transaction with a counterparty, we must have:
    - limits in place on (market and counterparty) risk, and
    - documentation (i.e. a master agreement or collateral agreement) with our counterparty. That documentation sets out the rules for entering into, settling and potentially securing transactions, based, among others, on documentation standards of the Association of Polish Banks or the International Swap Derivative Association,

- 4) the specific nature of the order – we select a back-to-back transaction execution venue so that it is tailored to the specific nature of the transaction that hedges your risk. For that purpose (and in accordance with our regulation on the principles of calculation and materiality testing: valuation adjustments to fair value and losses at the time of entering into the transaction), the parameters of the back-to-back transaction should be accurately aligned with the parameters of the Transaction. Those parameters include:
  - the currency pair, denomination, strike price, the conclusion date and maturity – which are the same for option transactions, taking into account the reverse direction (purchase vs sale),
  - the quantity of the commodity, the conclusion date and maturity – which are the same for commodity transactions, taking into account the opposite direction (purchase vs sale),
- 5) specific nature of the available execution venues – we select the place of execution of a back-to-back transaction in such a way as to ensure the effective conclusion of transactions with identical parameters as the Hedging Transaction concluded with you. In order to enter into a back-to-back transaction with a counterparty, we must have:
  - limits in place on (market and counterparty) risk, and
  - documentation (i.e. a master agreement or collateral agreement) with our counterparty. That documentation sets out the rules for entering into, settling and potentially securing transactions, based, among others, on documentation standards of the Association of Polish Banks or the International Swap Derivative Association.
7. We meet the Best Execution Requirement by ensuring the fairness of the price at which we are willing to enter into a Transaction with you on own account.
8. Price fairness is examined in relation to the component of the price that corresponds to the price we pay for maintaining the position related to the Transaction. We do this by verifying the data (available through the systems which we use to estimate the price of a particular financial instrument covered by the Policy), taking into account:
  - the price of the financial instrument on the interbank market, and in the absence of such an instrument, the price of another instrument with as close a risk profile as possible and belonging to the same asset class,
  - liquidity of the financial instrument, especially in relation to the amount of the transaction,
  - the need to fully or partially close the market risk generated by a customer transaction due to applicable limits or regulatory considerations;
  - other factors (the cost of maintaining the transaction in our proprietary position, etc.).
 As a result, the examination does not cover the Mark-up.
9. We ensure that the Mark-up, which includes our profit and covers the costs that are not included in the price of our maintaining the position associated with the Transaction, is not higher than the maximum Mark up for the Transaction concerned. Information about the Mark up is provided to you in the regulations and in other documents concerning the Transaction.
10. We disclose to you information about the Mark-up we charge.

## § 6. Dealing outside the Trading Venue

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

## § 7. Warning concerning the Customer's detailed instructions

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

## § 8. Policy monitoring, review and amendments

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

4. We will make any changes to the Policy based on the review results of the above.
5. We will keep you informed of any change to the Policy - in the manner described in the contract or in the regulations for the provision of the Investment Service concerned.

#### **§ 9. Final provisions**

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

#### **§ 10. Effective date**

The Policy is effective as of 20 November 2023.

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

### List of financial instruments covered by the Policy

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

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