

Citigold

MiFID Information Brochure

- MiFID
- Investment Products

 **citi** handlowy®

DEAR SIR/MADAM,

we have prepared this brochure specially for Clients of Bank Handlowy w Warszawie S.A. (hereinafter referred to as the "Bank") who use or intend to use investment services provided by us. This brochure refers to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and to directly applicable Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, which are the most important provisions for investment services and financial instruments. The provisions of the above Directive and Regulation are effective from 3 January 2018 and supersede the previous Directive 2004/39/EC, commonly known as MiFID I Directive.

We ensure the highest level of protection to our Clients by means of, among other things, sales processes which comply with the new MiFID provisions, referred to above.

In Part I of this brochure, you will find detailed information concerning MiFID, the manner in which the Bank implements the provisions of MiFID, and advantages such activities bring for you.

If you are interested in purchasing an investment product or an investment-linked insurance product, we kindly encourage you to read carefully Part II of this brochure, in which you will find details of particular products offered by the Bank and descriptions of risks related to such products.

If you have any questions concerning a particular investment product, an investment-linked insurance product or service, please contact the Bank's employee who handles investment products ("Account Manager").

Terms written in capital letters in this brochure have their meaning defined in the Bank's Terms and Conditions of Investment Products (hereinafter referred to as the "Terms and Conditions") unless they are defined otherwise in this brochure.

We warmly encourage you to get familiar with this brochure.

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I. MIFID

1. MIFID – OVERVIEW

MiFID sets forth rules of providing investment services and applies to institutions which provide such services, including but not limited to, investment firms, such as brokerage houses, banks which conduct brokerage activities, or banks, referred to in Article 70.2 of the Act on Trading in Financial Instruments of 29 July 2005 as amended (hereinafter referred to as the “Act”). The main purpose of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments of 21 April 2004 (“**MiFID I Directive**”) was to ensure the protection of Clients’ interests and the standardization of a protection level the Clients are entitled to in all the European Union countries, as well as in Island, Norway and Liechtenstein. Another important task of MiFID I was to enhance the transparency of activities and operations on the part of institutions which provided investment services and of processes within customer services.

MiFID I Directive was transposed to the national rule of law through Polish legal acts, specifically the Act and respective implementing provisions.

To enhance the framework that regulates financial instruments, also when trading in such instruments is conducted over-the-counter or beyond alternative trading systems and to elevate the level of transparency and the protection of investors, in 2014 new Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**MiFID II Directive**”) and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**MiFIR Regulation**”) were adopted. In addition, many other delegated legal acts were enacted at a later time, which implemented the provisions of Directive MiFID II and Regulation MiFIR (jointly “**MiFID II**”), including, specifically, 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 organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (“**Regulation 2017/565**”).

Under regime of MiFID I and MiFID II Directives (jointly referred to as: (“**MiFID**”), investment firms, in addition to other measures, are obliged to:

- act in a fair and professional manner, in accordance with the fair trading principles and in the best interests of Clients;
- provide Clients with information which is complete, fair, clear and not misleading (communications concerning financial instruments must indicate, including but not limited, the level of the investment risk related to a given product);
- provide in due time adequate and proper information concerning: an investment firm and services rendered by it and covered by MiFID, financial instruments such services relate to, recommendations and strategies, systems used for the purpose of executing clients’ orders and instructions as well as costs and fees related to the provision of such services;
- design and implement such solutions concerning the specification of a financial instrument being developed or such manners of selling it which are adequate to a specified target group of trade participants.

The above responsibilities also rest with the Bank in connection with the services offered by the Bank on the basis of Article 70.2 of the Act and brokerage activities within the acceptance and transmission of orders to purchase or sell financial instruments.

MiFID also requires the Bank to conduct suitability and appropriateness tests aimed at assessing the level of the Client’s investment knowledge and experience, and to inform duly the Client of investment products and risks related to them so that the Client could make an informed investment decision. These activities are taken up in the best interest of the Client. Please, read further parts of this brochure for more information concerning MiFID.

2. ADVANTAGES FOR THE CLIENT BROUGHT ABOUT BY MIFID

By fulfilling the responsibilities that result from MiFID, the Bank focuses its efforts on the assurance of the highest level of protection and quality of investment services offered to its Clients, always by acting honestly, fairly and professionally, in accordance with the best interest of the Client.

The protection of clients who use investment services is one of the underlying objectives of the MiFID regulation, ensured by the Bank by, among other things:

- categorizing of the Clients and ensuring a proper scope of protection corresponding to a category assigned to the Client;
- assessing the suitability and appropriateness of offered services, namely by assessing the level of investment knowledge and experience, to an extent necessary to determine whether a given financial instrument being offered is suitable to a given Client;
- introducing adequate measures and policies for managing conflicts of interests;
- informing the Clients of the Bank and the products and services, and risks related to them.

3. INFORMATION PROVIDED TO THE BANK'S CLIENTS

Before the Bank commences to provide investment services to the Client, the Client will receive respective agreements or terms and conditions setting out the basic rights and obligations of the Client's and the Bank, as well as conditions on which the services are to be provided.

In addition, as required by MiFID, the Bank also provides Clients, among other things, with the following information:

- the Client's category and information whether the Client is entitled to submit a request for changing its assigned category;
- the Bank and services offered by the Bank and to be rendered to the Client;
- a general description of measures and policies aimed at counteracting conflicts of interests;
- financial instruments that are in the Bank's offer and risks related to investments in such financial instruments;
- the Client's financial instruments or funds held in custody by third parties;
- information on costs and associated fees with respect to the provided Services;
- rules of conduct, in case of the so-called inducements; and
- the BEST EXECUTION POLICY.

The foregoing information as well as a detailed description how the Bank fulfils particular obligations that ensue from MiFID is presented below.

4. CLIENT CATEGORISATION

Client Categories at the Bank

In accordance with the requirements of MiFID, the Bank has classified its Clients into the following three categories:

- **Retail Clients** - Clients who are not Professional Clients and who are entitled to the highest level of protection;
- **Professional Clients** - Clients who have knowledge and experience sufficient to assess a risk related to an investment in a given financial instrument. This category encompasses predominantly banks, investment firms, insurance companies, investment funds and investment fund companies, pension funds or pension fund companies, and large entrepreneurs;
- **Eligible Counterparties** - entities designated in the Act which are Professional Clients or large entrepreneurs, classified, at their request, to Professional Clients or clients from a different EU/EEA member state, who hold the status of an eligible counterparty envisaged in their respective legislature.

THE DIAGRAM BELOW SUMMARISES THE CATEGORISATION SYSTEM APPLIED AT THE BANK

CLIENT CATEGORY			
	RETAIL CLIENT	PROFESSIONAL CLIENT	ELIGIBLE COUNTERPARTY
	<p>Who is not a Professional Client:</p> <ul style="list-style-type: none"> • natural persons and • certain enterprises, to whom at least one of the investment services is to be rendered. 	<ul style="list-style-type: none"> • Clients who have knowledge and experience sufficient to make their own investment decisions and assess properly a risk related to an investment in a given financial instrument. In the event that a service provided to such Client consists in investment advisory services, the Bank may assume that such Client is able to assume financially all the investment risk to an extent corresponding to such Client's investment objectives. • This category encompasses predominantly: banks, investment firms, insurance companies, investment funds and investment fund companies, pension funds and pension fund companies, large entrepreneurs, and other entities mentioned in the Act. 	<ul style="list-style-type: none"> • The entities defined in the Act being professional clients with whom the Bank concludes transactions or in respect of whom the Bank intermediates in the conclusion of transactions, within the provision of services by the Bank consisting in executing orders and instructions or accepting and transmitting orders and instructions, or purchasing and selling financial instruments on its own account; • An entrepreneur eligible for being classified into the Professional Client category and considered by the Bank, at the entrepreneur's request, to be an eligible counterparty, with whom the Bank concludes transactions or in respect of whom the Bank intermediates in the conclusion of transactions within the provision of the services specified in the preceding item; • A Client from a different EU/EEA member state who holds the status of an eligible counterparty on the basis of the Client's respective legislature.
LEVEL OF PROTECTION	HIGHEST	LOWER	LOWEST
SCOPE OF INFORMATION	<p>When executing an order on the Client's account or accepting and transmitting an order from Retail Client, the Bank:</p> <ul style="list-style-type: none"> • provides the Client with the complete set of information concerning a service being offered and financial instruments such service refers to; • assesses the suitability of this financial instrument or service; • abides by the BEST EXECUTION POLICY. <p>When providing investment advisory services, the Bank presents Retail Client with a report, in which the suitability of a personal recommendation is confirmed and reasons for which the recommendation is deemed to be suitable for the Client are clarified. The Bank is expected to ensure that a financial instrument being designed and developed or in the manner, in which it is disposed of, is suitable for a particular target group, to which the Client belongs.</p>	<p>When executing an order on the Client's account or when accepting and transmitting an order from Professional Client, the Bank:</p> <ul style="list-style-type: none"> • provides the Client with the complete set of information concerning a service being offered and financial instruments such service refers to; • abides by the BEST EXECUTION POLICY. However, the Bank may restrain from requesting the information on the level of Professional Client's investment knowledge within financial instruments and investment experience for the needs of the assessment of suitability and appropriateness. The Bank may assume that Professional Client has knowledge and experience sufficient to understand a risk related to a transaction and in the case of investment advisory services that the Client is able to assume financially all the investment risk related to the service to an extent corresponding to the Client's investment objectives. 	<p>When executing an order on the Client's account or when accepting and transmitting an order from Eligible Counterparty, the Bank:</p> <ul style="list-style-type: none"> • provides the Client with a limited set of information concerning a service being offered and financial instruments such service refers to; • does not assess the suitability of a financial instrument or service; • does not abide by the BEST EXECUTION POLICY.

SCOPE OF INFORMATION		<p>When providing investment advisory services, the Bank is not obliged to present Professional Client with a report in which the suitability of a personal recommendation is confirmed and reasons for which the recommendation is deemed to be suitable for the Client are clarified.</p> <p>The Bank is expected to ensure that a financial instrument being designed and developed or the manner in which it is disposed of, is suitable for a particular target group, to which the Client belongs.</p>	
	<ul style="list-style-type: none"> • Information concerning the Bank and services rendered to the Client by the Bank • Information concerning financial instruments which are offered by the Bank, recommendations and strategies • Full information on costs and fees related to the provision of services • Information on the policy observed at the Bank within conflict of interest management • Absolute service reporting rendered to the extent and within time limits provided by the law. • Designation of commercial information • Report on the suitability of investment recommendation 	<ul style="list-style-type: none"> • Information concerning the Bank and services rendered to the Client by the Bank • Information concerning financial instruments which are offered by the Bank, recommendations and strategies • Information on costs and fees related to the provision of services, however it is possible to agree to a narrower scope of information being provided in respect of certain services and financial instruments • Information on the policy observed at the Bank within conflict of interest management • Absolute service reporting rendered to the extent and within time limits provided by the law. • Designation of commercial information 	<ul style="list-style-type: none"> • Information concerning the Bank and services rendered to the Client by the Bank • Information concerning financial instruments which are offered by the Bank, recommendations and strategies • Information on costs and fees related to the provision of services, however it is possible to agree to a narrower scope of information (also as compared to the information required to be provided to Professional Clients) being provided in respect of certain services and financial instruments • Information on the policy observed at the Bank within conflict of interest management • Absolute service reporting rendered to the extent and within time limits provided by the law.

The classification is based on the assumption that the level of protection and the scope of information provided to the Client must be aligned with the Client's level of knowledge, experience and ability to assess individually an investment risk related to a specified service regulated in MiFID. For the sake of the highest service level, all the Clients of Consumer Bank have been classified as Retail Clients and hence they are eligible for the highest level of protection indicated hereinabove unless in a given case the Client requests the Bank to reclassify the Client into the Professional Client category and the Bank accepts such request.

Reclassification

Reclassification Retail Client → Professional Client

At the Client's request, the Bank may consider Retail Client to be Professional Client, not being Eligible Counterparty.

To this effect, the Client must fill in a respective request form and meet at least two of the following three criteria:

- the Client has concluded transactions at a value which is considered as significant value, on a respective market, on average at least 10 transactions per quarter within the last four quarters;
- the value of the Client's portfolio of financial instruments including funds being a portion of that portfolio, amounts to at least EUR 500,000 or its equivalent in PLN;

- the Client works or worked in the financial sector at least one year at a position which requires the professional knowledge of transactions in financial instruments or brokerage services which would be provided by the Bank to the Client on the basis of a respective agreement being entered into.
- in relation to a given type of transaction, which is sent to the Customer by the Bank at each request and also available on the Bank's website: (www.online.citibank.pl/inwestowanie/mifid-ii.html) → "Important documents" tab → the document "Customer Categorization - significant amount") and is subject to cyclical updating.

The equivalent of the amounts expressed in the euro, referred to above, is set at the euro mid rate quoted by the National Bank of Poland one day before the day on which the Client submits an instruction to reclassify.

Requested reclassification is made if and when the Bank assesses positively the Client's request. Bank will inform Customers by mail. The reclassification from Retail Client into Professional Client results in lowering the level of protection the Client is entitled to under MiFID regime. Client classified as Professional has the option to request for reclassification from Professional into Retail Client. The Bank may refuse to reclassify the Client.

Reclassification Professional Client → Retail Client

The Client is also entitled to submit a request to the Bank to consider the Client as Retail Client if the Client holds the status of Professional Client.

The Bank reclassifies according to the rules prescribed in the Act and Regulation 2017/565. The Bank may also make the above change on its own initiative. In every such case, such change results in enhancing the level of protection the Client is entitled to.

The Bank notifies new and existing Clients of a new classification into categories and that in accordance with MiFID, they are classified into Retail Clients, Professional Clients or Eligible Counterparties.

5. ASSESSMENT OF INVESTMENT KNOWLEDGE AND EXPERIENCE, AND DEFINITION OF RISK PROFILE

The level of protection for Retail Clients involves primarily: the assessment of knowledge and experience ("**Assessment of Knowledge and Experience**").

The Bank in order to provide customers with an appropriate level of protection under the Act on trading in financial instruments, conducts the Assessment of Knowledge and Experience with a view to defining whether a given financial instrument is suitable and appropriate given the Client's knowledge of investments, investment experience and if it's appropriate for Customers target market. It's important for the Bank that all information provided by the Customer are current, true and complete. For this reason, the Bank conducts a suitability test in respect of Retail Clients. Such suitability test allows the Client to define a group of products which can be considered to be adequate to the Client given the Client's knowledge and experience and which financial instrument is in Client's target market. In the event that the Bank assesses on the basis of information obtained from the Client that a financial instrument or service is not adequate to the Client given the Client's knowledge and experience, then the Bank warns the Client of such inappropriateness. In the case of Professional Client, the Bank may assume that Professional Client has necessary knowledge and experience to be aware of risks related to financial instruments or services on the basis of which the Client is classified.

In the event of investment advisory services, before the Bank provides such services to the Client, the Bank assesses, on the basis of information obtained from the Client or which is already in the possession of the Bank, the Client's overall financial situation, the Client's financial objectives, investment horizon and acceptable risk levels ("**Risk Profile**"). The Bank defines the Risk Profile for the needs of providing the Client with personal recommendations which are adequate to the Client given the above criteria. The Bank also uses information obtained from the Client when defining the Client's Risk Profile if the Client intends to enter, through the Bank, into the Agreement on Investment-Linked Insurance referred to in the Terms and Conditions.

When providing investment advisory services, the Bank presents Retail Client with a report in which the suitability of a personal recommendation is confirmed and reasons for which the recommendation is deemed to be suitable for the Client are clarified.

Investment recommendations provided by the Bank are valid as of the day on which they are provided. The Bank does not offer its Clients any periodical assessment of the suitability of such recommendations.

6. GENERAL DESCRIPTION OF MEASURES AND POLICIES AIMED AT COUNTERACTING CONFLICTS OF INTERESTS

A conflict of interests is understood as circumstances known to the Bank which may lead to a contradiction between the interests of the Bank, or the interests of its related person, and the Bank's duty to act diligently and fairly, taking into consideration the best interests of the Client, as well as circumstances known to the Bank which may lead to a contradiction between the interests of some of its Clients. Specifically, a conflict of interests may arise when the Bank, a person involved, or persons related directly or indirectly to the Bank by control:

- 1) may generate a financial profit or avoid a financial loss at the Client's expense,
- 2) has an interest in a specified outcome of a service being rendered to the Client or a transaction made on behalf of the Client, and such interest differs from the Client's interest,
- 3) the Bank has reasons, of financial or other nature, to place the interest of another Client or a group of Clients over the interest of a given Client,
- 4) conducts the same activity as the Client's,
- 5) in connection with a service being rendered to a given Client, the Bank receives an inducement from a person other than that Client, in the form of a monetary or non-monetary benefit or service.

The Bank strives to avoid situations that may trigger a conflict of interest by implementing appropriate organizational solutions and the Bank's internal regulations. The Bank exercises due care to ensure that a materialized conflict of interest is not harmful to the interests of the Client. The Bank also exercises due care to properly manage the risk of the conflict of interests.

The Bank has set forth, implemented and maintains the policy of counteracting conflicts of interests which constitutes the "Rules for Managing of Conflict of Interests at Bank Handlowy w Warszawie S.A. in the scope of trading in financial instruments underlying services provided by the Bank under Article 70.2 of the Act on Trading in Financial Instruments and Other Non-Financial Instruments" and the "Rules for Managing of Conflict of Interests at Brokerage Services Management Unit at Bank Handlowy w Warszawie S.A." within the Bank's brokerage activities (hereinafter described jointly as the "**Policy of Counteracting Conflicts of Interests**" - the "Policy"). In accordance with the Policy:

- The Bank identifies circumstances which may cause or cause a conflict of interests that threatens the interests of one or several Clients.
- In the conflict-of-interest management process, the Bank assumes that it will avoid situations which may lead to a potential conflict of interest. To this effect, the Bank has implemented and applies adequate measures and policies for counteracting conflicts of interests and to manage them.

The Policy also incorporates protective and conflict of interests management solutions and measures aligned with the Bank's structure, specifically:

- effective policies to prevent the exchange of information and control such exchange of information between persons involved in an activity related to the risk of conflict of interests when such exchange of information may be to the detriment of the interests of one or several Clients,
- separate oversight of involved persons who as part of their main responsibilities conduct an activity on behalf or render services to the benefit of Clients whose interests may collide or who otherwise represent different, potentially conflicting interests (including the Bank's interests),
- elimination of any and all direct relations between the remuneration of involved persons who conduct primarily one type of activity and the remuneration of other involved persons who conduct primarily a different type of activity, or income earned by these other persons when a conflict of interests can arise between these two types of activity,
- measures which offer the possibility to eliminate or curb a detrimental influence of any persons on the performance of services as well as investment and ancillary activities by an involved person,
- measures which offer the possibility to eliminate or curb concurrent or consecutive cases of the involvement of an involved person in investment or additional services or activities, when such involvement may affect adversely proper conflict of interest management.

In the event that the organizational or administrative measures applicable at the Bank and implemented with a view to precluding a detrimental influence of the occurrence of a conflict of interests appear insufficient from the point of view of avoiding the risk of damage to the Client's interests, the Bank communicates with the Client and delivers such information to the Client.

Such communications will indicate that the organizational and administrative measures established by the Bank to eliminate or manage such conflicts are not sufficient to preclude with due certainty the occurrence of the risk of damage to the Client's interests, and will contain a detailed description of the conflict of interests that arose when rendering a service, having regard to the characteristics of the Client to whom such information is disclosed. In such description, the Bank outlines the general nature and sources of the conflict of interests as well as a risk the Client is exposed to as a result of the conflict of interests, and efforts taken to mitigate such risk, maintaining at the same time a sufficient degree of detail that allows the Client to make an informed decision in respect of the service in the context of such conflict of interests. The Bank makes the provision of a service to the Client conditional upon the receipt of the Client's confirmation that the Client intends to use the service despite of the conflict of interests.

At the Client's request, the Bank provides additional information on the Policy of Counteracting Conflicts of Interests on a durable medium or on the Bank's website.

7. PROTECTION OF BANK CLIENTS' FINANCIAL ASSETS AND FUNDS

Financial assets and funds entrusted to the Bank are protected by:

- separating them from the Bank's financial assets and funds and from other Clients' funds;
- keeping complete records and regular reconciliation of balances with the Clients;
- presenting the Client at least quarterly reports drawn up as an outcome of the performance of agreements entered into with the Bank, concerning financial instruments which constitute the Client's assets and are under the Bank's custody.

The Bank is a participant of:

- the investor compensation scheme managed and administrated by Krajowy Depozyt Papierów Wartościowych (the National Securities Depository) in accordance with the rules defined in the Act; and
- the mandatory deposit insurance scheme according to the rules set out in the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution of 10 June 2016 as amended. (the "BGF Act").

The Bank, as a participant of the investor compensation scheme makes specified contributions to the scheme. The purpose of the investor compensation scheme is to ensure a partial protection of funds and financial instruments entrusted by a specified category of investors to entities which participate in the investor compensation scheme, up to the amount and according to the rules set out in legal provisions and regulations, including the Act on Trading in Financial Instruments. The investor compensation scheme does not protect Participation Titles, Dual Currency Investments or the Agreements on Investment-Linked Insurance referred to in the Terms and Conditions and described in Part II of this brochure.

In accordance with the BGF Act, the Bank is an entity protected by the mandatory deposit guarantee scheme, on the conditions specified hereinbelow:

- **Aim of the mandatory deposit guarantee scheme:** the aim is to assure for the deponents withdrawals of funds guaranteed in case of their unavailability, up to the amount defined in the BGF Act.
- **The BGF covers:** the guarantee covers: (i) funds deposited with the Bank by the deponent in bank accounts if the deponent is a party to a bank account agreement (ii) other amounts due to the deponent resulting from the bank activities referred to in Article 5.1.1, 5.1.2, 5.1.6 of the act - the Banking Law (iii) the amount, referred to in Article 55.1.1 and Article 56.1 of the act - the Banking Law (subject to Article 52 of the Law) if they have matured before a condition under the guarantee is fulfilled and (iv) amounts due to the deponent resulting from bank securities confirmed by registered documents issued by the issuer and registered certificates of deposit referred to in Article 9.1 of the Act on Trading in Financial Instruments if issued before 2 July 2014. The guarantee referred to above extends to such funds in zlotys or in a foreign currency.
- **Maximum guaranteed amount:** the guaranteed funds receive protection on account of the mandatory guarantee scheme from the day on which they are deposited to a bank account and not later than one day before the day on which a condition of the guarantee is fulfilled, and for amounts which result from the banking activities if a given activity has been taken before a condition of the guarantee is fulfilled - up to the amount of (together with interest computed until the condition of the guarantee is fulfilled, at the interest rate specified in the agreement irrespective of their maturity date) a PLN equivalent of EUR 100,000 - in full. A value in the euro is converted into the zloty at the mid rate applicable on the day on which a condition of the guarantee is fulfilled, quoted by the National Bank of Poland. The amount referred to above is the maximum amount of the deponent's claim to the BGF, irrespective of the amount and number of accounts held by the deponent with the Bank or irrespective of the number of such claims to the Bank. After the lapse

- of 5 years from the day on which a condition of the guarantee is fulfilled any such claims under the guarantee expire.
- **Part of deposits not guaranteed:** a part of deposits not covered by the BGF guarantee (above EUR 100,000) constitutes the deponent's claim to the Bank's bankruptcy estate and may be recovered through the distribution of the assets of the bankrupt Bank in bankruptcy proceedings.
- **Eligible deponent:** a deponent who according to the BGF Act can be considered as a deponent eligible for receiving a monetary consideration is a natural person, a legal person, an organizational unit not being a legal person that have been granted legal capacity by a separate act, school savings unions, employee aid and credit unions.
- **Amounts receivable not guaranteed:** the BGF does not protect claims which are indicated as such in the BGF Act, including amounts due to and receivable by the State Treasury, banks, foreign banks and credit institutions referred to in the act - the Banking Law, financial institutions of investment companies, persons and entities that are not identified by an entity covered by the deposit guarantee scheme; local and foreign insurance companies and local and foreign re-insurance companies, investment funds, investment fund companies, foreign funds, managing companies and branches of investment companies, open-end pension funds, employee pension funds, general pension societies, employee pension societies, local government units and public bodies of a member state other than Poland and of a third state.

Funds in the Client's bank account maintained by the Bank which are subject to a Dual Currency Investment are protected by the BGF guarantee scheme however no guarantee is provided for returns on Dual Currency Investments. The remaining Products purchased by the Clients in connection with the Services rendered on the basis of the Terms and Conditions or recorded, or kept in custody by the Bank for the Client are not protected by the guarantee scheme of the Bank Guarantee Fund.

Amounts receivable from insurance contracts are guaranteed by the Insurance Guarantee Fund in the scope determined in the Act on the Insurance Guarantee Fund. This means that, should an insurance company become insolvent in the cases specified in the Act on the Insurance Guarantee Fund, the Insurance Guarantee Fund will cover in part the claims of the beneficiaries under life insurance contracts, in the amount of 50% of the claims but not more than a PLN equivalent of EUR 30,000.00.

Foreign Securities under third parties' custody

Foreign Securities purchased by the Client through the Bank are maintained in an Auxiliary Account (in the meaning of the Terms and Conditions) opened by the Bank and maintained by the Foreign General Securities Depository ("**Foreign GSD**"). An Auxiliary Account is an omnibus account maintained for the Bank and used specifically to clear and settle transactions concluded by the Client through the Bank in trading in Foreign Securities, including Structured Notes, as well as to keep them in custody or record them. Foreign Securities are also recorded separately in a technical Register maintained by the Bank. Such register reflects records of the above securities in the Auxiliary Account. The Bank's Clients are beneficiary owners of the securities recorded in the Auxiliary Account, in accordance with the account maintenance law (i.e. the law of Luxembourg).

Clearstream Banking S.A. with its headquarters in Luxembourg ("**Clearstream**") acts as the Foreign GSD.

Its activities are regulated in the law of Luxembourg and the European laws, specifically in Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("**CSD Regulation**").

In accordance with the law of Luxembourg, securities recorded in accounts maintained by Clearstream are protected, among other ways, in the following manner:

- by observing the requirement to keep clients' assets separate from Clearstream own assets;
- Clearstream clients hold a title of ownership ("**Jus in Rem**") to securities recorded on accounts maintained by Clearstream in case Clearstream goes bankrupt;
- provided that the clients can demonstrate that the introductory registration of securities took place in Clearstream, securities recorded in nominee accounts or in a local market in Luxembourg are protected in accordance with the law of Luxembourg;
- Clearstream clients' securities cannot be seized or blocked by a counterparty or a third party. Securities accounts held for Clearstream clients are safeguarded against the risk of seizure (by transferring the securities to the creditor or their sale on the creditor's account) at the so-called higher level in the custody chain.

Furthermore, GSD Regulation requires, inter alia, that Clearstream, acting as a Foreign GSD, ensures a coherent standard of protection for its participants' and their clients' securities by maintaining records and books of accounts which allow it to differentiate at any time and when due, securities of one participant from securities of any other participant and, when it is required, Clearstream's own assets.

The above requirements within the separation of assets also apply to the Auxiliary Account as an omnibus account. The requirements of GSD Regulation come into full effect since mid-2018.

The Bank will contact the Clients if the law applicable to Clearstream or another Foreign GSD with which the Bank decides to keep its Clients' Foreign Securities, forbids to separate financial instruments kept in custody with such entities from their own or the Bank's instruments.

8. SERVICES GOVERNED BY MIFID RENDERED ON THE BASIS OF THE TERMS AND CONDITIONS

Scope of rendered services

On the basis of the Terms and Conditions, the Bank renders the following MiFID governed services to the Clients:

- (a) acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Funds Participation Titles;
- b) acceptance and transmission of Orders to purchase or sell Securities;
- c) execution of Orders on the Client's account pertaining to the purchase or sale of Debt Securities and within the conclusion of Dual Currency Investment Transactions;
- (d) maintenance of Securities Accounts; and

The Bank also:

- intermediates, as an insurance agent, in the conclusion with the Clients and performance of Agreements on Investment-Linked Insurance acting on behalf of and for the benefit of an insurance company.
- Maintains a Foreign Securities Register and Auxiliary Account in a Foreign CSD.

The Bank renders the foregoing services on the basis of respective framework agreements entered into with the Client, and the Terms and Conditions.

In addition, the Bank may render an investment advisory service to its Clients, within:

- Funds Participation Titles, for which the Bank accepts and transmits the orders within the service referred to in item (a) above,
- Investment Certificates not admitted to trading in an organized market which can be purchased through the Bank or Dom Maklerski Banku Handlowego S.A.,
- Structured Notes, which can be purchased through the Bank as a part of the service referred to in item (c) above consisting in executing orders on the Client's account, and the issuers of which are entities which belong to the same capital group (Citi Group) or other entities not belonging to this Group; and
- Treasury Bonds, which can be purchased through Dom Maklerski Banku Handlowego S.A., to which the Bank delivers the Clients' orders for execution.

The services mentioned in items (a) - (e) and the Bank's investment advisory service are jointly referred to as the "**Services**".

Please, visit also the website www.citihandlowy.pl and read Part II of this brochure to learn about the services governed by MiFID and available at the Bank.

Order placement

The Client can place Orders and Instructions and conclude Transactions within such Orders by using the services referred to in clause 8 items (a) - (c) in the following manner:

- in writing directly at some of the Bank's branches or in the case of the service of the acceptance and transmission of Orders to purchase or sell Securities - at Order Acceptance Points;
- through phone banking service - CitiPhone;
- through Citibank Online service;
- through Citibank Telephone Line;
- by Mobile Application (if the Parties agree so).

Details concerning Channels of Access through which the Client can place Orders and Instructions concerning particular financial instruments are indicated in the Table of the Functionality of the Bank's Channels of Access.

Reporting responsibilities related to the Services

On a durable medium, the Bank sends specified reports, confirmations and statements to the Clients concerning the performance of the above services, including:

- (a) in the case of investment advisory Services, the Bank presents Retail Client with a report, in which the suitability of a personal recommendation issued by the Bank is confirmed and reasons for which the recommendation is deemed suitable for the Client are clarified. The Bank delivers this report to the Client upon delivery of a respective recommendation and a periodic report (once every three months) on the recommendations given;
- (b) in the case of the Services which consist in executing orders on the Client's account - a confirmation of the execution of a respective order. No later than on the first working day after the day on which a respective order was executed, the Bank sends such confirmation to the Client and if the Bank receives a confirmation from a third party - no later than on the first working day after the day on which such confirmation is received from a third party;
- (c) in the case of the Services, which consist in maintaining Securities Accounts and the Register of Foreign Securities, and the Auxiliary Account - the Bank sends a quarterly statement of financial instruments under the Bank's custody. At the Client's request, the Bank delivers this statement on a more frequent basis but collects a fee on this service specified in the Table of Fees and Commissions.

9. RULES OF ACCEPTING AND TRANSMITTING MONETARY AND NON-MONETARY BENEFITS ('INDUCEMENT')

GENERAL RULES OF ACCEPTING AND TRANSMITTING 'INDUCEMENTS'

In connection with the provision of the Services to the Client, the Bank is not allowed to accept or transmit any monetary benefits, including fees and commissions or non-monetary benefits, however exclusive of:

- **Benefits accepted from the Client or transmitted to the Client** - the ban does not concern monetary and non-monetary benefits accepted from the Client or transmitted to the Client, or accepted from a person acting on the Client's behalf or transmitted to a person acting on the Client's behalf.

The Clients are advised of any and all monetary benefits, including fees and commissions collected by the Bank from the Client or persons acting on the Client's behalf within the process of performing the Services, according to the rules defined in clause 10 of this brochure. Other types of monetary and non-monetary benefits transmitted to the Client or a person acting on the Client's behalf and not covered by clause 10 of this brochure if they meet the requirements within the above scope (e.g. the return of a fee and commission collected as a result of the consideration of a filed complaint);

- **Monetary or non-monetary benefits necessary to perform the Services** - the ban does not concern monetary and non-monetary benefits accepted from or transmitted to a third party that are necessary to render a given Service to the Client. This concerns specifically: costs of keeping the Client's financial instruments in custody and funds entrusted by the Client, fees collected by an entity that organizes the system of trading in financial instruments and fees for settlement and clearing, fees to a regulator on account of its oversight, taxes, public and legal fees and other charges which must be paid in accordance with legal provisions, and fees related to the exchange of currencies;
- **Monetary or non-monetary benefits which enhance the service level** - the Bank can accept monetary and non-monetary benefits other than those indicated above if and when:
 - they are to improve the quality of the Bank's Service for Client's benefit;
 - the acceptance or transmission thereof does not affect adversely the Bank's fairness and professionalism required by the rules of fair trading and the Client's best interests, and
 - the Client or a potential Client is advised of such benefits, including their nature and amounts, in a fair, complete and understandable manner. In the event that the amounts of such benefits cannot be estimated, the Client or a potential Client is advised of the manner of determining their amounts before the Bank commences to provide a given investment service. This obligation is fulfilled by presenting this brochure.

Monetary benefits (such as remuneration or a fee or commission) or a non-monetary benefit is considered as a benefit which elevates the quality of the Service rendered to the Client if it relates to the provision of an ancillary service by the Bank or a service of higher quality rendered to the Client and is pro rata to that Service, does not generate any direct advantage to the Bank or its shareholders or employees,

or any measurable advantage to the Client, and is to generate a current advantage to the Client.

Acceptable minor non-monetary benefits - the following non-monetary benefits are qualified as acceptable minor non-monetary benefits:

- (a) information or documents concerning a financial instrument or the Service of general or customized nature;
- (b) materials in written form received from a third party ordered and paid by the issuer with an aim to promote new issue of financial instruments of that issuer or when a third party entered into an agreement with the issuer and is paid by the issuer so that such materials could be produced on a day to day basis, on condition that this relationship is expressly disclosed in the materials and the materials are made available at the same time to all investment firms willing to receive them or the general public;
- (c) participation in conferences, seminars and other educational and training events concerning advantages that a particular financial instrument or investment service can bring about and their characteristics;
- (d) costs of representation in reasonable minor amounts, such as meals and beverages during business meetings or conferences, seminars or other educational and training events referred to in item c) above; and
- (e) other minor non-monetary benefits which are considered by the applicable legal provisions as adding to the quality of a service rendered by the Bank to the Client and if their adverse impact on the fulfilment of the Bank's obligation to act in the best interests of the Client is rather unlikely.

The Bank has defined amounts of such benefits classified as acceptable minor non-monetary benefits.

In addition, the Bank and the Bank's employees may accept and grant small gifts and courtesies not being the acceptable minor non-monetary benefits, referred to above. Accepting or granting small gifts or courtesies by the Bank or the Bank's employees is allowed if and when it is in accordance with the Bank's policy and their value is, in principle, not higher than PLN 75.

OBSERVANCE OF RULES CONCERNING 'INDUCEMENTS' WHEN PROVIDING THE SERVICES BY THE BANK ON THE BASIS OF THE TERMS AND CONDITIONS

The rules of accepting and transmitting "Inducements" specified above apply to the Bank in connection with the Service rendered by the Bank within the acceptance and transmission of Orders to Dom Maklerski Banku Handlowego S.A. to purchase or sell Securities. On the basis of an agreement with Dom Maklerski Banku Handlowego S.A., the Bank receives a benefit in the form of a commission-based compensation for the transmission of Orders placed by the Bank's Clients to purchase or sell Securities to Dom Maklerski Banku Handlowego S.A. with a view to improving the quality of the above Service rendered by the Bank to the Client. In addition, in connection with the provision of the Service by the Bank of the acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Funds Participation Titles, the Bank receives remuneration from Fund Managers the Participation Titles of which are the subject matter of the Service rendered by the Bank. This remuneration is collected with a view to improving the quality of the Service rendered by the Bank to the Client.

Disclosure of information concerning Inducements:

The Bank discloses to the Client the information in connection with monetary or non-monetary benefits received from third parties or provided to third parties before the commencement of the Service. The Bank provides a general description of minor non-monetary benefits. Other non-monetary benefits received or paid out by the Bank in connection with the Service rendered to the Client are valued and disclosed by the Bank separately. In the event that based on an earlier valuation (ex ante) the Bank is not able to determine for the Client the amount of a monetary or non-monetary benefit received or provided, the Bank discloses instead the manner of computing such amount. At the same time, the Bank delivers the information to the Client concerning the exact amount of the accepted or provided monetary or non-monetary benefit on an ex post basis. In addition, at least annually, as long as the Bank receives the above inducements in connection with the Services rendered to the Client, the Bank will advise its Clients individually of the actual amounts of an accepted or provided monetary or non-monetary benefit but the Bank provides only a general description of minor non-monetary benefits. The general information in this regard is contained in Appendix no. 1 to this brochure (section General information - payments from third parties ("Inducements")).

10. COSTS, FEES AND COMMISSIONS

In connection with the provision of the Services, the Bank discloses to the Clients any and all costs and fees for the performed Services and any and all costs and fees related to a financial instrument such Services are associated with.

The Bank applies the following rules when disclosing the information on costs and fees:

- **Information disclosed before the Service is provided (“Ex Ante Information on Costs”):**

Before entering into the Agreement on the provision of a given Service, the Bank makes the Ex Ante Information on Costs available to the Clients in the form of general Ex Ante Information on Costs contained in this brochure. Such general Ex Ante Information on Costs includes:

- information on costs and fees related to the provision of a given Service,
- information on costs and fees related to a given type of financial instruments the Service is associated with, and
- information on benefits accepted by the Bank from third parties („**Inducements**”).

In the event that due to the nature of given costs or fees the Bank is not able to specify their precise amounts, the general Ex Ante Information on Costs provides maximum values, percentage values or ranges of costs and fees, or the manner of determining them. In addition, within the general Ex Ante Information on Costs, the Bank presents the Clients with an illustration of the cumulative impact of all the costs and fees on the return on investment, however the illustration is based on estimated costs and fees that may arise on a specified assumed amount of investment in a given financial instrument. The above information is contained in Part II of this brochure.

In the case of the Service which consists in executing Orders on the Client’s account concerning the purchase or sale of Debt Securities and in respect of the conclusion of Dual Currency Investment Transactions, as well as in connection with the Service of the acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Titles, the Bank, after the presentation of basic parameters of a potential Transaction by the Client but before the acceptance of an Order from the Client concerning the Transaction, delivers to the Client the following detailed Ex Ante Information on Costs:

- information on costs and fees related to the provision of a given Service that the Client will incur in connection with a potential Transaction;
- information on costs and fees related to a given type of financial instruments the Service consisting in executing Orders is associated with, to be incurred by the Client in connection with a potential Transaction; and
- information on benefits accepted by the Bank from third parties (“**Inducements**”) in relation to a potential Order.

In addition, within the detailed Ex Ante Information on Costs, the Bank presents the Clients with an illustration of the cumulative impact of all the costs and fees on the return on a prospect Transaction, however the illustration is based on estimated costs and fees that may arise in connection with a Transaction planned by the Client in a fixed amount.

- **Information disclosed after the Service has been performed (ex post Information)**

In connection with the investment advisory Service, the Service consisting in executing Orders on the Client’s account concerning the purchase or sale of Debt Securities and in respect of the conclusion of Dual Currency Investment Transactions, as well as in connection with the Service of the acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Titles, and the Service of the acceptance and transmission of Orders to purchase or sell Securities, the Bank presents annual information after the Service has been performed (ex post) on all accepted non-monetary benefits not classified as acceptable minor non-monetary benefits and costs and fees related to both the financial instrument and the Service, when the Bank recommended or sold a given financial instrument or when the Bank delivered a document to the Client containing key information/key information for investors in relation to a financial instrument and remained throughout the year in a continuous relation with a given Client.

Such information is based on incurred costs and is delivered in a manner that is suitable from the point of view of the Client’s individual needs. The Bank will deliver the above information after the end of a given calendar year. Together with the above information, the Bank also delivers an illustration of the cumulative impact of costs and fees on the return on the Client’s investment.

11. INFORMATION ON THE BEST EXECUTION POLICY

In connection with the provision of services which consist in executing Orders and accepting and transmitting orders referred to in clause 8 above, the Bank abides by the rules of acting in the best interest of the Client so to obtain the best possible results for the Client. The rules are set out in the information on the following BEST EXECUTION POLICY.

BEST EXECUTION POLICY (Information for Clients)

1. SCOPE OF THE POLICY

- (a) This document is addressed to Clients and contains information concerning rules of executing orders by Bank Handlowy w Warszawie S.A. (the "Bank") in relation to particular categories of financial instruments and rules of acting in the best interest of the Client so to obtain the best possible results for the Client in connection with the execution of orders for the Client and the acceptance and transmission of orders by the Bank (the "Policy").
- (b) This Policy only applies to orders placed by clients classified by the Bank as Retail Clients, on the basis of agreements governed by the Terms and Conditions of Investment Products (in accordance with the definition in sub-clause 2 below).
- (c) The information contained in this Policy is aligned respectively depending on the type of a service provided by the Bank and a category of financial instrument.

2. DEFINITIONS

- (a) In this Policy, terms written in capital letters shall have the following meaning:

Debt Security means a bond issued by the State Treasury or another debt security issued by a local or foreign entity, including a Structured Note;

DMBH means Dom Maklerski Banku Handlowego S.A.;

Financial Instrument means the financial instrument in the meaning of Article 2.1 of the Act;

Dual Currency Investment means another derivative instrument developed on the basis of an agreement concluded between the Bank and the Client, whereunder the Client makes a specified sum of money in the base currency available to the Bank for disposal during the term of investment, and after the completion of the investment receives in return a consideration in the form of interest;

Client means a natural person being the consumer in the meaning of the Civil Code, classified by the Bank as the retail client in the meaning of Article 3.39c) of the Act;

Structured Note means a debt security not admitted to trading in an organized market, issued by an entity with its headquarters outside the territory of Poland, linked to a market index the behavior of which determines a potential profit to the Client;

Security means the financial instrument in the meaning of Article 3.1 of the Act;

Terms and Conditions of Investment Products means the Bank's terms and conditions which lay down a general framework of the provision of the services by the Bank concerning specified financial instruments, including services which consist in executing orders on the Client's account concerning the purchase or sale of Debt Securities and in respect of the conclusion of Dual Currency Investment Transactions, as well as in connection with services of the acceptance and transmission of orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Titles, and services of the acceptance and transmission of orders to purchase or sell Securities;

Participation Title means a participation unit in an open-end investment fund or a specialist open-end investment fund as well as a participation title in a foreign fund or a EU alternative investment fund in the meaning of the Act on Investment Funds and Alternative Investment Fund Management of 27 May 2004 as amended. This term does not encompass securities admitted to trading on a regulated market or introduced to an alternative trading system;

Brokerage Agreement means an agreement on the execution of orders by DMBH to purchase or sell financial instruments and the maintenance of investment accounts;

Act - means the Act on Trading in Financial Instruments of 29 July 2005 as amended;

Foreign Security means a Debt Security issued on the basis of respective foreign legal provisions, registered with a foreign depository system the Bank is a participant of and in which the Bank holds open respective accounts for its Clients.

- (b) Terms which are not defined in this Policy should be interpreted in accordance with their respective meaning assigned to them in respective legal provisions.

3. TERMS AND CONDITIONS OF ORDER EXECUTION AND ACTING IN THE BEST INTEREST OF THE CLIENT IN CONNECTION WITH THE EXECUTION OF ORDERS

3.1 Financial instruments in respect of which orders are executed

The Bank provides a service which consists in executing orders on the Client's account and abides by the rules of acting in the best interest of the Client in connection with the execution of the above orders in the case of the following Financial Instruments:

- (i) Debt Securities, including Structured Notes and Foreign Securities; and
- (ii) Dual Currency Investments.

3.2 Terms and conditions and manners of executing orders by the Bank

- (a) The Bank executes the Clients' orders concerning Debt Securities and Dual Currency Investments on condition that the Bank has concluded respective framework agreements with the Clients and in accordance with the provisions of the Terms and Conditions of Investment Products. When executing the Clients' orders, the Bank fulfils the following conditions:
 - (i) ensures that the orders are executed promptly and are thoroughly recorded and allocated;
 - (ii) executes subsequently and promptly the Clients' orders concerning particular types of Financial Instruments specified in sub-clause 3.1 unless the nature of a particular order or current market conditions make the handling of the orders in the above manner impossible or their execution would be contrary to the Client's interest; and
 - (iii) informs the Client of any and all major difficulties that might threaten the proper execution of the Client's orders, forthwith when the Bank becomes aware of such difficulties.
- (b) The Bank executes the Clients' orders concerning each category of the Financial Instruments specified in sub-clause 3.1 over-the-counter (i.e. beyond a regulated market, an alternative trading system or an organized trading platform). The Bank executes the Client's orders concerning:
 - (i) Dual Currency Investments which constitute the so-called products "to order", on the basis of detailed terms and conditions of transaction agreed upon individually with the Client. On concluding a given transaction, a Dual Currency Investment is created;
 - (ii) Debt Securities are sold on conditions agreed upon with the Client following the Client's enquiry about a selling price. So to execute an order to sell, the Bank buys a Debt Security and next it may (but does not have to) conclude at a later time a transaction in selling such security to a third party. The Bank does not execute orders to purchase Debt Securities (other than the Structured Notes referred to in item (iii) below) because of the exclusion of such securities from the Bank's offer with effect from 3 January 2018.
 - (iii) in the case of Structured Notes, the Bank accepts from the Clients their orders to purchase only in the subscription term for Structured Notes and on a day specified in the conditions of issue delivers one subscription to the issuer for such number of Structured Notes which results from the Clients' orders. Structured Notes so purchased by the Bank to its own portfolio are then transferred to collective accounts maintained by a foreign depository system. Clients who have placed the orders are beneficiaries of Structured Notes subscriptions in such accounts.
- (c) The execution of Orders over-the-counter is related, specifically on the part of the Client, to a risk of default, for instance in connection with the bankruptcy of or restructuring proceedings against the Bank (the so-called counterparty credit risk). At the Client's request, the Bank delivers additional information concerning consequences of concluding a transaction over-the-counter.
- (d) The Bank does not diversify per Client the manner in which its executes orders.

3.3 Acting in the best interest of the Client in connection with the execution of orders

- (a) Acting in the best interest of the Client means that the Bank takes any and all efforts that ensure the best possible results for the Client in connection with the execution of orders for the Client taking into consideration the factors and criteria discussed in the further sections of this Policy.
- (b) So to act in the best interest of the Client, the Bank strives to assure that the Clients' orders are executed in prompt, fair and due manner vis a vis other Clients' orders or orders of the Bank, taking into consideration market conditions and conditions which reflect a valuation of a financial instrument according to a model applied at the Bank, retaining the Bank's right to remuneration for the activities and risks taken by the Bank.

- (c) The Bank fulfils the requirement to take all possible efforts sufficient to ensure the accomplishment of the best possible result for the Client within the scope in which the Bank executes an order or within the scope of a specified aspect of the order in accordance with specified instructions received from the Client concerning the order or the specified aspect of the order.

3.4 Order execution systems

- (a) the Bank uses the Bank's own portfolio to execute orders placed by Clients in respect of all the categories of financial instruments indicated in sub-clause 3.1. As a result, in every transaction concluded when executing a respective Order, the Bank acts a counterparty to the Client. When selecting own portfolio as the only system of executing orders, the Bank intends first and foremost to ensure on an ongoing basis the highest level of the control and likelihood of the realization of the efforts taken in the best interest of the Client according to the criteria defined in further sections of this Policy.
- (b) So that the requirement of acting in the best interest of its Clients could be met, the Bank regularly assesses the market situation with a view to determining whether there are alternative systems of executing orders that the Bank could use. Such assessment is based on market research, information and reports, specifically those released by investment firms on the basis of 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 (RTS27).

3.5 Factors taken into consideration when acting in the best interest of the Client

- (a) So to ensure the best possible results for the Client in respect of each of the categories of financial instruments referred to in sub-clause 3.1, the Bank considers first and foremost the price factor and treats this factor as the primary criterion. The Bank treats any non-price factors as secondary criteria.
- (b) In reference to sub-clause 3.5(a) above, the Bank assigns the following ranks to particular factors in relation to particular financial instruments:

Factor	Debt Security			Dual Currency Investment
	Foreign Security	Structured Note	Other Debt Security	
price	high	high	high	high
costs of order execution	low	low	low	low
transaction conclusion promptness	low	low	low	low
likelihood of order execution and settlement	low	low	low	low
size of order	low	low	low	low
nature of order	low	low	low	low
other aspects which affect order execution	low	low	low	low

The Bank informs that the price includes the cost of order execution concerning particular financial instruments indicated above. This is why the Bank assigns a low rank to the cost of order execution.

- (c) The Bank defines the importance of the factors described in items (a) and (b) on the basis of own experience and own assessment based on market information then available.
- (d) when executing orders or making a decision to conclude a transaction in respect of each of the categories of financial instruments referred to in sub-clause 3.1, the Bank reviews the fairness of the price proposed to the Client by gathering market data used to estimate a price for such product and, if possible, by comparing it with other similar or comparable products.
- (e) Prior to proposing the Client the purchase of Structured Notes on specified conditions, the Bank compares conditions offered by selected financial institutions which might issue such Structured Notes with market conditions and selects the offer of sale of that institution which proposes the most attractive conditions of issue for particular Structured Notes.
- (f) The Bank reserves its right to change the factors and their ranks referred to in sub-clause 3.5 items (a), (b) and (c) above, on the basis of the Bank's assessment of the factors which affect the Bank's ability to act in the best interest of the Client.

3.6 Waiver of the obligation to act in the best interest of the Client

- (a) The determination of detailed conditions by the Client, on which an order is to be executed for any of the categories of financial instruments referred to in sub-clause 3.1, may preclude the Bank from obtaining the best possible results for the Client

to the extent of such detailed conditions. Specifically, such a situation may occur when the Client has specified such conditions as:

- (i) price;
 - (ii) costs associated with order execution;
 - (iii) transaction conclusion promptness;
 - (iv) likelihood of order execution and settlement;
 - (v) size of order and its nature;
 - (vi) other aspects which affect order execution.
- (b) In the event of an order, for which the Client specifies its execution conditions, specifically when the Client submits detailed instructions as to the manner of execution, the Bank is obliged to act in the best interest of the Client to the extent of such detailed conditions defined by the Client.

3.7 Other provisions

- (a) The provisions concerning the Bank's obligations to act in the best interest of the Client are not applicable to orders to purchase Structured Notes on the primary market. Such orders are always executed in accordance with detailed conditions specified by the Client, including the conditions concerning the Structured Note purchase price, which is always an issue price set by the issuer of Structured Notes.
- (b) The Bank executes the Client's orders concerning the financial instruments described in sub-clause 3.1 over-the-counter (a regulated market, an alternative trading system or an organized trading platform) if the Bank has obtained to this effect express consent from the Client.

4. TERMS AND CONDITIONS OF THE ACCEPTANCE AND TRANSMISSION OF ORDERS AND ACTING IN THE BEST INTEREST OF THE CLIENT IN CONNECTION WITH THE ACCEPTANCE AND TRANSMISSION OF ORDERS

4.1 Financial instruments in respect of which orders are accepted and transmitted

The Bank renders services which consist in accepting and transmitting orders within the following financial instruments:

- (a) Securities which are the subject-matter of the service consisting in executing orders rendered by DMBH, the types of which are defined in the document presented to the Client entitled "MIFID - Information Brochure", and
- (b) Participation Titles.

4.2 Terms and conditions and manners of accepting and transmitting orders by the Bank

- (a) The Bank accepts and transmits orders concerning:
 - (i) Securities indicated in sub-clause 4.1(a), to DMBH only. The Bank renders the above service on condition that an agreement has been concluded with the Client on the provision of services by the Bank which consist in accepting and transmitting orders to buy or sell securities and in accordance with the provisions of the Terms and Conditions of Investment Products, and if the Client has entered into a Brokerage Agreement with DMBH;
 - (ii) Participation Titles to a respective transfer agent, investment fund company or manager in the EU that represents a given fund - the issuer of Participation Titles if the Bank has entered into a respective agreement with the Client on the provision of such a service and in accordance with the provisions of the Terms and Conditions of Investment Products, and taking into consideration the fund's articles of association, an information prospectus or an issue prospectus.
- (b) Subject to the provisions of the subsequent sentence, the Bank accepts and transmits orders promptly and in the order of their receipt. In the case of orders concerning Participation Titles, the Bank transmits accepted orders to a given fund within timeframes envisaged in such fund's regulations and provisions.
- (c) The Bank receives and transmits each of the Client's orders in an individual manner (no acceptance, combination and transmission of Clients' orders as one joint order).

4.3 Acting in the best interest of the Client in connection with the acceptance and transmission of orders

- (a) To provide the service of the acceptance and transmission of orders on conditions which are best possible for the Client, the Bank, when accepting and transmitting the orders:
 - (i) ensures that its employees are prepared to service the Client professionally; and
 - (ii) ensures that the Clients of the same category of the adopted classification, i.e. Retail Client and Professional Client categories, are treated consistently.

- (b) In respect of the Securities indicated in sub-clause 4.1(a):
- (i) When accepting and transmitting an order to DMBH, the Bank identifies a parameter being the shortest time from the acceptance of the order to its effective transmission to DMBH, as the key factor dependent on the Bank, considered by the Bank in its efforts to act in the best interest of the Client and obtain the best possible results for the Client by assigning the highest possible rank to it.
 - (ii) As regards the choice of DMBH as a brokerage house collaborating with the Bank, to ensure the best possible conditions of a service provided to its Clients, the Bank considered the following criteria:
 - promptness of transmitting the orders to a brokerage house,
 - assurance of due security and protection for transmitted instructions and orders,
 - automated testing of the coverage and promptness of the transmission of funds from a bank account to a brokerage house,
 - reduction to the minimum of the Client's transaction costs related to the execution of the Client's orders.
 Cooperation with DMBH is periodically reviewed by the Bank with a view to optimizing the above criteria.
 - (iii) When accepting and transmitting an order to DMBH, the Bank has no impact on costs related to the execution of order, the price of security, the likelihood of transaction conclusion and settlement, the promptness of transaction conclusion, the size of order or any other aspects which may have an effect on the execution of a respective order.
 - (iv) Rules of acting in the best interest of the Client on the part of DMBH applied while executing orders received from the Bank, are defined in DMBH's separate policy "Policy of Execution of Orders Placed by Dom Maklerski Banku Handlowego S.A.'s Clients" made available to the Clients prior to the conclusion of a Brokerage Agreement and which can also be found at the website www.dmbh.pl
 - (v) The Bank accepts and transmits orders regarding Securities for which the main execution venue is an organized market in Poland, including:
 - (A) stock market - execution venue: Giełda Papierów Wartościowych w Warszawie S.A ("GPW"),
 - (B) regulated OTC market - execution venue - BondSpot S.A. ("**BondSpot**"),
 - (C) alternative trading system ("**ATS**") - organized by GPW or BondSpot.
 A foreign regulated market can act as a special order execution system for a service that consists in executing orders concerning financial instruments quoted on foreign regulated markets and the Bank itself by acting on the interbank market in the case of treasury bonds.
 - (vi) The Bank accepts subscriptions for Securities offered in a public and non-public offer, based on agreements concluded by DMBH with the issuer of the Securities. In this regard, acting in the best interest of the Client consists in delivering the complete set of information to the Client concerning a given issue and its conditions, and taking up any and all activities required from an entity that accepts subscriptions specified in respective issue documentation for a given Security.
- (c) In the case of Participation Titles:
- (i) the Bank accepts orders concerning Participation Titles of those Funds only which are in the Bank's offer. The Bank's offer includes Participation Titles of those Funds which fulfil defined quantitative and qualitative criteria envisaged in the Bank's internal policies and procedures (due diligence), such as the stability of a managing team, the quality of investment process and risk management, the stability of obtained results.
 - (ii) When accepting and transmitting an order to a transfer agent, investment fund company or a manager from the EU which represents a given fund - the issuer of Participation Titles, the Bank has no impact on costs related to order execution, subject to item (iii) below, the price of Participation Title, the likelihood of transaction conclusion and settlement, the promptness of transaction execution, the value of order or any other aspects which have an effect on the execution of a respective order.
 - (iii) The Bank agrees with investment fund companies or managers from the EU on the rates of a handling fee collected by the Bank in connection with the distribution of given Participation Titles which cannot be higher than an amount defined in articles of association of given funds and in applicable legal provisions. The above fee affects the total cost related to order execution referred to in item (ii) above and is due and payable to the Bank.

- (iv) Rules of executing an order to purchase or sell Participation Titles of a respective fund are defined in articles of association of a given fund and the Bank is not responsible for such rules and does not participate in the process of executing a respective order.

4.4 Waiver of the obligation to act in the best interest of the Client

In the event that the Client defines detailed conditions on which an order accepted by the Bank is to be transmitted in respect of any of the categories of financial instruments referred to in sub-clause 4.1, taking up activities aimed at obtaining the best possible conditions for the Client in the framework of such defined detailed conditions, may appear to be impossible to the Bank.

5. CLIENT'S RIGHTS, MONITORING THE EFFECTIVENESS OF THE POLICY AND THE REVIEW OF THE POLICY

- 5.1 The Client receives this document before the conclusion of an agreement on the provision of services by the Bank which consist in executing orders or accepting and transmitting orders, and confirms in writing the receipt of the document and the acceptance of the Policy by delivering a respective statement contained in that agreement concluded with the Client. In the case of Clients who have concluded the agreement on the provision of services by the Bank which consist in executing orders or accepting and transmitting orders prior to the effective date of the Policy, such confirmation of the Client's receipt of this document and the acceptance of the Policy is made in writing/orally at the moment of placing the first order, to which the provisions of the Policy apply. The text of this document is also available on the Bank's website www.citihandlowy.pl
- 5.2 At the Client's reasonable and proportionate request, the Bank provides information concerning the Bank's strategy and Policy as well as describes a review process.
- 5.3 In the event that the Bank executes orders for Clients, the Bank provides information to them concerning the Policy applied in this regard, including information on total costs incurred by them, along with a link to the recent data concerning the quality of execution.
- 5.4 The Bank monitors on an ongoing basis the effectiveness of the implemented measures and Policy. A periodical review consists of i.a.:
- (a) verification of the effectiveness of services rendered by the Bank which consist in executing orders and accepting and transmitting orders;
 - (b) verification of the manner of implementing the rules of acting in the best interest of the Client, also by an entity which executes Clients' orders, i.e. DMBH; and
 - (c) verification of other obligations of the Bank resulting from this Policy.
- 5.5 The Bank reviews the Policy at least annually in accordance with Art. 66 of Delegated Regulation 2017/565. In addition to the periodical review, the Bank also reviews the Policy when a material change occurs having a permanent effect on the Bank's ability to continue to obtain the best possible results for the Client within the order execution systems defined in this Policy.
- 5.6 Information on the amendment of the provisions set out in this Policy is published at the Bank's website www.citihandlowy.pl or delivered to the Client in the form of a durable medium.
- 5.7 This Policy comes into effect on 03 January 2018.

II. INVESTMENT PRODUCTS

1. GENERAL INFORMATION

The products described in this brochure are made available to the Clients that hold a bank account at the Bank. The description of each product contains information on:

- product characteristics,
- advantages,
- entities which handle a given product (if applicable),
- potential risk,
- conditions which must be met before orders, instructions are placed or before a transaction is concluded,
- taxation rules.

The Clients' and the Bank's rights and obligations are set out in the Terms and Conditions appended to framework agreements concluded between the Clients and the Bank. We kindly encourage the Clients to get familiar with all the particulars of a respective offer before they make an investment. The Clients should sign only those documents which are fully understandable to them.

We also kindly ask the Clients to learn about important information on making investments within the Bank's offer:

- The information delivered by the Bank in the framework of investment services rendered by the Bank is of general nature and does not constitute an investment advisory service unless it is agreed expressly otherwise.
- Before signing an agreement on a given investment product/insurance application, you receive Terms and Conditions, which specify the Bank's and the Client's rights and obligations (subject to the provisions of Chapter IV of the Terms and Conditions). We kindly ask you to get familiar with the text of the Terms and Conditions and should you have any questions or in the case of any uncertainties, please contact Account Manager.
- Clients should make such investments which are understandable to them, adequate to their financial situation, investment objectives and acceptable risk levels. Clients should have sufficient investment knowledge and experience within products in which they invest.
- Before making an investment, Clients are asked to provide information necessary to make the Assessment of Knowledge and Experience and when they intend to sign an agreement with the Bank concerning the provision of investment advisory services - also information necessary to define their Risk Profile. The information will be used by the Bank to conduct the Assessment of the suitability and appropriateness of a service or an investment in a given product.
- Please read the information contained in the documents carefully. Should you have any questions or in the case of any uncertainties, or a change in your financial situation - we kindly request that you provide such information and Account Manager will redefine the Client Risk Profile. Please, ensure that the information provided for the purpose of defining the Client Risk Profile and/or conducting the Assessment of Knowledge and Experience is complete and valid. The Bank is not obliged to assess whether past investments were suitable to the Client Risk Profile and/or Knowledge and Experience.
- When making investment decisions, please consider the diversification of investment portfolio taking into consideration not only assets in products made available through the Bank but also assets at other financial institutions. The concentration of assets meant as a large share of a given financial instrument, instruments of the same type, or of the same issuer, or of the same class of assets in the investment portfolio may generate a risk higher than that of a diversified approach to such components which is of importance for adjusting the investment portfolio to own investment objectives and the acceptance of risk level. For the purpose of discussing the overall structure of investment portfolio and possible forms of diversification, it is expedient that you contact a representative of the Bank.
- The Bank does not provide any legal or tax advice services for Clients. In the event that Clients require legal or tax advice, they should contact independent legal or tax advisors. The Bank would also like to underline that the tax law applied in Poland and abroad may change affecting thus the investment result and the Client's or the Bank's obligations.
- The Bank executes orders on the basis of instructions received from the Clients unless it is provided otherwise. The Bank is authorized to act for the Client on the basis of the Client's authorization granted in writing to the Bank.

We also kindly ask you to consider the following investment rules:

- specification of investment objectives and time - this will help you to build your own investment strategy,
- long-term investment - time is on your side and protects you from short-term volatility on the market,
- specification of an acceptable risk level - obtaining a possible higher rate of return usually requires the acceptance of a higher risk level,
- diversification of investment portfolio - use of different forms of investment (different financial instruments, issuers, classes of assets, industries, sectors, regions, currencies).

Please read further parts of this brochure for more information on products offered by the Bank.

Please visit one of our branches to receive detailed information on the Bank's current offer.

2. INVESTMENT PRODUCTS AND SERVICES UNDER MIFID REGIME

a. Structured notes

Product characteristics

Structured notes are financial instruments (securities) with a potential obtainable profit being linked to the level of a specified market indicator (e.g. the price of shares or a basket of shares, the value of stock indices, exchange rates, interest rates, the value of investment fund participation titles, etc.). Structured notes available through the Bank are issued by renowned financial institutions, usually investment banks.

The issuer of a structured note undertakes, with respect to the buyer (Investor) to redeem it at the maturity date and to pay an amount to be calculated according to a formula determined each time in subscription terms and conditions.

Structured notes are offered by the Bank in subscriptions in a non-public offer addressed to no more than 149 persons. Structured notes can be denominated in a variety of currencies: PLN, USD, EUR or GBP. The minimum transaction value is PLN 50,000, USD 20,000 or their equivalents in another currency. The term of the notes is between 1 and 10 years. Structured notes can be subject to the full or partial protection of invested capital, ensured by the issuer on their redemption. Structured notes without principal protection are also available.

The issuer or dealer of a structured note each time indicated in terms and conditions of issue, attempts, on a daily basis and with due care, to organize a secondary market for a given note however the issuer or dealer does not guarantee that such market will actually be organized. It is not certain either that an active secondary market will be maintained throughout a note term. Investors can start selling structured notes on the issue date (settlement date) until the final benchmark level of the underlying market index to which a note is linked is established. When an instruction is placed to sell structured notes, the Client receives proceeds from its sale on the second working day after the day on which the instruction to sell was placed. Different factors can determine the market value of a note during its term on the secondary market. These factors include the level and frame of the time structure of interest rates, the level of volatility on underlying markets, the current level of the market index a note is linked to and the remaining time of investment to redemption as well as the issuer's credit risk. In addition, investors who would like to sell structured notes before redemption may receive a much lower amount than the initial investment amount. When a structured note is sold before its redemption or before it is redeemed by the issuer, the Bank will pay amounts due to an account of note holders not earlier than after the issuer has paid in a required amount to the Bank's account. This may result in a three-day delay, at the maximum, in crediting the account of the Note buyer.

Before submitting an Order to purchase a given Structured Note, the Client should get familiar with the document titled "Information for the Client", in which subscription terms and conditions for a given Structured Note are described thoroughly, a document which contains key information concerning a given Structured Note (KID) as well as an issue prospectus and other materials released by the Issuer in accordance with applicable legal provisions.

Advantages

- availability of an investment advisory service to provide support when making investment decisions,
- possible principal protection (ensured by the issuer and, in certain cases, also by the underwriter), depending on terms and conditions of subscription,
- possibility to obtain an advantageous rate of return on investment,
- renowned issuers,
- known profit calculation formula,
- extensive offer of structured notes provides an opportunity of investing in stocks, commodities, cash or foreign currencies,
- available in a variety of currencies: PLN, EUR, USD, GBP,
- structured notes offer can be tailored to the Client's individual needs,
- possible access to new markets and instruments (including commodities, indices, currencies) which have not been available to individual investors before.

Potential types of risk

Market index risk (underlying instrument risk) - investments in structured products entail all risk factors characteristic for financial instruments a structured product is linked to.

Issuer's credit risk - the risk of being unable to settle own obligations when due, including the risk of the issuer's insolvency or bankruptcy.

Market availability (liquidity) risk - transactions in the secondary market are conducted according to the due diligence principle. Since a structured note is not traded in an organized market, liquidity may be limited if sold before maturity.

Early sale risk - possible receipt of an amount below invested capital if structured notes are sold before maturity.

Market risk - results from changes, during the term of a note, in prices of market indicators which have a direct effect on a potential profit. There is no guarantee that a market indicator linked to a note will perform in that time so as to ensure a profit from a note.

Event risk - early redemption/cancellation of structured notes in situations specified in the issuer's prospectus (in particular in the case of bankruptcy, loss of liquidity, events of default or Force Majeure). The note may be redeemed/cancelled in an amount below a market value.

Interest rate risk - the risk that interest rates will rise/fall during the term of structured notes and that, consequently, the prices of the notes will fall/rise.

Foreign exchange risk - the risk related to possible fluctuations of the exchange rate of one currency in relation to another currency which may result in the loss of capital.

Low rate of return risk - a return on note, if obtained, may not reflect the performance of underlying instruments. Specifically, a return on note, if obtained, will not be the profit that the investor could have obtained if the investment had been made directly in underlying instruments.

Risk of price volatility - the price of a structured note may be subject to much larger fluctuations than the price of a fixed-coupon note. Volatility in note prices will depend primarily on the volatility of prices of embedded underlying instrument and on the volatility of interest rates in the market.

Types of risk related to the maintenance/registration of Foreign Securities

Risk of the deregistration of Foreign Securities - Foreign Securities which are maintained/registered as part of the registration system maintained by Clearstream Banking S.A. in Luxembourg may cease to be kept on the account held with this entity for reasons not attributable to the Bank (e.g. technical issues concerning the system maintained by Clearstream Banking S.A. in Luxembourg).

Risk of blocking Foreign Securities - Foreign Securities maintained/registered as part of the registration system maintained by Clearstream Banking S.A. in Luxembourg may be blocked or otherwise encumbered by this entity without the Bank's consent.

Risk of restoring a material form of Foreign Securities - may appear because of the form of registering Foreign Securities in the registration system maintained by Clearstream Banking S.A. in Luxembourg. The records do not have a material form. There is a risk that Foreign Securities will be deregistered from the system maintained by Clearstream Banking S.A. in Luxembourg.

Risk of no settlement or clearance - Clearstream Banking S.A. in Luxembourg might not settle or clear accounts for Foreign Securities owned by the Client or proceeds from these securities for reasons not attributable to the Bank.

Risk of the non-performance or delayed performance of Client's instructions - the Client's instruction may not be performed or may be performed with a delay for reasons not attributable to the Bank. The risk occurs in situations when the performance of the Client's instruction requires respective activities on the part of Clearstream Banking S.A. in Luxembourg or the Bank in connection with regulations applicable at Clearstream Banking S.A. in Luxembourg or foreign regulations. The Client should also be aware of delays in the performance of instructions due to time zone differences.

Risk of the delayed exercise of rights from Foreign Securities - emerges for reasons attributable to Clearstream Banking S.A. in Luxembourg, the issuer of Foreign Securities or other entities engaged by the Issuer or Clearstream Banking S.A. in Luxembourg for the needs of exercising rights from Foreign Securities. The Client should also be aware of delays due to time zone differences.

Risk associated with actions or omissions of Clearstream Banking S.A. in Luxembourg - the risk that Clearstream Banking S.A. in Luxembourg takes up specified activities or omits them within Foreign Securities owned by the Client or proceeds from these securities, which may cause a damage to the Client.

Tax risk - transactions made in Foreign Securities and rights exercised from these Foreign Securities may give rise to tax liabilities and obligations on the part of the Client, resulting from applicable tax regulations, in particular the obligation to individually settle an income tax due to income obtained as a result of such investments.

Risk of the application of foreign laws - the risk of imposing on the Bank or entities acting on its behalf specified obligations concerning the maintenance of Foreign Securities for the Client or the possession of Foreign Securities by the Client. These obligations result from the provisions of foreign laws or market regulations applicable in a venue where Foreign Securities were issued or where they were disabled or registered in the system maintained by Clearstream Banking S.A. in Luxembourg. Such provisions or market regulations may introduce restrictions other than those applied in the territory of the Republic of Poland or may require the Clients to take up specified activities.

Results given various market conditions and the illustration of the impact of costs and fees on the results

Hereinbelow are results obtained on investments in Structured Notes in various market conditions and illustrations of the impact of total costs and fees related to the Service and Structured Notes on the return on investment. This information does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

The presented investment results are based on the following assumptions:

- they concern Structured Notes with a 2-year maturity, for the amount of PLN 200,000, for the purchase of which the Bank collects a standard distribution fee in the amount of 4.00% of the nominal value of Structured Note,
- the results concern three types of Structured Notes: (1) with 100% principal protection on maturity, (2) with 95% principal protection on maturity, and (3) without principal protection,
- stress scenario is a theoretical scenario not based on historical results, This scenario assumes that in extreme market conditions, the Client loses 100% of invested funds,
- adverse scenario reflects an average loss for the Client on Structured Notes in PLN, distributed by the Bank and finalized on time (on redemption day) or before maturity, This scenario is presented based on average results on all the Structured Notes in the Bank's offer which end up with a loss as of 30 June 2021,
- moderate scenario and advantageous scenario reflect an average profit for the Client on Structured Notes in PLN, distributed by the Bank and finalized on time (on redemption day) or before maturity, These scenarios are presented based on average results on all the Structured Notes in the Bank's offer which end up with a profit for the Client as of 30 June 2021,
- each of the scenarios (excluding the stress scenario) takes into consideration any and all forecast jumps or fluctuations in costs related to a Structured Note and the Service,
- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios, in a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service which consists in executing orders on the Client's account and costs related to a financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.
- The costs presented in the tables below do not include any fees related to the custody of Structured Notes, the transfer of such Notes to another account or the issue of a certificate of deposit.

Scenarios for results on Structured Notes with 100% principal protection:

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
	-100.00%	0.00%	7.00%	13.00%
Potential result on Structured Note (inclusive of costs)	PLN - 200,000	PLN 199,200	PLN 213,200	PLN 225,200
Potential result on Structured Note (exclusive of costs)	PLN - 200,000	PLN 208,000	PLN 222,000	PLN 234,000

Scenarios for results on Structured Notes with 95% principal protection:

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
	-100.00%	-5.00%	7.00%	13.00%
Potential result on Structured Note (inclusive of costs)	PLN - 200,000	PLN 189,200	PLN 203,200	PLN 215,200
Potential result on Structured Note (exclusive of costs)	PLN - 200,000	PLN 198,000	PLN 212,000	PLN 224,000

Scenarios for results on Structured Notes without principal protection (but with a 80% threshold for principal protection):

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
	-100.00%	-28.00%	7.00%	13.00%
Potential result on Structured Note (inclusive of costs)	PLN - 200,000	PLN 143,200	PLN 213,200	PLN 225,200
Potential result on Structured Note (exclusive of costs)	PLN - 200,000	PLN 152,000	PLN 222,000	PLN 234,000

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Transaction amount		PLN 200,000	
Fee category	Description	Rate of fee	Value of costs and fees
Costs related to the Service of Order execution	Remuneration collected by the Bank for the service of order execution	0.00%	PLN 0
Financial instrument costs	Bank's distribution fee	4.00%	PLN 8,000
Total costs:		4.00%	PLN 8,000
Payments from third parties	not applicable	0.00%	PLN 0
Total:		4.00%	PLN 8,000

Before investment:

- the Bank conducts the Assessment of Knowledge and Experience and in the case of an investment advisory service - also analyses the Client Risk Profile,
- the Bank verifies whether the Client holds the status of the resident within the meaning of the Act of 27 July 2002 - Foreign Exchange Law,
- the Bank verifies whether the Client belongs to the "U.S. persons" category or another category subject to exclusion,
- the Client gets familiar with the Terms and Conditions and the Framework Agreement on the execution of Orders to purchase and sell Debt Securities and Structured Notes together with appendices to the Agreement,
- the Client signs the Agreement,
- the Bank asks the Client to get familiar with the particulars of the offer,
- the Bank carries out suitability and appropriateness tests in accordance with the provisions of the Terms and Conditions,
- the Client signs an instruction to conclude a transaction in the purchase of structured notes and the Information for the Client which sets out terms and conditions of a particular subscription for structured notes.

Taxation rules

Depending on the structure of notes, interest obtained by the Client or a discount understood as the difference between the redemption price and the purchase price, or in the case of the disposal of notes against payment - income so obtained is taxable.

In the case of structured notes issued by entities with their headquarters outside the territory of Poland, the Client is obliged to declare and settle on its own the Client's income obtained in a given tax year. Revenues and costs denominated in foreign currencies are translated into PLN at exchange rates envisaged in tax provisions.

b. Dual Currency Investments

A Dual Currency Investment is another derivative instrument developed on the basis of a Dual Currency Investment Transaction. Choosing a Dual Currency Investment Transaction, the Client makes a specified sum of money in the Base Currency available to the Bank for disposal during the term of investment, and after the completion of the investment, receives in return a consideration in the form of interest.

The higher likelihood of the translation of the Base Currency into the Alternative Currency (transaction executed at a current rate) and the riskier investment is chosen by the Client - the higher interest rate on the investment.

Funds gathered in the Client's bank account used for the purpose of a Dual Currency Investment Transaction are guaranteed by the Bank Guarantee Fund up to the amounts and on the conditions envisaged in applicable legal provisions.

Advantages

- possibility to obtain an advantageous rate of return on investment,
- short-term horizon, usually from 1 week to 6 months,
- the product is available every day,
- low minimum investment value: PLN 30,000 (or its equivalent in another currency),
- available in a variety of currencies: PLN, EUR, USD, GBP, CHF.

Potential types of risk

Market risk - i.e. the risk of an adverse impact of market risk factors on a Dual Currency Investment, which may occur on an agreed day of the finalization of the Client's investment or when the investment is finalized before its term. The major market risk factor which may affect adversely the Client's investment is the foreign exchange risk, i.e. the risk related to possible fluctuations of the exchange rate of one currency in relation to another currency. A range of factors may affect fluctuations of foreign exchange rates, such as a political and economic situation, a change in macroeconomic parameters, the level of inflation, the assessment of the investment risk, etc.

The Client who has decided to conclude a Dual Currency Investment Transaction should consider the fact that if the Base Currency of the Client's investment appreciates in respect of the Alternative Currency in the time period from the transaction commencement day to the transaction settlement day, then the principal obtainable to the Client in the Alternative Currency will be lower than the Client's investment amount in the Base Currency in relation to the market foreign exchange rate applicable as of the settlement day. In this situation, the Client's loss on the Dual Currency Investment Transaction may be considerable and interest received by the Client on this transaction may not cover the loss.

The Client can place an instruction to terminate a Dual Currency Investment Transaction before the lapse of its term. In the event of an earlier termination of a Dual Currency Investment Transaction by the Client, the Client must consider the market risk which affects the cost of the earlier termination of the investment. The Client must cover the cost of the conclusion of a transaction closing the Bank's position on the financial market taken in order to hedge the exposure under the Dual Currency Investment Transaction. Such cost amounts at the maximum to 20% of the Client's investment amount. The Client is not entitled to any interest on a Dual Currency Investment Transaction in the case of the earlier termination of the Dual Currency Investment Transaction.

Legal risk - related to a possible change in legal provisions and their interpretation, specifically in legal provisions concerning taxes, customs, foreign exchanges, trading in financial instruments and a business activity. Any changes within the above scope may affect adversely the settlement and financial result of investment.

Liquidity risk - no liquid market for a Dual Currency Investment, being a derivative financial instrument. When choosing this investment, the Client must consider the fact that the rights the Client is entitled to under a concluded Dual Currency Investment Transaction cannot be transferred to another person.

Results given various market conditions and the illustration of the impact of costs and fees on the results

Hereinbelow are results obtained on Dual Currency Investment Transactions in various market conditions and illustrations of the impact of total costs and fees related to the Service and Dual Currency Investment Transaction on the return on investment. This information does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

The presented investment results are based on the following assumptions:

- they concern a Dual Currency Investment Transaction with a 6-month maturity (180 days) for the amount of PLN 100 000 in the Base Currency, on which the Bank collects a fee in the amount corresponding to the half of the amount of interest receivable to the Client and which Transaction is not terminated before its term,
- the presented scenarios show the potential loss or profit on Dual Currency Investments, taking into account the interest rate of the currency pair most often chosen by customers in 2020,
- Dual Currency Investment transaction, where the Base Currency is PLN and the Alternative Currency USD,
- All calculations are based on a simulation made using market data using the Bloomberg platform as of July 16, 2021,
- The stress scenario shows a loss on investment, which occurred with the received interest on a Dual Currency Investment Transaction of 2.9026% per annum and with a very large unfavorable change in the exchange rate,
- The unfavorable conditions scenario shows a loss on investment, which occurred with the received interest on a Dual Currency Investment Transaction of 2.9026% per annum and with a very moderate unfavorable change in the exchange rate,
- The moderate conditions scenario shows the return on investment that occurred with the received interest on the Dual Currency Investment Transaction of 2.9026% per annum and in the absence of conversion of the Investment Amount into the Alternative Currency,
- The favorable conditions scenario shows the profit on investment that occurred with the received interest on the Dual Currency Investment Transaction of 2.9026% per annum and in connection with the conversion of the Investment Amount into the Alternative Currency with a favorable change in the exchange rate,
- Irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios, in a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service which consists in executing orders on the Client's account and costs related to a financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
	-29.09%	-6.38%	2.16%	2.26%
Potential result on Dual Currency Investment (inclusive of costs)	PLN - 29,090	PLN 6,380	PLN 2,160	PLN 2,260
Potential result on Dual Currency Investment (exclusive of costs)	PLN 27,590	PLN 4,880	PLN 3,660	PLN 3,760

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Transaction amount		PLN 100,000	
Fee category	Description	Rate of fee	Value of costs and fees
Costs associated with the Bank's Service	Remuneration collected by the Bank for the service of order execution	0.00%	PLN 0
Financial instrument costs	Bank's fee embedded in Dual Currency Investments	1.5%	PLN 1,500
Total costs:		1.5%	PLN 1,500
Payments from third parties	not applicable	0.00%	PLN 0
Total:		1.5%	PLN 1,500

Before investment:

- the Bank conducts the Assessment of Knowledge and Experience,
- the Bank verifies whether the Client belongs to the "U.S. persons" category or another category subject to exclusion,
- the Client gets familiar with the Terms and Conditions and the Framework Agreement together with appendices to the Agreement,
- the Client signs the Agreement,
- the Bank asks the Client to get familiar with the particulars of the offer,
- the Bank carries out suitability and appropriateness tests in accordance with the provisions of the Terms and Conditions,
- the Client signs an Order to conclude a Dual Currency Investment Transaction.
- the Client reads key investor information before each transaction.

Taxation rules

Interest on a dual currency investment paid to natural persons who do not conduct a non-agricultural business activity and have their place of residence for tax purposes in the territory of Poland is subject to taxation at a 19% tax rate. The tax is collected and paid by the Bank. In the case of natural persons who do not have their place of residence for tax purposes in the territory of Poland, interest is taxed in accordance with applicable international agreements. Revenues in foreign currencies are translated into PLN at foreign exchange rates envisaged in tax legislation.

c. Open-end investment funds

Product characteristics

Participation in investment funds offers the possibility to purchase participation titles which represent the Client's share in assets of a respective fund. By investing in funds, the Client can pursue its own investment strategy. The Client can select funds with different investment strategies, adjusting them to a planned investment time horizon, an acceptable risk and expected profits.

The Bank's offer abounds with investment funds, local and foreign, with access to markets all over the world.

Investment funds accessible through the Bank are managed exclusively by renowned financial institutions, both local and foreign.

An investment fund constitutes an estate owned by its participants. Since an investment fund has legal personality, in the case of bankruptcy of the bank which keeps assets of a given investment fund (custodian bank), the fund's assets are not included in such bank's bankruptcy estate. In the case of bankruptcy of a fund manager (e.g. an investment fund company), another entity is appointed to implement an investment policy.

Some funds offer their Clients a special form of investment in the form of Regular Investment Plans (RIP) and Individual Pension Account (IPA). RIPs are used for regular investments of small amounts with a view to benefiting in a longer term. IPA serves the purpose of gathering funds on account of future retirement annuities. If statutory terms are met, a profit from IPA is not subject to a capital gains tax.

Types of funds

Open-end Investment Fund (OIF) is characterized by the fixed frequency (usually every business day) of the issue of participation units/rights/titles. The Client can purchase participation units/rights/titles without limitations every business day. The fund also quotes the value of a participation title on a daily basis. A domestic Open-end Investment Fund has legal personality and has its headquarters in the Republic of Poland and is supervised by the Polish Financial Supervision Authority. A foreign Open-end Investment Fund has legal personality and has its headquarters in a Member State of the European Union. Units of such funds are available in Poland by submitting a notification by a respective fund to this effect to the Polish Financial Supervision Authority.

Specialized Open-end Investment Fund (SOIF) can apply a more liberal investment policy as compared to an Open-end Investment Fund. This means, for example, that the share of securities of one company in the funds' assets can be larger and the fund can invest in assets unavailable to OIFs (if additional conditions are met by the fund). The minimum contribution to a SOIF can be higher than in the case of an OIF.

Asset classes

Cash and monetary funds - protected real value of entrusted funds while maintaining a high liquidity level. Assets are invested in short-term debt securities with maturity up to 1 year - mainly treasury bills, certificates of deposit and commercial bills. They are intended for Clients looking for short-term investments.

Bond funds - efforts concentrated on obtaining current income as well as on principal increments as a result of investing in bonds. Assets are invested in debt securities with mid or long-term maturity - Treasury bonds, municipal or corporate bonds. An optimum investment period is above one year.

Stable growth funds - efforts concentrated on obtaining long-term capital growth by investing in equities and bonds; an additional objective is to ensure current income. They are intended for persons who look for diversification between bond and stock markets with a major exposure to safer assets. An optimum investment period is at least 3 years.

Balanced funds - focused on long-term capital growth by investing in equities and bonds; an additional objective is to ensure current income. They combine the characteristics of equity funds and bond funds. They are intended for persons that accept higher investment risk and expect returns above interest on bank deposits. An optimum investment period is at least 4 years.

Equity funds - they belong to the most profitable and, at the same time, the most risky investment funds. They aim at achieving long-term capital growth by investing in equities. They invest a major portion of assets in listed stocks. An optimum investment period is at least 5 years.

Advantages

- availability of an investment advisory service to provide support when making investment decisions,
- the Client can choose a fund at the Client's discretion - depending on an investment time horizon, risks and expected returns,
- possible risk diversification - investments on different markets and in different sectors,
- no need to determine an investment time horizon - funds can be redeemed at any time without charging handling fees,
- renowned partners - assets are managed by specialists with an extensive experience,
- investment transparency - access to periodic publications and reports published by the funds,
- lower costs as compared to investments made individually in the capital market,
- available in a variety of currencies: PLN, EUR, USD, GBP,
- possible investments in participation titles with foreign exchange risk hedging: EUR-hedged, USD-hedged, GBP-hedged, PLN - hedged,
- low minimum contribution from PLN 100,
- possible investments in funds which can pay out a dividend.

Fund handling entities

Bank intermediates in the purchase and redemption of participation titles in investment funds by accepting and transmitting orders and other declarations of will from Clients to investment funds or entities which represent them.

Investment Fund Company (IFC) - a body which establishes a fund, manages it and represents it before third parties. IFC conducts a business activity on the basis of authorization obtained from the Polish Financial Supervision Authority.

Custodian bank - a bank (or a branch of a foreign credit institution) with its headquarters in the territory of the Republic of Poland whose main responsibility is to keep and value fund assets.

Transfer agent - an entity which, on the basis of an agreement entered into with a fund, keeps registers of participants, accepts contributions for the purchase of participation titles in a given fund, disburses funds in connection with redemptions of participation titles, executes orders and instructions of fund participants, and transmits confirmations of the execution of order.

Payment agent - a domestic bank or a domestic branch of a credit institution, obliged, on the basis of an agreement entered into with a foreign fund, to keep bank accounts on which payments are accepted or from which disbursements are made in connection with execution of transactions related to foreign funds.

Potential types of risk

Market risk - results from changes in market indicators which have a direct effect on the price of participation titles within a fund. The scenarios presented below (see "Results given various market conditions") reflect a possible performance of investments in various market conditions. Potential gains/losses are estimates which are based on past results obtained by funds and do not constitute a precise indicator. A result on investment may differ depending on results obtained on the market and investment holding periods.

Specific risk - results from the situation of a given company whose securities are acquired by a fund. For example, it may be associated with the quality of the management board's works, a change in the company's business strategy and corporate governance, conflicts among stockholders or any random incidents concerning the company.

Liquidity risk - an uncertainty related to the ability to receive funds from the redemption of participation titles in an amount which would not significantly depart from the market value applied in the time period between the redemption order submission date and the execution day.

Interest rate risk - the risk of a falling net asset value when market interest rates hike. Credit risk of the issuer of securities acquired by a fund - the risk of an inability to settle own obligations in a timely manner or the risk of lowering a credit rating and the risk of a falling assets value caused by changes in the yield of debt securities issued by entities with different credit risk ratings (spread).

Foreign exchange risk - the risk of a falling net asset value caused by a change in exchange rates of currencies in which underlying assets are valued vis a vis the currency of the valuation of participation titles.

Risk of price volatility - prices of participation titles may fluctuate in a short time, leading to a change in the value of invested capital. A prospectus of a given fund outlines all the risk factors. The Client should get familiar with the text of the prospectus before making an investment decision.

Results given various market conditions and the illustration of the impact of costs and fees on the results

Hereinbelow are results obtained on investments in Participation Titles of Funds in various market conditions and illustrations of the impact of total costs and fees related to the Service and Participation Titles of a Fund on the return on investment. This information does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

The presented investment results are based on the following assumptions:

- they concern an investment for the amount of PLN 100,000, on which a handling fee collected by the Fund for the purchase of Participation Titles from the transaction amount and payable to the Bank by the Client amounts to 1,15%, with a management fee included in the Net Asset Value (NAV) of 2,10%; a stress scenario is based on a theoretical assumption that in extreme market conditions, the Client loses 100% of invested funds,
- adverse scenario: the average of the worst 12-month results of funds in the last 12 years (or from the fund opening date, if a fund was opened not earlier than 12 years ago) in the Bank's offer (as of 30 June 2021),
- moderate scenario: the average of all the 12-month results of funds in the last 12 years (or from the fund opening date, if a fund was opened not earlier than 12 years ago) in the Bank's offer (as of 30 June 2021),
- advantageous scenario: the average of the best 12-month results of funds in the last 12 years (or from the fund opening date, if a fund was opened not earlier than 12 years ago) in the Bank's offer (as of 30 June 2021),
- each of the scenarios (excluding the stress scenario) takes into consideration any and all forecast jumps or fluctuations in costs related to Participation Titles of Funds and the Service,
- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios, in a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service of the acceptance and transmission of Orders and costs related to a financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
	-100.00%	-15.73%	+5.27%	+36.42%
Potential result on investment (inclusive of a handling fee and costs included in NAV (Value of Participation Title))	PLN - 100 000	PLN 84,270	PLN 105,270	PLN 136,420
Potential result on investment (exclusive of a handling fee and inclusive of costs included in NAV (Value of Participation Title))	PLN - 100 000	PLN 83,301	PLN 104,059	PLN 134,851

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Kwota transakcji		100 000 PLN	
Kategoria opłaty	Opis	Stawka opłaty	Wartość kosztów i opłat
Costs associated with the Bank's Service	-	0.00%	PLN 0
Costs of financial instrument	Fee (handling fee) for the purchase of Participation Titles collected by a Fund from a transaction amount and payable to the Bank	1.15%	PLN 1,150
	Management fee included in NAV (Participation Title Value) - annual rate	2.10%	PLN 2,100
	Additional costs (if applicable), e.g. a performance fee included in NAV (Participation Title Value) - annual rate	0.01%	PLN 10
Total costs:		3.26%	PLN 3,260
Payments from third parties	Bank's share in a management fee included in NAV (Participation Title Value) - annual rate	0.89%	PLN 888

A management fee and other costs included in NAV (Value of Participation Title) presented in the table below are at an annual rate. The rate applies per annum for a 360-day year, 365-day year or 366-day year. A management fee constitutes remuneration collected by an Investment Fund Company directly from Fund/Sub-fund's assets and is included in a participation unit value quoted on a daily basis. A part of the fee is paid to the Bank for the provision of the Service which consists in accepting and transmitting Orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Units. A performance fee (if specified in articles of association of a given fund) is computed when the fund obtains a rate of return above a defined level (benchmark). This is a variable fee and depends on the type of fund and the size of earned gains. Further information in this regard is contained in Appendix no. 1 to this brochure.

Before investment:

- the Bank conducts the Assessment of Knowledge and Experience and in the case of an investment advisory service - also analyses the Client Risk Profile,
- the Bank verifies whether the Client belongs to the "U.S. persons" category or another category subject to exclusion,
- Client:
 - gets familiar with the text of the Terms and Conditions,
 - gets familiar with the Framework Agreement (Agreement on the provision of the Service by the Bank of the acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Units),
 - signs the Framework Agreement.
- the Bank:
 - asks the Client to get familiar with the particulars of the offer, provides to the Client information concerning a Fund and information materials (including Key Information for Investors),

- assesses a transaction in the context of the Assessment of Knowledge and Experience in accordance with the provisions of the Terms and Conditions,
- the Client signs a respective instruction.

Taxation rules

Income obtained from investments in local investment funds is subject to a personal income tax. The tax is charged upon the redemption of participation units.

In the case of foreign investment funds, the Client is obliged to declare and settle on its own income obtained in a given tax year, according to relevant tax regulations. For products in foreign currencies, a change in a foreign exchange rate affects the value of a taxation base computed in PLN at rates applicable one day before the day on which a product was purchased or sold. As a result, a tax liability may arise irrespective of the result on investment expressed in a foreign currency.

d. Brokerage services

Product characteristics

The Bank offers its Clients brokerage services within the acceptance and transmission of Orders to purchase or sell Securities (on the basis of authorization granted by the Polish Financial Supervision Authority of 13 November 2007), Dom Maklerski Banku Handlowego S.A. (hereinafter referred to as "DMBH") is responsible for the execution of Orders. The Bank is also a registered agent of investment companies authorized by the Polish Financial Supervision Authority and acts as an agent of the investment company - DMBH.

Advantages

- investments on the Warsaw Stock Exchange and on the majority of foreign markets (including New York Stock Exchange, NASDAQ, London Stock Exchange, Deutsche Börse),
- extensive offer of Securities: equities, bonds, investment certificates, ETFs and other Securities,
- investment portfolio enriched with global capital market instruments.

Potential types of risk

Investments in Securities always entail risks characteristic for particular Securities and the investment risk.

Shared risks of all the Securities available within the Service:

Macroeconomic risk - results from a potential impact (direct and indirect) of economic conditions in the world or a given country on the economic environment, in which the issuer of Securities operates, on its financial situation or the capital market on which such Securities are traded. The major macroeconomic indicators used to assess the conditions include: the rate of economic growth, the level of inflation, the level of investments, budget deficit and current account balance, the level of commodities prices, the level of demand for consumer goods, etc. When making investment decisions, the Client should be aware that in the event of:

- any uncertainty as to the values or levels of the macroeconomic factors or the geopolitical situation, prices of financial instruments are getting more volatile and the risk of buying an overpriced financial instrument is also going up;
- any disadvantageous macroeconomic factors, prices of financial instruments may drop (underestimated financial instruments) unreasonably given the issuer's current situation reflected in the financial result or measured by fundamental analysis indicators;
- long-term good economic conditions, prices of financial instruments may rise (overestimated financial instruments) unreasonably given the issuer's current situation reflected in the financial result or measured by fundamental analysis indicators.

Political risk - is related to the impact of political stability or instability in a given country and the manner of directing economic, administrative and fiscal policies, on the Issuer's financial situation and the economic environment the issuer operates in. When making an investment, the investor should be aware that in the event of the lack of political stability, unexpected changes in the economic or fiscal policy, prices of Securities are getting more volatile. Depending on a positive or negative impact of the above changes on the issuer's financial situation and economic environment, the value of Securities held by the issuer may be higher or lower.

Issuer risk - related to the manner of managing and directing economic policy by the issuer with direct impact on the issuer's financial result and at the same time the valuation of Securities issued by the issuer, the volatility of their prices and the ability to settle issuer's obligations (in the case of debt securities).

Credit risk - a risk associated with the delayed performance, partial performance or non-performance of financial obligations assumed by the issuer of Securities, the guarantor/underwriter or the counterparty. The credit risk is associated with an uncertainty as to the future financial situation of the above entities and may have considerable impact on the price of a Security held by the Client (such as equities, bonds), performance of obligations under financial instruments (such as redemption of bonds or fulfilment of another consideration in the case of other financial instruments), fulfillment of a condition under a guarantee in the case of the guarantor (such as bonds), performance of obligations by the counterparty when such counterparty is an important entity in the process related to the execution, delivery and settlement, or custody of a financial instrument, etc. (e.g. settlement of investment funds, creation or redemptions of ETF participation titles, securities custody).

Market risk - the risk that prices of Securities (equities, bonds, investment certificates, etc.) owned by the Client change as a result of general and specific market factors which have direct or indirect impact on a specified Security. This risk is an outcome of the rules of functioning of a capital market and forming of prices on the basis of supply and demand. A change in the price of a single Security or a group of Securities is triggered by factors which are often independent of the issuer but attributable to the nature of a financial market. It is worth noting that the market risk is, to a considerable extent, an outcome of factors which are unmeasurable, such as:

- actors of emotional nature related to the psychological perception of macroeconomic, financial, branch, regional, corporate, etc. factors;
- factors related to specified investors' (or a group of investors') behavior reflecting popular investment trends which can add to the overvaluation or undervaluation of Securities prices;
- factors which originate from the globalization of financial markets and the speed of information flow - a change in stock exchange indices on other financial markets, a change in dominant world markets or other markets treated as a part of the same region, can bring about a high volatility of Securities prices on the local market despite of their issuer's stable financial situation;

Liquidity risk - related to the inability to sell or purchase a Security in a short or mid term without disturbing, to a considerable extent, the level of market prices. The liquidity risk has direct impact on the volatility of prices, according to the rule the lower liquidity the higher price volatility. The liquidity risk depends on many factors, which are often interdependent, and which can limit supply or demand in trading such financial instruments.

The most important factors:

- supply-based
 - value-low issue of financial instruments - a small number of financial instruments in trading - limited supply;
 - low market capitalization;
 - purchasers of financial instruments are not properly dispersed (limited supply);
 - low free float - i.e. the limitation of the number of financial instruments in free float as a result of a low issue price or the improper dispersion or concentration of financial instruments on the secondary market because of a limited number of purchasers and limited supply;
- demand-based
 - increased macroeconomic, political, branch, market risks - having impact on the volatility of the price of a financial instrument, the capital market condition or the issuer's condition in a specified foreseeable time period, an increased investment uncertainty;
 - increased issuer risk - improper economic policy or a change in external factors which affect adversely the issuer's financial situation, the issuer's financial situation is threatened by bankruptcy or the inability to pay financial obligations assumed by the issuer;
 - improper information and communication policy - recurring changes in or the absence of an information and communication policy, undisclosed and retained information, or misleading distorted information that can affect the price of financial instruments; notices, warnings or penalties imposed by competent state authorities or regulators (the Polish Financial Supervision Authority, Office of Competition and Consumers Protection, etc.).

The Investor should be aware that:

- in the case of low turnover in Securities, the price volatility risk is getting higher,
- stocks of companies with the largest capitalization are more liquid than stocks of companies with low capitalization,
- Securities with a higher free float rate are more liquid,
- stocks which are a part of the main index, e.g. WIG20, are most liquid on the stock exchange,
- stocks which are a part of WIG20 have higher liquidity than stocks listed on New Connect market,
- bonds of the State Treasury are in general more liquid than corporate or municipal bonds.

Product description and risks specific for a product

The table below presents the description of Securities for which the Service of the acceptance and transmission of orders to purchase or sell the Securities is provided, and risks related to them.

Security and its characteristics	The most important risk factors
<ul style="list-style-type: none"> • Bonds – a debt security issued in a series, where under the issuer undertakes to the purchaser (bondholder) to fulfil a specified monetary or non-monetary consideration. A bond consists of nominal and coupon parts. The nominal part is the nominal value of a bond paid by the issuer on the redemption day, irrespective of the price paid by the investor for the bond. The coupon part is made of interest which the issuer pays for borrowing the principal according to a specified timetable (excluding zero-coupon bonds, in respect of which there are no coupon payments). <p>Types of bonds:</p> <ul style="list-style-type: none"> • in respect of an interest rate: <ul style="list-style-type: none"> Fixed interest rate bonds – their interest rate is specified at the time of issue and does not change in the investment term; Floating interest rate bonds – their interest rate changes in the investment term and is specified periodically on the basis of a selected indicator (e.g. inflation rate, interest rate) and a defined margin; Zero-coupon bonds – bonds which do not bear any interest, sold below the nominal price at which they are redeemed on the redemption day; • in respect of the issuer: <ul style="list-style-type: none"> Treasury bonds – issued by the State Treasury, Municipal bonds – issued by cities, towns and municipalities, Corporate bonds – issued by enterprises. • in respect of the redemption day: <ul style="list-style-type: none"> Short-term – the term of investment is maximum 5 years. Mid-term – the term of investment is from 5 to 10 years. Long-term – the term of investment is above 10 years. 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) <p>In addition: in the case of corporate bonds and other bonds not secured by the guarantee to redeem them by the State Treasury or the government of the issuer's country – in the conditions of issue the issuer may stipulate that receivables from bonds being issued by the issuer (if unsecured) will be satisfied in the case of the issuer's bankruptcy or liquidation after all other claims of the issuer's creditors have been satisfied. In this situation, the Investor may not recover the whole invested capital or the Investor may recover only a small portion of the capital.</p> <ul style="list-style-type: none"> • Liquidity risk (defined above) • Interest rate risk – a change in interest rates has direct impact on the yield of a bond for redemption and at the same time direct impact on the price of the bond on the market on which it is quoted. In general, an increase in interest rates means that the profitability of bonds rises and the prices of bonds on the market fall, expressed as a percentage of the nominal value of bonds. • Early sale risk – the possible receipt of an amount lower than invested capital if bonds are sold before the redemption day. • Risk of price volatility – prices of bonds may fluctuate considerably in a short time perspective, leading to a change in the value of invested capital.

Security and its characteristics	The most important risk factors
<ul style="list-style-type: none"> • ETF (Exchange Traded Fund – a fund listed on a stock exchange – an open-end investment fund listed on a regulated market (WSE or other foreign regulated markets) which is to reflect the performance of a given stock index or a selected group of financial instruments (basket). The functioning of ETFs is regulated like in the case of other investment funds: in the EU – by EU directives and national regulations, and in the case of funds listed in other foreign markets, in accordance with provisions applicable in the venue of their quotation. A characteristic feature of ETFs is the ongoing (daily) creation and redemption of units, called participation titles. Participation titles are quoted on a regulated market on the same conditions as other securities. Participation titles can be purchased in ETFs on: the primary market – through the purchase from the distributor or the offeror on the secondary market (stock exchange) – through the conclusion of a respective transaction with the issuer’s market maker which plays the central role in the process of the creation or redemption of ETFs. On the basis of an agreement with a fund, the market maker provides on a daily basis information on the net balance of the fund’s titles. On the basis of such information the participation titles are created or redeemed by the fund. <ul style="list-style-type: none"> - Types of ETFs: <ul style="list-style-type: none"> simple ETFs – index, basket, etc. which replicate an index in a direct manner by purchasing financial instruments which make up an index or basket but with no use of derivative instruments complex ETFs – funds which use a financial leverage mechanism or the so-called inverse ETFs, whose valuation is reversely dependent on the performance of an underlying index (leveraged/inverse ETFs) - in respect of the structure of portfolio: <ul style="list-style-type: none"> index ETFs – reflect an index, sub-index, basket ETFs – reflect a specified basket of financial instruments, - in respect of the type of security: <ul style="list-style-type: none"> equities bonds hybrid - in respect of a geographical region: <ul style="list-style-type: none"> domestic regional global 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) • Liquidity risk (defined above) • Risk of inaccurate representation of an underlying instrument <ul style="list-style-type: none"> - the Client should be aware of the risk of the inaccurate representation of an index or a selected group of financial instruments due to: <ul style="list-style-type: none"> - improper selection of financial instruments by a fund, - rules of charging fees for asset management which lower the net asset value per participation title, - liquidity risk of represented financial instruments or financial instruments which make up ETF - and at the same time, a failure to obtain a rate of return on ETF at a level analogous to a represented index or basket of an underlying instrument. • Operational risk – in the case of ETFs, the operational process of daily creation and redemption of participation titles consists of several phases, the purchase of financial instruments for the purpose of representing an index or basket being the final phase. Therefore, the operational risk increases because of the range of activities which must be taken up in a strictly defined timeframe and sequence. • Risk of the method selected for the valuation of fund’s assets – this risk arises due to the change of the manner in which capital market indices which are basic for a given fund are determined and published. • Risk of price volatility – prices of ETF participation titles may fluctuate in a short time, leading to a change in the value of invested capital. • Risk related to assets under a fund’s custody – assets are kept at a custodian bank. A possible risk may materialize in the case of bankruptcy of the custodian bank.

Security and its characteristics	The most important risk factors
<ul style="list-style-type: none"> • Equities - n equity security issued for an indefinite term with an ownership title to a part of a public listed company. The owner of such share is entitled to profit sharing in the company in the form of a dividend, as well as to participate at the general shareholders' meeting and to vote at such meeting, as well as to obtain information about the company's activity. Shares which do not have a material form are traded on an organized market. 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) • Liquidity risk (defined above)
<ul style="list-style-type: none"> • Rights to shares (RTS) - securities which entitle to new shares issued by the company. This instrument is used in the case of companies, whose shares have been admitted to trading on a regulated market. Rights to shares arise upon the allotment of these shares and expire upon the registration of the shares in the securities depository or the issuance of a court decision on refusal to register an increase in the share capital. Within this timeframe, RTS can be traded on an organized market. RTS allow the buyer of the new issue shares to resell them before they are introduced to trading. After an increase in the share capital has been registered, RTS are automatically converted into shares. RTS do not grant rights tantamount to the ownership of shares. 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) • Liquidity risk (defined above) <p>In addition: due to the fact that RTS are admitted to trading in a limited number (corresponding to the number of new issue shares), the investor should be aware of an increased liquidity risk</p> <ul style="list-style-type: none"> • Risk of the court's refusal to register an increase in the share capital - when a competent court refuses to register new issue shares, there is a risk that the issue will not be organized - in this situation, the issuer must return the funds to the holder of RTS. A delay in the registration of new issue shares may lead to a delay in the conversion of RTS into shares and temporary lack of RTS market valuations and opportunities of selling them in regulated trading.
<ul style="list-style-type: none"> • Preemptive rights (PRs) - a security which vests a right to purchase a specified number of new issue shares by the incumbent shareholder of a public listed company. PRs are usually short-term securities. PRs can be traded on an organized market. PR's value depends directly on the price of a share to be acquired in accordance with the preemptive right. Once preemptive rights expire, the Client is not entitled to any monetary considerations. 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) • Liquidity risk (defined above) <p>In addition: in the event that PRs are admitted to trading on a regulated market, the purchaser should be aware that PRs are traded only in a strictly defined time. If the PR purchaser does not intend to subscribe for new issue shares in their full amount, the purchaser must be aware that the disposal of PRs after the listing period is not possible and that the purchaser will not receive any payment thereafter.</p> <ul style="list-style-type: none"> • Risk of listing time - in the event that PRs are admitted to trading on a regulated market, the purchaser must be aware that PRs are listed on a regulated market only in a strictly defined time. If the PR purchaser does not intend to subscribe for new issue shares in their full amount, the purchaser must be aware that the disposal of PRs after the listing period is not possible and that the purchaser will not receive any payment thereafter.

Security and its characteristics	The most important risk factors
<ul style="list-style-type: none"> • Investment Certificates - securities issued by closed-end investment funds in series. Investment Certificates represent property rights of fund participants (participation in a closed-end investment fund). Their value depends on how a closed-end investment fund implements its investment policy which translates itself into the fund's net asset value. Applicable legal provisions allow a closed-end investment fund to conduct a much more flexible investment policy as compared to open-end investment funds. In accordance with an investment policy applicable to a closed-end investment fund, in addition to standard investments such as, including but not limited to, equities of traded companies or treasury bonds, they can invest in debt, shares of limited liability companies, real properties or commodity derivatives, in other words, they can make investments of a large profit potential but at the same time they are burdened with a high level of risk and frequent low levels of liquidity. Investment possibilities in the case of a closed-end investment fund are also more advantageous within acceptable investment limits, namely a percentage share of particular categories of investments or financial instruments of one issuer in total assets. The certificate holder has a title to a portion of income and revenues of a given fund (if articles of association of a given fund allow so) and may participate and vote in the investors board or at the investors meeting, as well as the certificate holder may have a preemptive right to acquire new issue certificates. Certificates can be traded on a regulated market. Articles of association and an issue prospectus or information memorandum (in the case of public funds), or terms and conditions of issue (in the case of non-public funds) stipulate rules and conditions of conducting an investment policy and classes of assets in which a fund invests. <p>Types of closed-end investment funds</p> <ul style="list-style-type: none"> • In respect of the manner of distribution: <ul style="list-style-type: none"> public - distributed in a public offer; such funds can only be established on the basis of authorization obtained from the Polish Financial Supervision Agency. Granting such authorization also means that a fund's offer document in the form of an issue prospectus or an information memorandum is approved; investment certificates are admitted to trading on a regulated market or in an alternative trading system; non-public - distributed in a non-public offer; such funds can be established without authorization from the Polish Financial Supervision Agency; the minimum subscription for investment certificates may not be lower than a PLN equivalent of EUR 40,000; investment funds are not admitted to trading on a stock exchange and they can be disposed of by placing a request for their redemption by a fund in timeframes indicated in the fund's articles of association 	<ul style="list-style-type: none"> • Macroeconomic risk (defined above) • Political risk (defined above) • Market risk (defined above) • Issuer risk (defined above) • Credit risk (defined above) • Liquidity risk (defined above) <p>In addition: in the case of investment certificates of public closed-end investment funds, the investor must be aware of the limitation of the sale or purchase of the certificates on a regulated market as a result of a limited number of holders of certificates and therefore, a potential lack of opportunities for the sale or purchase of the certificates; as regards a possible closure of an investment by the Client in investment certificates of closed-end investment funds by presenting the certificates for redemption by a fund (this applies to public and non-public funds), the investor must consider the fact that redemption timeframes are different (monthly, quarterly, annually, etc.) and in an extreme situation, this possibility may be limited to the redemption of the certificates only on the day on which a fund winds up its activity (e.g. after 5 years in the case of a closed-end investment fund established for a period of 5 years) - detailed information concerning redemption timeframes are stipulated in articles of association of each of the funds; specifically, in the case of investment certificates of non-public funds which cannot be sold on a regulated market and the redemption of the certificates is the only possibility to close an investment in investment certificates, the investor should analyze available redemption timeframes from the point of view of own expectations as to liquidity</p> <ul style="list-style-type: none"> • Risk of investment policy - in view of the fact that investment results of a Fund depend on the implementation of an investment policy, any improper assumptions of such policy have a direct effect on the achievement of an investment objective expressed by an expected rate of return on investment in a specified time (increased net asset value per investment certificate) and direct impact on the price of investment certificates in regulated trading (in the case of public closed-end investment funds) as well as their price volatility. • Management risk - the implementation of an investment policy depends on the appropriateness of investment decision, risk management and the anticipation of a market situation by the manager(s). The investor should be aware that the implementation of an investment policy is affected by a human error and results obtained within an analogous investment policy pursued by different managers may vary. • Risk of market valuation - in connection with limited liquidity and the publication of asset valuations per investment certificate only in specified timeframes (monthly, quarterly valuation), there is a risk that an obtainable price under a transaction on a regulated market will be lower than a current or the last net asset valuation.

Security and its characteristics	The most important risk factors
<ul style="list-style-type: none"> Per type, asset structure and nature of investment policy (model division): equities, hybrid, debt, monetary, other: real properties, securitization, absolute rate of return, etc. 	<ul style="list-style-type: none"> Ryzyko związane z przechowywaniem aktywów w funduszu - aktywa przechowywane są w banku depozytariuszu. Ewentualne ryzyko może powstać w przypadku upadłości banku depozytariusza. Ryzyko związane z rozliczeniem transakcji przez fundusz - transakcje nabycia aktywów zawierane przez Fundusz, rozliczane są przez bank depozytariusz. Ewentualne ryzyko może powstać w przypadku upadłości banku depozytariusza lub niewykonywania bądź nienależytego wykonywania obowiązków przez ten podmiot.
<ul style="list-style-type: none"> Structured products admitted to regulated trading (ETPs Exchange Traded Products - a financial instrument (e.g. structured note, structured certificate) listed on a stock exchange whose issuer undertakes with respect to the buyer that on the redemption date the issuer will pay the buyer the settlement amount calculated according to a strictly defined formula. The formula for the calculation of the redemption price usually refers to the price of shares or baskets of shares, the value of stock indices, etc. <p>Depending on the construction of the instrument, two basic types of structured products can be distinguished: products which guarantee the protection of capital, products which do not guarantee the full protection of capital</p>	<ul style="list-style-type: none"> Macroeconomic risk (defined above) Political risk (defined above) Issuer risk (defined above) Credit risk (defined above) <p>In addition: if the issuer becomes insolvent or goes bankrupt before the final settlement day, the investor will not recover the investor's invested capital. In this situation, the guarantee of invested capital on the redemption day is null and void.</p> <ul style="list-style-type: none"> Market risk (defined above) <p>In addition: the price of the financial instrument is not only affected by a change in the price of the structured product itself but also the risk related to a change in prices of financial instruments on the basis of which the structured product is constructed. In this case, the risk characteristic for financial instruments on which the construction of a structured product is based should respectively be considered.</p> <ul style="list-style-type: none"> Liquidity risk (defined above) <p>In addition: the investor should be aware of the limited sale or purchase of a structured product on a regulated market as a result of a limited number of holders of a given structured product and the lack of opportunities for selling or buying a product without affecting, to a material extent, the level of market prices.</p> <ul style="list-style-type: none"> Risk related to the settlement of a transaction by a fund - in the case of structured products with guaranteed capital on the redemption day and an earlier withdrawal from an investment by redeeming a structured product, the investor must be aware of the risk of losing the guarantee of capital. Risk of financial leverage - in the case of using the financial leverage effect, the investor holding a structured product of the issuer which invests in derivative instruments must take into consideration the risk of amplified financial losses incurred by the issuer in an amount disproportionate to the capital invested by the issuer (including the prospect of its total forfeiture) if, as a result of adverse market changes, the issuer is obliged to supplement the collateral set to secure open positions in derivative instruments or to close them at prices disadvantageous to the issuer.

Results given various market conditions and the illustration of the impact of costs and fees on the results

Hereinbelow are results obtained on investments in Securities in various market conditions and the illustration of the impact of total costs and fees related to the Service and Securities on the return on investment. This information does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

Bonds listed on the Warsaw Stock Exchange

The illustration hereinbelow presents a model investment in bonds (treasury, municipal, corporate bonds) quoted on Gielda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) (Catalyst Market). For the needs of the illustration it is assumed that the investment amount is PLN 10,000 and that the investment concerns an unsecured corporate bond with interest at 5,78% (interest in the amount equal to the average amount of an annual interest rate on corporate bonds on Catalyst Market between 2013-2020). The illustration does not guarantee future investment results.

Assumptions for particular scenarios:

- stress scenario - the bankruptcy or insolvency of the issuer and as a result no redemption of bonds in the nominal redemption term and no payment of any coupon payment,
- adverse scenario - a 10% decrease in the bond price, payment of all coupons.
- moderate scenario - 0% in bond price change, payment of all coupons.
- advantageous scenario - increase in bond price of 3%, payment of all coupons.
- each of the scenarios (excluding the stress scenario) takes into consideration any and all forecast jumps or fluctuations in costs related to a Security being the subject-matter of investment and the Service,
- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios, in a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service of the acceptance and transmission of Orders and costs related to a financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario		Adverse scenario		Moderate scenario		Advantageous scenario	
	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)
Change in the value of security in a 12-month time horizon [%]	-100%		-10%		0%		3%	
Interest rate per annum	0.00%		5.78%		5.78%		5.78%	
Potential result on investment exclusive of costs	PLN - 10,000	PLN - 10,000	PLN 9,578	PLN 9,578	PLN 10,578	PLN 10,578	PLN 10,878	PLN 10,878
Potential result on investment inclusive of costs	PLN - 10,051	PLN - 10,156	PLN 9,527	PLN 9,422	PLN 10,527	PLN 10,422	PLN 10,827	PLN 10,722

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Investment amount		PLN 10,000.00			
Access channel:		Telephone		Order Acceptance Point	
Fee category	Description	Rate of fee	Value of costs and fees	Rate of fee	Value of costs and fees
Costs associated with the Bank's Service	Fee for the acceptance and transmission of order	0.00%	PLN 0	0.00%	PLN 0
Costs associated with services provided by Brokerage House	Brokerage fee	0.45%	PLN 45	1.50%	PLN 150
	Account maintenance fees	0.00%	PLN 0	0.00%	PLN 0
	Custody fee (0.005% monthly, 0.06% annually)	0.06%	PLN 6	0.06%	PLN 6
Financial instrument costs	-	0.00%	PLN 0	0.00%	PLN 0
Total costs:		0.51%	PLN 51	1.56%	PLN 156

Shares and other securities quoted on Giełda Papierów Wartościowych w Warszawie S.A.

The illustration below presents a model investment in a basket of shares quoted on WSE which make up WIG index.

The calculations were made on the basis of the historical performance of WIG index in the time period from 2012-2020 and assuming that the investment amounts to PLN 10,000. The illustration does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

Assumptions for particular scenarios:

- Stress scenario - loss of the entire invested amount due to the bankruptcy of the company whose shares were the subject of the investment
- Unfavorable scenario - the rate of return equal to the algebraic average of annual rates of return on investments in shares whose annual rate of return was below the average rate of returns on an investment in a basket of WIG index shares in 2013-2020,
- Moderate scenario - the rate of return equal to the algebraic average of the annual rates of return on investment in a basket of WIG index shares in 2013-2020,
- Favorable scenario - the rate of return equal to the algebraic average of annual rates of return on investments in shares whose annual rate of return was above the average rate of return on an investment in a basket of WIG index shares in 2013-2020,
- each of the scenarios (excluding the stress scenario) takes into account any forecast jumps or fluctuations in costs related to the Security being the subject of the investment and the Service provided;
- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios, in a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service and costs related to a financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario		Adverse scenario		Moderate scenario		Advantageous scenario	
Change in the value of security in a 12-month time horizon [%]	-100%		-20.79%		16.04%		67.83%	
Access channel	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)
Potential result on investment exclusive of costs	PLN - 10,000	PLN - 10,000	PLN 7,921	PLN 7,921	PLN 11,604	PLN 11,604	PLN 16,783	PLN 16,783
Potential result on investment inclusive of costs	PLN - 10,107	PLN - 10,162	PLN 7,814	PLN 7,759	PLN 11,497	PLN 11,442	PLN 16,676	PLN 16,621

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Investment amount		PLN 10,000.00			
Access channel:		Telephone		Order Acceptance Point	
Fee category	Description	Rate of fee	Value of costs and fees	Rate of fee	Value of costs and fees
Costs associated with the Bank's Service	Fee for the acceptance and transmission of order	0.00%	PLN 0	0.00%	PLN 0
Costs associated with services provided by Brokerage House	Brokerage fee	0.95%	PLN 95	1.50%	PLN 150
	Account maintenance fees	0.00%	PLN 0	0.00%	PLN 0
	Custody fee (0.01% monthly, 0.12% annually)	0.12%	PLN 12	0.12%	PLN 12
Financial instrument costs	-	0.00%	PLN 0	0.00%	PLN 0
Total costs:		1.07%	PLN 107	1.62%	PLN 162

Shares and other securities quoted on foreign markets

The illustration below presents a model investment in a basket of shares quoted on New York Stock Exchange which make up S&P 500 index. The calculations were made on the basis of the historical performance of S&P 500 index in the time period from 2013-2020 and assuming that the investment amounts to PLN 10 000. The illustration does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

Assumptions for particular scenarios:

- Stress scenario - the loss of the entire invested amount due to the bankruptcy of the company whose shares were the subject-matter of the investment
- Adverse scenario - a rate of return equal to the algebraic average of annual rates of return on investments in equities with an annual rate of return below the average rate of returns on an investment in a basket of S&P 500 stocks in 2013-2020;
- Moderate scenario - a rate of return equal to the algebraic average of the annual rates of return on an investment in a basket of S&P 500 stocks in 2013-2020;
- Favorable scenario - a rate of return equal to the algebraic average of annual rates of return on investments in equities with an annual rate of return above the average rate of return on an investment in a basket of S&P 500 stocks in 2013-2020;
- each of the scenarios (excluding the stress scenario) takes into consideration any and all forecast jumps or fluctuations in costs related to a Security being the subject-matter of investment and the Service,
- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios. In a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service and costs related to the financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario		Adverse scenario		Moderate scenario		Advantageous scenario	
Change in the value of security in a 12-month time horizon [%]	-100%		-4.97%		15.69%		39.30%	
Access channel	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)	Telephone	Order Acceptance Point (PPZ)
Potential result on investment exclusive of costs	PLN - 10,000	PLN - 10,000	PLN 9,503	PLN 9,503	PLN 11,569	PLN 11,569	PLN 13,930	PLN 13,930
Potential result on investment inclusive of costs	PLN 10,104.60	PLN - 10,159.60	PLN 9,443	PLN 9,343	PLN 11,021.62	PLN 11,409.40	PLN 13,870.40	PLN 13,770.40

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Investment amount		PLN 10,000.00			
Access channel:		Telephone		Order Acceptance Point	
Fee category	Description	Rate of fee	Value of costs and fees	Rate of fee	Value of costs and fees
Costs associated with the Bank's Service	Fee for the acceptance and transmission of order	0.00%	PLN 0	0.00%	PLN 0
Costs associated with services provided by Brokerage House	Brokerage fee	0.50%	PLN 50	1.50%	PLN 150
	Account maintenance fees	0.00%	PLN 0	0.00%	PLN 0
	Custody fee (0.008% monthly, 0.096% annually)	0.096%	PLN 9.60	0.096%	PLN 9.60
Financial instrument costs	-	0.00%	PLN 0	0.00%	PLN 0
Total costs:		0.60%	PLN 59.60	1.60%	PLN 159.60

Investment Certificates

The illustration below presents a model investment in investment certificates subscribed for on the primary market. The calculations were made on the basis of the historical behavior of prices of investment certificates (from 2013-2020) distributed by the Bank. For the needs of calculations, the maximum rate of distribution fee was assumed for public investment certificates subscribed for through the Bank in years 2008-2018 and the investment amounted to PLN 10,000. The illustration does not guarantee future investment results and does not constitute an investment recommendation of the Bank.

Assumptions for particular scenarios:

- Stress scenario - the bankruptcy of a fund and the zero value of net asset value per investment certificate,
- Adverse scenario - a decrease in the price of the investment certificate by 25.85% (the maximum annual decrease in the valuation of public investment certificates in the period January 2013 - December 2020),
- Moderate scenario - an increase in the price of the investment certificate by 2.641.99% (the average annual increase in the valuation of public investment certificates in the period January 2013 - December 2021),
- A favorable scenario - an increase in the price of the investment certificate by 32.01% (the maximum annual increase in the valuation of public investment certificates in the period January 2013 - December 2020),
- each of the scenarios (excluding the stress scenario) takes into consideration any and all forecast jumps or fluctuations in costs related to a Security being the subject-matter of investment and the Service,

- irrespective of the information concerning the impact of costs and fees on the return on investment presented in respective tables for each of the scenarios. In a separate table the Bank presents a percentage and a quantitative share of such costs broken down into: costs related to the Service of the acceptance and transmission of Orders and costs related to the financial instrument the Service refers to. In addition, the Bank informs of a percentage and a quantitative share of a payment from third parties payable to the Bank in the entire investment, individually and together with the above costs and fees.

	Stress scenario	Adverse scenario	Moderate scenario	Advantageous scenario
Change in the value of security in a 12-month time horizon [%]	-100%	-25.85%	2.64%	32.01%
Access channel	Telephone, Order Acceptance Point (PPZ)	Telephone, Order Acceptance Point (PPZ)	Telephone, Order Acceptance Point (PPZ)	Telephone, Order Acceptance Point (PPZ)
Potential result on investment exclusive of costs	PLN - 10,000	7 415.41 PLN	10 264 PLN	13 201 PLN
Potential result on investment inclusive of costs	PLN - 10,412	7 003.41 PLN	9 852 PLN	12 789 PLN

The impact of costs and fees as well as payments from third parties on the return on investment (per quantitative and percentage values)

Investment amount		PLN 10,000	
Access channel:		Telephone, Order Acceptance Point	
Fee category	Description	Rate of fee	Value of costs and fees
Costs associated with the Bank's Service	Fee for the acceptance and transmission of order	0.00%	PLN 0
Costs associated with services provided by Brokerage House	Brokerage fee	0.00%	PLN 0
	Account maintenance fees	0.00%	PLN 0
	Custody fee (0.01% monthly, 0.12% annually)	0.12%	PLN 12
Financial instrument costs	Distribution fee	4.00%	PLN 400
	Management fee	3.00%	PLN 300
Total costs:		7.12%	PLN 712

Before investment:

- the Bank asks the Client to get familiar with the particulars of the offer and the Terms and Conditions of the provision of the service by Bank Handlowy of the acceptance and transmission of orders to purchase or sell securities,
- the Client signs the agreement on the provision of the service by Bank Handlowy w Warszawie S.A. of the acceptance and transmission of orders to purchase or sell securities,
- The Client signs a Brokerage Agreement with Dom Maklerski Banku Handlowego S.A.

Taxation rules

Income obtained from the sale of Securities against payment and from exercised rights ensuing from them is taxable. The Client is liable for settling on its own the Client's income, on the basis of information provided by, specifically, brokerage houses and on the basis of other documents possessed by the Client. Revenues and costs denominated in foreign currencies are translated into PLN at exchange rates envisaged in tax provisions.

3. OTHER PRODUCTS

a. Life unit-linked insurance

Product characteristics

Life unit-linked insurance is a product which offers the possibility to invest capital through insurance capital funds, in different investment funds with the maintenance of life insurance protection. The Client can pursue its own investment strategy using the option to choose funds depending on a planned investment term, acceptable risks and expected gains.

This product is individual life unit-linked insurance (UFK) within which an Insurance Company pays a death benefit in the case of the insured person's death.

An insurance premium can be one-off with the option of additional payments.

Details of insurance terms and conditions are described in the General Terms and Conditions (GTC) of insurance for each product.

Advantages

- possible investments in one or more funds at the same time under a single agreement in accordance with a planned investment term and an acceptable risk level.
- no limitation of the number of changes of and transfers between funds,
- access to the current valuation of UFK units,
- a benefit paid out to an indicated person.

Fund handling entities

The Bank acts as an insurance agent for and on behalf of an Insurance Company, by offering insurance and intermediating in the conclusion of an Insurance Contract. The Bank is not a party to the Insurance Contract.

Clients conclude an Insurance Contract with an Insurance Company through the Bank. The Client is a party to the Insurance Contract concluded with the Insurance Company.

The Bank is a registered insurance agent authorized to act in this capacity by the Polish Financial Supervision Authority under authorization number 11120807/A.

The Client can verify the information about the registration of the Bank by submitting a respective application form to the Polish Financial Supervision Authority.

Potential types of risk

Insurance Company's credit risk - Insurance Company (hereinafter "IC") is not able to settle its obligations in a timely manner, including the risk of bankruptcy of the IC (understood as the risk associated with the declaration of bankruptcy by the IC and a potential failure to fulfil contractual obligations towards the Policyholders).

Liquidity risk - an uncertainty related to a possible receipt of funds in a short time period from the redemption of participation titles the UFK's funds are invested in, in amounts which would not significantly differ from the market value applied in the time period between the redemption order submission date and the order execution day.

Market risk - the risk of losses resulting from the devaluation of participation units in UFK as a result of the devaluation or limited sale of financial instruments in which UFK funds are invested.

Legal and tax risk: changes of legal or tax regulations which may affect the insurance contract

Credit risk – the issuer of securities whose funds are invested within UFK is not able to meet its obligations when due (in whole or in part), in consequence, the issuer rating is changed and affects UFK asset value.

A risk of limited access to funds gathered under an insurance contract – connected to the occurrence of circumstances beyond the Insurance Company's control, e.g. a regulator's decision, the suspension of trade in a financial instrument, the suspension of the redemption of participation units by investment funds, no immediate access to funds from redeemed participation units in the investment fund in which funds within UFK are invested.

Interest rate risk – the risk that UFK asset value will fall given changes in market interest rates.

Specific risk – the risk that UFK asset value will fall given the situation of a given company whose securities are acquired within UFK. For example, such a risk may be connected with the performance of the management board of the company whose securities are purchased, a change in the business strategy of such company or force majeure events affecting that company.

Risk of price volatility – prices of UFK participation units may fluctuate in a short time, leading to a change in the value of invested capital.

Risk associated with the concentration of assets – the risk resulting from the absence of diversified allocations across UFK within a given premium and within a given UFK itself.

Foreign exchange risk – the risk of a falling net asset value caused by a change in exchange rates of currencies in which underlying assets are valued vis a vis the currency of valuation.

Before entering into an insurance contract:

- the Bank conducts the Assessment of Knowledge and Experience,
- the Bank verifies whether the Client belongs to the "U.S. persons" category or another category subject to exclusion,
- the Bank asks the Client to get familiar with the particulars of the offer,
- the Client confirms the receipt of the GTC and that the Client has read the text of the GTC.
- the Client gets familiar with additional documents concerning the Insurance Contract and Appendix to the GTC (including information on, among other things, fees),
- the Bank carries out suitability and appropriateness tests,
- The Client submits to the Bank's branch a signed application form for the conclusion of an insurance contract and pays a due premium.

Taxation rules

Income from unit-linked insurance is subject to personal income tax. The positive difference between the disbursed amount and total premiums paid to the Insurance Company, which were allocated to the capital fund constitutes income on account of invested insurance premiums in the case of unit-linked insurance. The Client is liable for settling the tax on its own unless the Insurance Company acting as the tax payer pays the tax.

Other insurance benefits from property and personal insurance may be exempted from personal income tax on the terms specified in the provisions of the Act on Personal Income Tax.

Transfers of assets across UFK, within a given product offered by the Insurance Company, do not result in taxable income since it is the moment of the disbursement of funds under the Insurance Contract that is considered as a chargeable event associated with the emergence of income and the payment of personal income tax.

The sum of insurance paid out to the beneficiary in the case of the Insured's death is not subject to inheritance and donation tax (the benefit is not included in the estate of the deceased).

III. INFORMATION ABOUT THE BANK

Bank Handlowy w Warszawie S.A. has its registered office in Warsaw, ul. Senatorska 16, 00-923 Warsaw and operates under the brand of Citi Handlowy.

The Bank was established on the basis of the notarial deed of 13 April 1870 and is entered to the Register of Entrepreneurs of the National Court Register (KRS) maintained by the District Court for the Capital City of Warsaw, 12th Commercial Division in Warsaw, under no. KRS: 0000001538, and holds the following identification numbers: Tax Identification Number NIP 5260300291 and Business Registration Number REGON 000013037.

The Bank is a member of Citigroup Inc. The Bank's parent company is Citibank Overseas Investments Corporation, a subsidiary of Citibank N.A.

Clients can contact the Bank via its network of branches listed on the Bank's website (www.citihandlowy.pl).

Clients can also contact the Bank by CitiPhone:

- Private Clients under phone number 801 32 24 84 or +48 22 692 24 84;
- Citigold Private Clients under phone number 800 22 46 53 or mobile +48 22 692 24 84.

Toll: 801 32 24 84 - rate per 1 impulse + VAT according to the operator's tariffs for each commenced three minutes; or +48 22 692 24 84 charge according to the operator's current tariffs.

The Bank provides its services to its Clients in the Polish language. Polish is the language in which Clients can contact the Bank. All documents provided to Clients by the Bank are drawn up in Polish. In certain cases, the Bank can, at the Client's request, communicate in a language different than Polish and provide the Clients with selected documents or information also in other languages (mainly in English).

The Bank's activities are supervised by the Polish Financial Supervision Authority.

The Bank holds the following authorizations within the scope of its investment activity:

- authorization of the Securities Commission (currently the Polish Financial Supervision Authority) of 4 July 1996 concerning the maintenance of securities accounts;
- authorization of the Polish Financial Supervision Authority of 13 November 2007 concerning the acceptance or transmission of orders to purchase or sell brokerage financial instruments.

The Bank, acting as an institution which maintains securities accounts, guarantees the safety of assets under its custody, the maintenance of full confidentiality with regard to such assets under its custody and their absolute separation from the Bank's own assets.

Records concerning securities are kept by the Bank according to the provisions of the Act and the implementing provisions to the Act. The rules and policies of keeping the records of securities, the rules and policies of settling operations in securities, and the rules and policies of exercising rights ensuing from securities are compliant with the regulations of Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) or regulations of other competent entities which keep or record securities (e.g. the National Bank of Poland, Clearstream).

To protect the Clients' assets, the Bank monitors financial instruments kept for the Client on an ongoing basis. Balances of instruments in custody and all transactions settled on a securities account are reviewed on a given accounting day.

IV. IMPORTANT INFORMATION

Investment products and investment-linked insurance products are available solely for the holders of a bank account at the Bank. Investment-linked insurance products, investment products, including investment funds, are not a deposit, an obligation of and are not guaranteed by Bank Handlowy w Warszawie S.A. or any of subsidiaries or affiliates of Citigroup, except for those investment products which are issued or guaranteed/underwritten by Bank Handlowy w Warszawie S.A. or a subsidiary or an affiliate of Citigroup. For investment products, capital protection and/or an interest guarantee scheme, if any, is the responsibility of the issuer of a given investment product.

Investment products and investment-linked insurance products offered by the Bank are not guaranteed by the State Treasury, the Bank Guarantee Fund (except for dual currency investments covered by the statutory guarantee system pursuant to the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution of 10 June 2016) or any other government institutions.

Investment products are exposed to an investment risk, including the possibility of loss of the entire invested capital. Investment-linked insurance products are exposed to investment risk, including the possibility of loss of part of the invested capital. Upon taking a decision to purchase or sell an investment product or an investment-linked insurance product, the Client should take into account the existing risk which stems from taking an investment decision, and in particular the possibility of a change in price of financial instruments covered by that decision, contrary to the Client's expectations and, consequently, a possible failure in attaining the profit that was assumed by the Client.

Upon taking investment decisions, one should consider the diversification of investment portfolio taking into consideration not only assets in products made available through Bank Handlowy w Warszawie S.A. but also assets at other financial institutions. The concentration of assets meant as a large share of a given financial instrument, instruments of the same type, or of the same issuer, or of the same class of assets in the investment portfolio, may generate a risk higher than that of a diversified approach to such elements, which is of importance for adjusting the investment portfolio to own investment objectives and the acceptance of risk level. For the purpose of discussing the overall structure of investment portfolio and possible forms of diversification, it is expedient that you contact a representative of the Bank. Any amounts receivable from an insurance agreement are secured by the Insurance Guarantee Fund in the scope determined in the Act of 22 May 2003 on mandatory insurance, the Insurance Guarantee Fund and the Polish Motor Insurers Bureau (Act on the Insurance Guarantee Fund). This means that, should the Insurer become insolvent in the cases defined under the Act on the Insurance Guarantee Fund, the Insurance Guarantee Fund will cover in part the claims of the beneficiaries under life insurance contracts, in the amount of 50% of the claims but not more than up to a PLN equivalent of EUR 30,000.00. The past performance of investment funds, investment portfolios and the levels of stock market indices and foreign exchange rates as well as unit-linked insurance funds which affect returns on investment, are no guarantee of their future performance or levels.

Capital gains taxes (including those on account of interest) are charged on the Client. The Bank collects tax or tax withholdings on behalf of the Client, only if the obligation to collect such tax is expressly indicated in provisions of the Polish law or agreements on avoidance of double taxation that are binding on Poland, applicable in this respect.

The Bank is not authorized to interpret tax provisions, nor is it authorized to provide tax consultancy services within the meaning of the Tax Consultancy Act therefore, the above information cannot be considered as a tax opinion. To obtain a proper assessment of possible tax consequences, one should approach competent authorized entities or request that a relevant tax authority provides a written interpretation of the scope and manner of the application of the tax law.

The Bank provides investment advisory services solely to Clients who have concluded an agreement covering the provision of these services. The Bank provides investment advisory services solely with respect to:

- participation units and titles in open-end investment funds in the case of which the Bank provides services regarding the acceptance and transmission of orders to purchase or sell (excluding the Regular Investment Plans and the Individual Pension Account).
- Investment Certificates which can be purchased through the Bank or Dom Maklerski Banku Handlowego S.A.
- Structured Notes which can be purchased through the Bank and which are issued by entities belonging to the same capital group (Citi Group) or other entities not belonging to this Group;

Any and all information contained in this brochure is for information purposes only and it does not constitute an offer in the meaning of the Civil Code, or an invitation to submit orders or conclude transactions.

I. APPENDIX NO. 1 - INFORMATION CONCERNING COSTS AND FEES RELATED TO PROVIDED SERVICES AND FINANCIAL INSTRUMENTS, AS WELL AS BENEFITS ACCEPTED FROM THIRD PARTIES

PRESENTATION OF INFORMATION

This Appendix outlines general Ex Ante Information on Costs, such as:

- 1) information on costs and fees related to the provision of a given Service,
- 2) information on costs and fees related to a given type of financial instruments the Service refers to, and
- 3) information on benefits accepted by the Bank from third parties ("Inducements").
 - information on costs and fees related to the provision of a given Service is presented in the form of tables which contain five items: single fees, current fees, Transactional costs initiated in the course of the provision of the Service, any and all fees related to ancillary services and additional costs.
 - information on costs and fees related to a given type of financial instruments the Service refers to is presented in a separate table. This table contains four items: single fees, current fees, Transactional costs and additional costs.
 - In the event that in connection with the Service or a financial instrument the Bank does not collect particular fees or does not charge the Client with costs, a particular item in the table contains the entry "none".
 - In the event that due to the nature of a given Service or financial instrument there are no costs or fees, a particular item in the table contains the entry "not applicable".
 - In the event that due to the nature of given costs or fees the Bank is not able to specify their precise amounts, the Bank provides information on maximum values, percentage values or ranges of such costs and fees, or the manner of determining them.
 - information on benefits accepted by the Bank from third parties ("Inducements") is presented in a separate section of this Appendix.

1. COSTS AND FEES RELATED TO THE SERVICE OF THE EXECUTION OF ORDERS ON THE CLIENT'S ACCOUNT AND FINANCIAL INSTRUMENTS THE SERVICE REFERS TO

Costs and fees related to the Service of the Execution of Orders

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	none	none
Costs related to transactions	Bank's fee for the sale of Structured Notes by the Client	0.00% to 1.00% of the market value of Structured Note. The final amount of fee depends on market conditions, including changes in the value of underlying instrument on the Transaction day. The Bank provides information on the final amount of fee at the moment of placing an Order by the Client
	Bank's fee for the sale of a treasury bond by the Client	0.5% of the market value of treasury bond
	Bank's fee for the sale of corporate bond by the Client	0.5% of the market value of corporate bond
	Bank's fee for the conclusion of a Dual Currency Investment Transaction	50% at the maximum of the interest amount on a Dual Currency Investment Transaction. The amount of the fee is defined each time after the Bank has analyzed proposed terms and conditions of a Dual Currency Investment Transaction. The amount of the fee depends on the Base Currency, the Alternative Currency, the volatility of such currencies on the foreign exchange market, the level of the Exchange Rate and the amount of interest rates. The fee reduces the amount of Interest on a Dual Currency Investment paid out to the Client on the Dual Currency Investment Transaction Completion Day and if the Client terminates the Dual Currency Investment Transaction, the fee reduces the Investment Amount.
Any and all fees related to ancillary services provided in connection with the Service of the execution of orders	Fee for the custody of Structured Notes, Treasury Bonds and other Debt Securities	0.05% per quarter of the market value of securities held but not less than PLN 10
	Transfer fee for the transfer of Debt Securities or Structured Notes from, respectively, a Securities Account or the Register kept by the Bank to the Client's account not held at the Bank	0.25% (of the nominal value of Debt Securities/Structured Notes)
	Fee for the issue of a Certificate of Deposit or a confirmation certificate concerning the balance in a Securities Account or the Bank's Register	PLN 30
Additional costs	Not applicable	Not applicable

Costs and fees related to a Structured Note

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	none	none
Costs related to transactions	Bank's Margin constitutes a portion of the Net Price for the purchase of a Structured Note. Net price is a price at which the Client purchases a Structured Note, inclusive of the Bank's Margin but exclusive of accrued interest	0.5%-4.0% of the nominal value of Structured Note
	Tax on capital gains	19% on the amount of interest or discount (i.e. the difference between the purchase price and the amount obtained from the redemption or earlier sale).
Additional costs	Not applicable	Not applicable

Costs and fees related to a treasury bond (effective from 3 January 2018, the Bank does not offer an option to purchase treasury bonds under transactions concluded directly with the Bank)

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	none	none
Transactional costs	Tax on capital gains	19% on the amount of interest or discount (i.e. the difference between the purchase price and the amount obtained from the redemption or earlier sale of a treasury bond).
	Not applicable	Not applicable
Additional costs		

Koszty i opłaty związane z Transakcją Inwestycji Dwuwalutowej

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	none	none
Transactional costs	Costs related to an earlier completion of Transaction	up to 20.00% of the amount of the Client's Investment
	Tax on capital gains	19% on capital gains
Additional costs	Not applicable	Not applicable

2. COSTS AND FEES RELATED TO THE SERVICE OF THE ACCEPTANCE AND TRANSMISSION OF ORDERS TO PURCHASE AND REPURCHASE, AND DELIVER OTHER STATEMENTS OF WILL CONCERNING PARTICIPATION TITLES AND PARTICIPATION TITLES THIS SERVICE REFERS TO (OPEN-END INVESTMENT FUNDS, SPECIALISED OPEN-END INVESTMENT FUNDS, EU ALTERNATIVE INVESTMENT FUNDS AND FOREIGN FUNDS)

Costs and fees related to the Service of the acceptance and transmission of Orders

Type of costs and fees	Fee / cost title	Amount of fee
Current fees	none	none
Transactional costs	none	none
Any and all costs and fees related to ancillary services provided in connection with the Service of the acceptance and transmission of Orders	none	none
Additional costs	not applicable	not applicable

Costs and fees related to Participation Titles

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	Handling fee	The maximum amount of the fee is defined in the articles of association of a given investment fund. The Bank notifies the Client of the actual amount of the fee upon the acceptance of the Order to purchase a given Participation Title, however owing to the rule of cumulation, the exact amount of the fee collected for the purchase will be included in a transaction confirmation certificate.
Current fees	Management fee	The maximum amount of the fee is defined in the articles of association of a given investment fund which issued Participation Titles. The Bank notifies the Client of the actual amount of the fee upon the acceptance of the Order to purchase a given Participation Title.
Transactional costs	Other fees	The amount of fees is defined in the articles of association of a given investment fund which issued Participation Titles
	Tax on capital gains	19% flat rate income tax on account of participation in investment funds. The income is the difference between total revenues obtained from the redemption of participation units and the cost of the purchase of such participation units. Revenues and costs denominated in foreign currencies are translated into PLN at exchange rates envisaged in tax provisions.
Additional costs	Performance fee	The amount of the fee is defined in the articles of association of a given investment fund which issued Participation Titles. A performance fee is computed when a fund obtains a rate of return above a defined level (benchmark). This is a variable fee and depends on the type of fund and the size of earned gains.

3. COSTS AND FEES RELATED TO THE SERVICE OF THE ACCEPTANCE AND TRANSMISSION OF ORDERS TO PURCHASE OR SELL SECURITIES

The Bank does not charge the Client with fees and costs in connection with the provision of the Service of the acceptance and transmission of Orders to purchase or sell Securities.

Information on costs and fees related to the execution of the Client's order and the maintenance of an account by Dom Maklerski Banku Handlowego S.A. is made available on the website <http://www.dmbh.pl/poland/dmbh/dokumenty.html>

Costs and fees related to the Service of the acceptance and transmission of Orders

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	none	none
Transactional fees	none	none
Any and all fees related to ancillary services provided in connection with the Service of the acceptance and transmission of Orders	none	none
Additional costs	Not applicable	Not applicable

Costs and fees related to Securities made available within the Service of the acceptance and transmission of orders to purchase or sell Securities

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	Commissions and fees for the intermediation in trading in Securities Distribution fee for subscription on the primary market	The amount of the fee is defined in Dom Maklerski's Table of Fees and Commissions The amount of the fee is defined in an issue prospectus
Current fees	Fee for the custody of Securities Fee for fund management (applicable in the case of investment certificates and ETFs)	The amount of the fee is defined in Dom Maklerski's Table of Fees and Commissions The amount of the fee is defined in an issue prospectus/ articles of association
Transactional costs	Fees related to the maintenance of an Investment Account and ancillary services	Services and amounts of the fees are defined in Dom Maklerski's Table of Fees and Commissions
Additional costs	Tax on capital gains	Taxation of capital gains (income obtained from the sale of securities and from exercised rights which ensue from such securities) at a flat 19% rate.

4. COSTS AND FEES RELATED TO AN INVESTMENT ADVISORY SERVICE AND FINANCIAL INSTRUMENTS THE SERVICE REFERS TO

Costs and fees related to an investment advisory service

Type of costs and fees	Fee / cost title	Amount	% investment value
Single fees	none	none	none
Current fees	none	none	none
Transactional costs	not applicable	not applicable	not applicable
Any and all fees related to ancillary services provided in connection with an investment advisory service	not applicable	not applicable	not applicable
Additional costs	not applicable	not applicable	not applicable
Sum of costs and fees	none	none	none

Information on costs and fees related to Structured Notes, treasury bonds, Participation Titles of Funds and Investment Certificates the investment advisory service provided by the Bank refers to is contained in clauses 1 and 2 above.

5. COSTS AND FEES RELATED TO THE SERVICE OF THE MAINTENANCE OF SECURITIES ACCOUNTS, FOREIGN SECURITIES REGISTER AND AN AUXILIARY ACCOUNT WITH A FOREIGN NATIONAL DEPOSITORY FOR SECURITIES

Costs and fees related to the service

Type of costs and fees	Fee / cost title	Amount of fee
Single fees	none	none
Current fees	Custody fee on Structured Notes, Treasury Bonds and other Debt Securities	0.05% per quarter of the market value of securities held but not less than PLN 10
Transactional costs	not applicable	not applicable
Any and all costs and fees related to ancillary services provided in connection with the service	not applicable	not applicable
Additional costs	Transfer fee for the transfer of Debt Securities or Structured Notes from, respectively, a Securities Account or the Register kept by the Bank to the Client's account not held at the Bank	0.25% (of the nominal value of Debt Securities/Structured Notes)
	Fee for the issue of a Certificate of Deposit or a confirmation certificate concerning the balance in a Securities Account or the Bank's Register	PLN 30

Costs and fees related to financial instruments the service refers to are described in clause 1 above.

GENERAL INFORMATION - PAYMENTS FROM THIRD PARTIES ("INDUCEMENTS")

On the basis of a cooperation agreement entered into by and between the Bank and Dom Maklerski Banku Handlowego S.A. ("DMBH"), the Bank receives the following Inducements in connection with the Service of the acceptance and transmission of Orders to purchase or sell Securities provided to the Bank's Clients being also Dom Maklerski Banku Handlowego S.A.'s Clients:

- commission-based remuneration in the amount of 40% of the net commission value collected by DMBH in the case of the execution of Orders on the secondary market and subscriptions on the primary market within equities and bonds
- commission-based remuneration in the amount of 75% of the handling fee value and that portion of the management fee collected by the issuer which is provided in the form of inducement by the issuer to DMBH - in the case of subscriptions for investment certificates on the primary market and structured products

The Bank also receives a monetary consideration from investment fund companies in the amount of 43%-62% of the amount of remuneration collected by a given company for managing a given Fund, however in the majority of cases, the rate of remuneration for the Bank amounts to 60%-62% of that amount. The above monetary consideration covers the Bank's costs and constitutes the Bank's remuneration for the performance of activities which consist in accepting and transmitting Orders to purchase and repurchase, and deliver other statements of will concerning Fund Participation Titles, for a given Investment Company. Account Manager at the Bank's Branch provides further details concerning the above remuneration.

The Bank also kindly informs that in connection with the Bank's intermediation within the sale and repurchase of Fund Participation Titles under the Service of the acceptance and transmission of Orders to purchase and repurchase, and deliver other statements of will concerning Participation Titles, the Bank receives a handling fee (if applicable) provided by a given Fund. Handling fees are receivable from the Client being a participant of a given Fund and they do not constitute Inducements.



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