

## TERMS AND CONDITIONS OF INVESTMENT ADVICE SERVICE PROVIDED BY BANK HANDLOWY W WARSZAWIE S.A.

### § 1

1. These Terms and Conditions set forth the rights and obligations of the Customer and of the Bank derived from the conclusion of the Agreement as well as the principles of provision of the Service by the Bank in the area of financial instruments covered by the Service. These Terms and Conditions constitute an integral part of the Agreement.
2. The rules of Service provision in the manner specified in the Terms and Conditions refer to provision of services to the Customers classified by the Bank as retail customers within the meaning of the Act.
3. The capitalized expressions in this Section 1 and in other sections hereof are defined in Section 2 hereof.

### Definitions

#### § 2

**Act** - shall mean the Act on Trading in Financial Instruments of 29 July 2005 or any legal instrument superseding the aforementioned act should the latter be revoked.

**Agreement** - shall mean the agreement on provision of the Service by the Bank.

**Apostille** - shall mean the clause defined in the Convention Abolishing the Requirement of Legalization for Foreign Public Documents drafted in the Hague on 5 October 1961.

**Asset Class** - shall mean cash (the term meaning monies or money market instruments), bonds, shares or other generically isolated financial instruments.

**Asset Sub-Class** - shall mean a group of assets isolated on the basis of the specified criteria that is part of one of the Asset Classes.

**Bank** - shall mean Bank Handlowy w Warszawie S.A. with its registered office in Warsaw.

**Business day** - shall mean a day on which the Bank operates (from Monday to Friday), except for Saturdays and bank holidays, in accordance with Polish law.

**Citibank Online** - shall mean the Citibank Online Internet Banking Service that provides access to the Customer's funds using an online connection and enables the Customer to submit instructions.

**Citiphone** - Customer service telephone line, account access service via phone.

**Currency of the Recommendation** - shall mean EUR, PLN or US dollar currency designated by the Customer in which the recommendations to buy the Investment Products are issued.

**Customer** - shall mean a natural person being a consumer within the meaning of the Civil Code or any other act amending or superseding it, being either a resident or non-resident, who has signed or intends to sign the Agreement with the Bank.

**Customer's Portfolio** - shall mean the products held by the Customer considered at the time of issuance of the Investment Recommendation by the Bank. The Customer's Portfolio shall comprise:

1. financial instruments purchased by the Customer at the Bank or with the Bank's intermediation, recorded, respectively, in securities accounts maintained in compliance with the Terms and Conditions of Investment Products or in registers maintained for the Customer of unit participation certificates of the investment funds for which the Bank has been designated as the distributor or in the securities account maintained by Bank Handlowy SA Brokerage House on the condition that the Customer has signed an agreement under which the Bank provides services consisting in accepting and forwarding orders to buy or sell securities;
2. financial instruments purchased by the Customer outside the Bank if, inter alia, as a result of their transfer, they are recorded in the accounts or registers referred to in item 1 above;
3. investment-linked insurance products and savings-oriented insurance products taken out by the Customer with the Bank's intermediation; and
4. term deposit accounts, savings accounts within the meaning of the Terms and Conditions of Bank Accounts issued by the Bank and Double Currency Investment Products within the meaning of the Terms and Conditions of Investment Products issued by the Bank.

If a product or group of products is not included in the Customer's Portfolio at the time of issuance of the Investment Recommendation, the list of such products with a note about their non-inclusion shall be found on the printout of the Investment Recommendation.

**Customer Profile** - shall mean the outcome of Knowledge and Experience Assessment and of examination of the Customer's Risk Profile carried out by the Bank.

**Customer's Risk Profile** - shall mean an examination of the Customer's overall financial situation, the Customer's objectives, investment horizon and acceptable risk level, established by the Bank based on the information provided by the Customer, as well as the information relating to the Customer held by the Bank.

**Durable Medium** - shall mean a medium enabling the user to store information addressed to them in a manner ensuring access to such information throughout the period appropriate for the purpose of processing such information and reproducing it in an unaltered form, such as a hard copy, a CD, a DVD, pen drives or PDF files or any other durable medium of equivalent functionality.

**Fund of One Asset Class** - shall mean an Investment Fund with the strategy to invest in cash (the term meaning monies or money market instruments), shares or bonds with the share and bond allocation not exceeding 10% for each of the Asset Classes.

**Fund's Assessment** - shall mean a positive, negative or neutral assessment of the Investment Fund given by the Bank. When assessing the Investment Fund, the following are considered: the Investment Fund's conduct in relation to the benchmark rate or other the Investment Funds and other qualitative factors, including change of the management company, composition of the portfolio or assessment of attractiveness of the country/region in which the Investment Fund's assets are being invested.

**Government Bond** - shall mean a debt security issued and warranted by the State Treasury.

**Investment Certificate** - shall mean a security issued by a closed-ended investment fund, not admitted to trading on the organized market, which can be bought via the agency of the Bank or Bank Handlowy S.A. Brokerage House.

**Investment Fund Shares** - shall mean participation shares of open-ended Investment Funds or participation titles of foreign Investment Funds.

**Investment Funds** - shall mean open-ended investment funds, closed-ended investment funds or foreign funds within the meaning of Act on Investment Funds and Management of Alternative Investment Funds of 27 May 2004 (as amended) in respect of which the Bank provides the Service. Investment Funds are sub-divided into Funds of One Asset Class and Mixed Funds.

**Investment Products** - shall mean financial instruments in respect of which the Bank provides the Service; i.e., Investment Fund Shares, Investment Certificates, Government Bonds and Structured Notes.

**Investment Recommendation (Recommendation)** - shall mean any personal recommendation to buy or to sell or a recommendation to buy and sell the Investment Products, issued to the Customer within the scope of the Service. The Investment Recommendation shall concern Investment Products from the Customer Portfolio and/or monies declared for the Service.  
The Bank shall issue a Sell Recommendation based on the analysis of differences between the Asset Sub-Classes in the Customer's Portfolio and the Asset Sub-Classes in the Recommended Tactical Portfolio with the reservation that the sell recommendation for the Investment Funds which have a negative Fund Assessment shall concern the total present value of the Investment Fund in the Customer's Portfolio.

**Investment Strategy (Strategy)** - shall mean any risk-avoidance, defensive, income, growth and income, growth, aggressive growth or speculative strategy. One Recommended Tactical Portfolio shall be assigned to each Strategy.

**Knowledge and Experience Assessment** - shall mean an examination of the Customer's investment knowledge and experience relative to financial instruments based on the adequate information provided by the Customer as well as the information relative to the Customer held by the Bank for the purpose of establishment whether the Investment Products or the Service are suitable for the Customer in the context of the Customer's knowledge of investing in the financial market and investment experience.

**Mixed Fund** - shall mean an Investment Fund with the strategy to invest concurrently in shares and bonds, with the allocation exceeding 10% for each of the Asset Classes.

**Mobile Application** - shall mean software installed on mobile devices made available by the Bank with access to the Internet that enables making declarations of intent or knowledge on the terms and conditions set forth in the Mobile Application Agreement. The use of the Mobile Application shall require concurrent physical presence of the Bank's representative and of the Customer.

**Personal Account** - shall mean a Citigold or Citigold Private Client bank account maintained in PLN (with the possibility of opening a Foreign Currency Sub-Account) pursuant to applicable laws, opened for the Customer and in the Customer's name by the Bank pursuant to a "Konto Osobiste Citibank" Bank Account Agreement or a Deposit Product Agreement and used for holding funds and performing some bank monetary settlements.

**Phone Line** - shall mean the phone channel for servicing the Customer, used by the Bank to perform the Agreement, including the issuance of the Investment Recommendation.

**Primary Email Address** - shall mean the email address designated by the Customer for the purpose of contact with the Bank and used in providing the Service and performing the Agreement.

**Recommended Tactical Portfolio** - shall mean the target breakdown of the Customer's investment portfolio into asset classes (cash/bonds/stocks) and Asset Sub-Classes, dependent upon the Customer Profile and the Bank's analyses of the market situation and of the behavior of individual asset classes.

**Relationship Manager** - shall mean any employee of the Bank handling the Customer who is authorized to provide the Service.

**Service** - shall mean the investment advisory service within the meaning of Article 76 of the Act provided by the Bank to the Customer on the basis of the Terms and Conditions and of the Agreement.

**Structured Note** - shall mean a debt security, not admitted to trading on the organized market, issued by an entity with the registered office outside of the Republic of Poland, tracking the performance of a market ratio which shapes the potential yield for the Customer; it can be bought via the agency of the Bank.

**Suitability Assessment** - shall mean the outcome of a suitability test of the Investment Products that considers the Customer's individual situation, i.e. Assessment of the Customer's Knowledge and Experience, the Customer Risk Profile, the level of risk and allocation of the assets of the Customer's Portfolio. Suitability Assessment is made to enable the Bank to provide Investment Recommendations suitable for the Customer, upon considering the Customer's individual situation or investment needs, in particular the capacity to suffer losses and the level of acceptable risk. Suitability Assessment is made prior to providing the Investment Recommendation.

**Suitability Report** - shall mean the report confirming the suitability of the Investment Recommendation; it shall read the reasons why the recommendation is suitable for the Customer, including the information on how it meets the objectives of the Customer and the personal situation relative to the investment term, knowledge and experience of the Customer and Customer's attitude to risk and capacity to suffer losses.

**Target Group** - shall mean the target group of buyers of financial instruments which meet their needs, characteristics and objectives, regardless of their purchase or take-up manner. The Target Group shall be established using the following criteria: knowledge and experience of Customers, financial standing of Customers, and in particular their capacity to suffer losses, investment risk tolerance, needs as well as objectives of Customers.

**Terms and Conditions** - shall mean these terms and conditions of provision of the Service by Bank Handlowy w Warszawie S.A.

**The Terms and Conditions of Investment Products** - shall mean the Terms and Conditions of provision of certain investment products-related services by the Bank.

**Transaction Status** - shall mean the notice delivered to the Customer for individual orders to buy a given financial instrument placed by the Customer; it determines the suitability of the transaction concerned in the context of the Customer's Knowledge and Experience Assessment and the information on exceeding the maximum risk of the Customer's Portfolio set upon issuance of the Investment Recommendation by the Bank. The notice is prepared by the Bank and delivered to the Customer on terms and conditions set forth in Section 10 hereof.

**U.S. Person** - a citizen of the US or a tax resident in the US. US tax resident status may be a result of:

- (i) permanent residence in the territory of the US, or
- (ii) possession of a work permit in the US (the "green card").

US tax residency may also be granted to persons who pass the substantial presence test, which in principle consists in the verification of the length of their stay within the territory of the USA over the last 3 years. More information about the test is available on the website of U.S. tax authorities (the IRS):

<http://www.irs.gov/Individuals/International-Taxpayers/Substantial-Presence-Test>.

### Scope of the Service

#### § 3

1. The Service shall be provided based on the Agreement made between the Customer and the Bank.
2. The Service shall be conditional which means that:
  - 1) the Bank is not covered by the total ban on accepting cash benefits or non-cash benefits from a third party due to Service provision. The Bank shall be authorized to collect those benefits, including a fee from issuers or providers of financial instruments covered by the Service on the terms and conditions hereof, of the Act and other laws;
  - 2) Investment Recommendations may concern both (i) solely financial instruments issued and/or provided by the entities being Bank Group (Citigroup) members and (ii) such instruments and other instruments issued and/or provided by entities other than Citigroup members.
3. Within the scope of the Service, the Bank undertakes to draft and convey the Investment Recommendation to the Customer.
4. Prior to issuing the Recommendation, the Customer shall specify: the Currency of the Recommendation and the Strategy. The Customer may designate specific Investment Fund Shares, Investment Certificates or Government Bonds that the Bank is not to consider when issuing a Sell Recommendation.
5. Subject to items 7, 8 and 9 below, the Service shall be provided exclusively in relation to:
  - 1) the Investment Fund Shares for which the Bank provides a service consisting in accepting and forwarding orders to buy or sell, excluding regular investment schemes and individual pension accounts within the meaning of the Act on Individual Pension Accounts and Individual Pension Security Accounts of 20 April 2004 or types of Investment Fund Shares in respect whereof the Customer has failed to obtain a positive outcome of the Knowledge and Experience Assessment;
  - 2) Investment Certificates which can be bought via the agency of the Bank and Bank Handlowy S.A. Brokerage House;
  - 3) Structured Notes which can be bought via the agency of the Bank and which are issued by the entities being the Bank Group (Citigroup) members or other non-group entities;
  - 4) Government Bonds which can be bought via the agency of the Bank and Bank Handlowy S.A. Brokerage House.
6. The Recommendation may concern the Investment Fund Shares, Investment Certificates and Government Bonds found within the Customer's Portfolio.
7. As to the Structured Notes, due to:
  - 1) the defined maturity,
  - 2) absence of the sufficiently liquid quotation market, and
  - 3) high transactional costs of sale,the Bank shall issue Recommendations as regards purchase of a newly issued product only. The Bank shall not issue Recommendations as regards Structured Notes after their issuance date and during their maturity term..
8. The buy recommendation may concern solely the Investment Fund Shares, Investment Certificates, Government Bonds and Structured Notes in the Currency of the Recommendation, with the reservation that:
  - a) if the Customer selects EUR as the Currency of the Recommendation and there are no Government Bonds, Structured Notes, Investment Certificates or Investment Fund Shares in EUR belonging to the Asset Sub-Class recommended to buy, the Bank may issue a recommendation to buy one or more Government Bonds, Structured Notes, Investment Certificates or Investment Fund Shares in US dollars for a given Asset Sub-Class;
  - b) if the Customer selects US dollars as the Currency of the Recommendation and there are no Government Bonds, Structured Notes, Investment Certificates or Investment Fund Shares in US dollars belonging to the Asset Sub-Class recommended to buy, the Bank may issue a recommendation to buy one or more Government Bonds, Structured Notes, Investment Certificates or Investment Fund Shares in EUR for a given Asset Sub-Class.
9. An Investment Recommendation to buy shall not be issued for the Investment Fund Shares in respect of which the Bank provides the service consisting in accepting and forwarding orders restricted to sell orders.
10. The Bank shall draft and communicate the Investment Recommendations to the Customer consistently with the rules specified in the Terms and Conditions and in the Agreement while considering the Customer's individual circumstances and based on the Customer's Profile.
11. Within the scope of the Service and at the Customer's request, the Bank may additionally transmit the document with the information about the structure of the portfolio and the planned transactions designated by the Customer. That document shall not constitute an Investment Recommendation.
12. The Customer's Portfolio may comprise the products that are not covered by the Service or in relation to which no recommendation to sell is issued, which may result in the Customer's Portfolio not reflecting the Recommended Tactical Portfolio despite execution of the Investment Recommendation by the Customer.
13. Due to the Service provision, the Bank - by virtue of internal procedures and applicable laws - shall assess whether the Investment Products covered by the Service meet the needs of the Customers provided with the Service, considering the defined Target Group of Customers; further, the Bank shall ensure that the products are covered by the Service only when they are in the interest of Customers. To that end, the Bank shall identify a proper Target Group for the given Investment Products covered by the Service. The said assessment shall be made independently from the Suitability

Assessment. The Bank shall draft, implement, apply and review the solutions used by it to provide the Service to ensure that Investment Products covered by the Service and the related distribution strategy of the Bank - within the services individually provided by the Bank - are suitable for the Target Group.

#### **Mode and terms of conclusion of the Agreement**

##### **§ 4**

1. Unless the Parties have agreed or the Terms and Conditions or the Agreement stipulates otherwise, the Agreement must be signed and the declarations of intent or knowledge in connection with the Agreement must be made in writing under the pain of nullity.
2. The Service shall be provided solely to a Bank Customer who satisfies jointly the following conditions:
  - 1) holds a Personal Account;
  - 2) has a specific Customer Profile;
  - 3) has successfully passed the Knowledge and Experience Assessment in relation to at least one Investment Product and the nature of the Service, and
  - 4) has entered into the Agreement with the Bank.
3. Should the Customer not hold a Personal Account prior to or upon conclusion of the Agreement, the Customer shall conclude a Personal Account Agreement with the Bank. The Bank states that the Personal Account Agreement may be concluded without concluding the Agreement, but no Agreement may be concluded without concluding the Personal Account Agreement. The Bank shall provide the Customer with the information on the costs and fees of Personal Account maintenance in the form of a table of fees and commissions for the Personal Account on the Bank's website at [www.citihandlowy.pl](http://www.citihandlowy.pl).
4. Aside from the Personal Account Agreement, the Bank shall not precondition Agreement conclusion or Service provision on conclusion of any other agreements concerning the services or products offered by the Bank.
5. The Terms and Conditions do not constitute an offer within the meaning of Article 66 Para. 1 of the Civil Code. The Bank may refuse to sign the Agreement with a Customer when:
  - 1) the Customer does not satisfy the requirements specified in Subpara. 2 above;
  - 2) the Customer refuses to present the information required by the Bank to examine their Customer Profile or its updates or refuses to accept the outcome of the examination; or
  - 3) the Customer is a U.S. Person.
6. The Bank shall not charge any additional fees on account of the Service
7. To enhance the quality of the Service provided by the Bank to the Customer:
  - 1) for provision of agency services as regards sale and repurchase of Investment Fund Shares and inclusion of Investment Fund Shares in the Service, the Bank shall charge Investment Funds with a fee on the terms and conditions set forth in other agreements concluded with those funds,
  - 2) for provision by the Bank of the service consisting in accepting and forwarding orders to buy or sell Securities to Bank Handlowy S.A. Brokerage House and inclusion of Investment Certificates and Government Bonds in the Service, the Bank shall charge Bank Handlowy S.A. Brokerage House with a fee on the terms and conditions set forth in another agreement. The fee can be found in the document "MiFID - Information Brochure" provided to Customers prior to Agreement conclusion.

##### **§ 5**

1. Prior to conclusion of the Agreement or the provision of the Services, the Bank shall make available to the Customer in writing:
  - 1) the terms and conditions of the Agreement (template agreement);
  - 2) these Terms and Conditions;
  - 3) information about the Bank and Service provided, including a general description of combatting conflicts of interest;
  - 4) information on the financial instruments covered with the Service and financial instruments investment risks;
  - 5) information on the manner of storage of financial instruments or funds of the Customer by third parties; and
  - 6) information on the Customer category and whether they can apply for that category change
2. The information referred to in item 1 sub-items 3) - 6) shall be provided to the Customer in a document titled "MiFID - Information Brochure".
3. At the Customer's request, the Bank shall provide the Customer with additional information on the policy for combatting conflict of interest, not included in the document titled "MiFID - Information Brochure", on a Durable Medium.
4. Prior to conclusion of the Agreement and during its term, the Bank shall inform the Customer about the identified conflicts of interest in connection with provision of the Service whenever the organizational- or administrative solutions implemented by the Bank to prevent the negative impact on the Customer's interests prove insufficient to prevent the risk of loss suffered by the Customer. Signing of the Agreement on provision of the Service shall be possible as long as the Customer confirms in writing their intention to sign the Agreement following receipt of the information about the identified conflicts of interest. The Bank shall neither conclude the Agreement with nor provide the Service under a given Agreement to more than one Customer.

##### **§ 6**

1. For the purpose of signing of the Agreement, the Customer shall submit to the Relationship Manager an official identity document (i.e. one of the following documents: an identity card issued in the Republic of Poland, a passport or a permanent residence card for a resident, and a passport or permanent residence card for a non-resident) and shall sign two counterparts of the Agreement.
2. The documents drafted in a foreign language shall be presented along with their sworn translation into the Polish language.

##### **§ 7**

1. The official documents presented by a non-resident Customer shall bear the apostille clause if drafted in the countries that are parties to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents or certified to be true copies by a Polish diplomatic or consular mission having jurisdiction over the foreigner's place of residence or by a Polish notary public.
2. The Customer shall be obliged to promptly update its data connected with the provided Service at the Bank.



## Attorneys

### § 8

1. The Customer may not appoint an attorney or attorneys authorized to enter into the Agreement or to represent the Customer in the course of performance of the Agreement.

## Analysis of the Customer Profile

### § 9

1. Prior to conclusion of the Agreement, the Bank shall conduct a Customer Profile analysis if the Customer does not possess any specific Customer Profile.
2. The Customer Profile shall be examined based on a model set by the Bank.
3. The Customer Profile shall be examined with a view to carrying out the Suitability Test. Gathering of full and accurate information shall be indispensable from the point of view of the potential to recommend the Investment Funds suitable for the Customer.
4. In the event of the Customer's refusal to provide the information required for analyzing the Customer Profile, the Bank shall decline to provide the Service.
5. The Customer shall update his or her Customer Profile, as a minimum, once in 24 months and each time the Customer's financial situation changes. The Bank may request the Customer to update his or her Customer Profile at an earlier time. Failure to update the Customer Profile shall make it impossible to issue an Investment Recommendation.
6. No change to the rules of examination of the Customer Profile by the Bank shall impact the validity of the profile. The Bank shall inform the Customer about such change before issuing an Investment Recommendation by advising the Customer about the agreed new Customer Profile.
7. When a change to the rules of examination of the Customer Profile would necessitate interpretation by the Bank of the information previously provided by the Customer, the Bank may re-examine the Customer Profile.
8. Unless the Agreement stipulates otherwise, if the Customer Profile has already been defined for the purposes of another investment service provided by the Bank, there is no need for re-defining it at the time of conclusion of the Agreement or issuance of an Investment Recommendation, unless the Bank is or should be aware of the fact that the information obtained during the previous profiling of the Customer is no longer valid.

## General rules of issuance of an Investment Recommendation

### § 10

1. Under the signed Agreement, the Bank undertakes to draft and convey the Investment Recommendation to the Customer based on the Customer's individual circumstances. The Customer's individual circumstances shall be assessed on the basis of the Customer Profile, the Customer's Portfolio, the Currency of the Recommendation specified by the Customer, the Strategy and the Investment Products designated by the Customer as not to be considered when issuing a Sell Recommendation.
2. Subject to item 4 below, the Investment Recommendation shall be issued solely in relation to the Investment Products designated in Section 3.5 of the Terms and Conditions in the physical presence of the Customer and of the Relationship Manager, including via the Mobile Application or the Phone Line.
3. The Investment Recommendations may be conveyed to the Customer in writing or via email to the Primary Email Address.
4. The Investment Recommendation can be communicated to the Customer via email on the condition that the Customer satisfies the minimum technical requirements specified in Para. 13 item 1 sub-item 8) of the Terms and Conditions.
5. Notwithstanding the communication method agreed in the Agreement, the Customer shall have the possibility to collect the Recommendation drafted in writing in person at the Bank's outlets.
6. The first Investment Recommendation shall be issued in the physical presence of the Customer and of the Relationship Manager.
7. The Bank shall be under no obligation to monitor the Customer's Portfolio and the Investment Recommendations shall be issued solely at the Customer's request.
8. In the event of a conflict of interest that would involve the risk of breach of the Customer's interests, and in the event that the organizational- or administrative solutions implemented by the Bank to prevent the negative impact on the Customer's interests prove insufficient to prevent the risk of loss suffered by the Customer, the Bank shall refrain from drafting the Investment Recommendation and shall promptly notify the Customer in writing of the essence of that conflict of interest. The actions aimed at drafting and communicating to the Customer the Investment Recommendation shall be taken after receipt by the Bank of the Customer's written consent to the drafting of the Investment Recommendation despite the identified conflict of interest, such consent to be filed with the Bank in writing.
9. The Bank shall not issue Buy Recommendations for the Investment Product when none of the Investment Products is suitable for the Customer because of the Customer's Profile.
10. When issuing a Buy Recommendation, the Bank shall assess whether the Investment Product concerned is within the Customer Target Group.
11. When issuing an Investment Recommendation the Bank shall assess - considering the costs and complexity of the Investment Product - whether there are equivalent Investment Products which can correspond to the Customer's Profile. Equivalent Investment Products shall be understood as solely the Investment Products covered by the Service. When identifying equivalent Products, the Bank shall consider in particular whether the products are within the Customer Target Group and the product-related investment risk.
12. When issuing Buy- and Sell Recommendations, the Bank shall garner and consider the indispensable information about the current investments found in the Customer's Portfolio and new investment recommendations as well as analyze the costs and benefits of issuance of Buy- and Sell Recommendations for Investment Products.
13. The Investment Recommendation shall be valid as at the date of its issuance.
14. Issuance of the Investment Recommendation by the Bank shall be conditional upon the Customer holding the minimum amount of PLN 50,000 (in words: fifty thousand Polish zlotys) within the Investment Products covered by the Customer's Portfolio, except for Structured Notes, or declared monies allocated for the Service (or an equivalent of that amount at the average NBP exchange rate from the day preceding issuance of the Investment Recommendation).
15. The Investment Recommendation may concern solely the Investment Products suitable for the Customer in the context of the Suitability Test, except for the Investment Products recommended for sale.
16. The Bank shall not conduct a periodical assessment of suitability of the issued Investment Recommendations.

## Transaction Status

### § 11

1. Under the Agreement, the Bank shall set the Transaction Status for buy orders for a given financial instruments placed by the Customer under a separate agreement concluded by the Customer with the Bank under the Terms and Conditions of Investment Products as set forth below.
2. Where the Customer places a buy order for the financial instruments covered by the Investment Recommendation and the scope or amount of that order differs from the Recommendation, the Bank shall provide the Customer with the Transaction Status.
3. Where the Customer uses CitiPhone or Citibank Online, the Bank does not assign Transaction Status, assessing transaction only in the context of the suitability for Customer's Knowledge and Experience Assessment.
4. The status of the Transactions is determined for orders referred to in items 1 and 2 placed during the applicability period of the Recommendation.

## Due diligence

### § 12

1. The Bank undertakes to provide the Service with integrity in the Customer's best interest while exercising due diligence associated with the professional nature of the Bank's business.
2. The Investment Recommendations shall be drafted and filed with the Customer consistently with the requirements of due diligence and objectivity, assurance of integrity of the drafted Investment Recommendation and with the standards of due diligence in terms of disclosure of any equitable interest and any conflict of interest at the time of their drafting or filing. When selecting any specific Investment Products, the Bank shall be guided by the Customer's best interest in terms of the Investment Recommendation's customization to the Customer's individual circumstances and customization of the Customer's Portfolio to the Recommended Tactical Portfolio while taking into consideration the risks inherent in the Customer's Portfolio and in the Customer Profile.

## Method of drafting of Investment Recommendations

### § 13

1. The Bank shall draft the Investment Recommendation in the following stages:
  - 1) Analysis of the Customer's individual financial situation based on:
    - a) the Customer Profile and the Recommended Tactical Portfolio corresponding to the Strategy selected by the Customer; and
    - b) the Customer's Portfolio, its risk level and its allocation of assets.
  - 2) Consideration, at the time of issuance of the Investment Recommendation, of the transactions independent of the Investment Recommendation that are declared by the Customer.
  - 3) The choice of the Currency of the Recommendation and of the Strategy by the Customer.
  - 4) Definition by the Customer of the sources of funding (e.g. a term deposit, a savings account or the Personal Account) dedicated to the Service.
  - 5) Determination of the share of the financial instruments covered by the Service in the Customer's Portfolio.
  - 6) Determination by the Customer of the Investment Products that are not to be considered during a Sell Recommendation.
  - 7) Drafting of the Investment Recommendation in the wording consistent with Section 15 below.
  - 8) Filing of the Investment Recommendation with the Customer in the mode defined in Section 10 above. The service consisting in providing the Investment Recommendations in the electronic format can be used on the condition that the Customer satisfies the minimum technical requirements, i.e. has an electronic device allowing access to email, an email account, an Internet connection and, additionally, software enabling the opening of pdf files.
  - 9) Filing of the Suitability Report with the Customer, together with the Investment Recommendation.
2. When drafting a recommendation, the Bank shall use recognized and common methods of Investment Products selection, including but not limited to:
  - 1) Investment Fund Shares, Investment Certificates - based in particular on the analysis of historical rates of return, the Sharpe ratio,
  - 2) Government Bonds - based on the current and projected interest rates and inflation rate,
  - 3) Structured Notes - based on the expectations as to the behavior of the underlying assets.
3. The Bank shall not consider the particular tax consequences of purchase or redemption of Investment Fund Shares, purchase or buyout of Investment Certificates or purchase or sale of Structured Notes and Government Bonds for the Customer when issuing Investment Recommendations. The Customer shall not be required to make transactions envisaged in the Investment Recommendation.
4. Due to the defined closed subscription period for Investment Certificates and Structured Notes, the buy recommendations for Investment Certificates and Structured Notes shall be issued solely when the Customer is able to place a buy order for that instrument via the agency of the Bank. For the sell recommendations issued by the Bank for Investment Certificates, the Customer shall take into account the fact that the Customer's sell order for Investment Certificates can be processed solely at the buyout date set for those certificates, which shall be no later than the issuance date of the Recommendation or the date of order placement by the Customer.
5. The Investment Recommendations cannot be treated by the Customer as any warranty or guarantee of attainment of potential or expected results on the transactions executed on the basis of those Investment Recommendations. The Customer shall take the final decision on the purchase or sale of the Investment Products being the object of the Investment Recommendation
6. Prior to providing the Service, the Bank shall render available to the Customer a list of all Investment Funds with which the former has concluded agreements providing for accepting and forwarding orders to buy or sell Investment Fund Shares or Investment Certificates. The List of Investment Funds referred to above is available on the Bank's website at [www.citihandlowy.pl](http://www.citihandlowy.pl).

## Sources of information used in drafting Investment Recommendations

### § 14

1. In particular, the Investment Recommendations shall be drafted by the Bank based on:
  - 1) available investment analyses prepared by the Bank and other investment firms;
  - 2) available analytic and information materials prepared by Citigroup companies;
  - 3) prospectuses, available reports (current, periodic and other), information on the financial instruments being or likely to be the object of an investment recommendation; and
  - 4) readily available reports, data and information relating to the current or forecast economic situation at the global, national or industry level.

## Content of an Investment Recommendation

### § 15

1. The Investment Recommendation shall include:
  - 1) its date of drafting;
  - 2) identification of the Customer for whom it has been drafted;
  - 3) information on the Customer's Risk Profile, the Strategy and the Recommendation's Currency;
  - 4) information about the percentage allocation of the Customer's Portfolio across asset classes and about the percentage allocation of the Recommended Tactical Portfolio across asset classes;
  - 5) information whether or not the Recommendation's subject is an Investment Product issued by the Group of which the Bank is a member (Citigroup);
  - 6) the list of the Investment Products designated by the Customer that shall not be considered when issuing sell recommendations;
  - 7) the list of Investment Products recommended for sale;
  - 8) the list of Asset Classes recommended for sale;
  - 9) the list of the Investment Products held by the Customer that comprise, as a minimum, one of the Asset Sub-Classes recommended for sale;
  - 10) the list of Asset Classes recommended for purchase; and
  - 11) the list of the Investment Products that comprise, as a minimum, one of the Asset Sub-Classes recommended to buy.

## Information about risks

### § 16

1. Investments into Investment Products:
  - 1) are not an obligation and are not guaranteed by the Bank or any of Citigroup affiliates or subsidiaries, save for the Investment Products issued or guaranteed by the Bank or a Citigroup subsidiary or affiliate, unless the Recommendation states otherwise;
  - 2) are not a bank deposit;
  - 3) are burdened with investment risk, including possible full or partial loss of the invested capital; and
  - 4) are not guaranteed by the Bank Guarantee Fund, the State Treasury of the Republic of Poland, save for Government Bonds, or any other government institutions.
2. Prior to taking a decision to invest in Investment Fund Shares or Investment Certificates, the Customer should read the key information for investors, the information prospectus or the issue prospectus as well as the charter of the Investment Fund to familiarize themselves with the investment risk of a given Investment Fund.
3. Prior to taking a decision to invest in Structured Notes, the Customer should read the document "Client Information", the issue prospectus and the other materials published by the issuer in accordance with law.
4. Prior to taking a decision to invest in Government Bonds, the Customer should read the issue prospectus, the information prospectus and the other materials published by the issuer in accordance with law.
5. The past performance of an investment in the Investment Products is no guarantee of future profits. The value of the Investment Products may either increase or decrease.
6. Diversification of the Customer's investment portfolio is a major factor that should be considered by the Customer when making investment decisions. Hence, when making an investment decision, the Customer should consider the risks inherent in the purchase of a given Investment Product in the context of the whole investment portfolio held, including the assets kept outside the accounts maintained by the Bank.
7. The risks inherent in investment in the Investment Products have been described in the "MiFID - Information Brochure" document handed over to the Customer upon conclusion of the Agreement and available at the Bank at the Customer's request.
8. Due to conclusion of the Agreement under which the Bank provides the Service, the Bank shall present information about all the costs and fees which the Customer may incur in consequence of Service provision, including the investment in individual Investment Products which can be the subject of the Recommendation under the Service provided ("Information on Costs Ex Ante"). The Bank shall provide Customers with the information on Costs Ex Ante costs in the form of general items of information included in the document "MiFID - Information Brochure" which the Bank shall deliver to the Customer as a hard copy or on another Durable Medium prior to conclusion of the Agreement. General Information on Costs Ex Ante includes:
  - a) information on the costs and fees relating to the provision of the Service,
  - b) information on the costs and fees relating to a specific type of Investment Products covered by the Service, and
  - c) information on the benefits accepted by the Bank from third parties (the "Incentives").
9. Where the Bank remains in a close contractual relationship with the Customer during the year, upon closing the calendar year, the Bank shall deliver to the Customer annual information on the costs and fees borne by the latter in connection with both the Service and the Investment Products covered by the Service as well as on the benefits received from third parties ("Incentives").

## Liability of the Bank

### § 17

1. The Agreement is an agreement governing exercise of due diligence by the Bank in issuing and providing to the Customer the Investment Recommendation and it does not guarantee attainment of the investment objectives envisaged by the Customer.
2. In connection with non-performance or undue performance by the Bank of its obligations arising under the Agreement, the Bank shall be liable to the Customer for any damage sustained by the Customer under the general principles of civil law.
3. The Customer shall be liable for the investment decisions taken in reliance on this Agreement.
4. The Bank reserves the right to perform modernization and upgrade works as well as regular maintenance works for the operating software and technical systems for the Account, Mobile Application, Phone Line or the website of the Bank. The Bank shall communicate the timelines of modernization- and upgrade works as well as of regular maintenance works on the Bank's website at [www.citihandlowy.pl](http://www.citihandlowy.pl). Where the modernization-, upgrade- or maintenance works are performed for the reasons beyond the Bank's control, the Bank shall communicate the start and end times of works not later than upon the start thereof.

## Market commentaries

### § 18

1. In connection with the provided Service, the Bank may additionally draft and send information materials to the Customer, including those relating to the Investment Products ("Market Commentaries"). The Bank shall provide the Customer with the Market Commentaries at the Bank branch, via the Bank's website at [www.citihandlowy.pl](http://www.citihandlowy.pl) and via the Customer's email to the Primary Email Address.
2. The use of the service consisting in provision of the Market Commentaries in the electronic format is possible on the condition that the Customer satisfies the minimum technical requirements specified in Para. 19 item 1-3 of the Terms and Conditions.
3. The Customer shall be obliged to use the Market Commentaries solely within the scope of their permitted use consistent with the purpose of their provision by the Bank. Use and modification of the Market Commentaries within a different scope shall be acceptable exclusively on the basis of an express consent granted by the Bank.

## Rules of disclosure of information

### § 19

1. For the purposes of performance of this Agreement and for the Bank to deliver to the Customer any notices and other communication in connection with this Agreement, the Customer's address for notices appropriate for any communication in connection with the Personal Account or the Primary Email Address shall be used.
2. The Customer shall be required to ensure free space in his/her electronic mailbox in order to receive messages sent by the Bank as part of the service provided via email.
3. The Customer shall ensure that persons able to receive emails sent to the indicated address are authorized to receive the information contained in the communications sent to that address.
4. The Bank advises that the use of email or Internet data transmission methods involves the risk of unauthorized access to the transmitted data if intercepted, modification of the transmitted data, and loss of confidentiality of the transmitted data outside of the Bank's control.
5. The Bank hereby notifies the Customer that it shall record phone calls and save electronic mailing pertaining to the Service as far as admitted by law. The Bank shall perform the foregoing even when the calls made or mailing exchanged do not lead to conclusion of transactions or placement of orders concerning the financial instruments covered by the Service by the Customer.
6. The Bank shall:
  - 1) record and archive documents, recordings and other information carriers made or received in connection with the Services provided, and
  - 2) make on the Durable Medium the reports, memos from the trade talks conducted in the direct presence of the Customer or prospect and Bank representative.
7. The Bank hereby notifies that a copy of the conversations and correspondence with the Customer will be made available at the Customer's request for a period of five years and, if required by the Polish Financial Supervision Authority, for up to seven years.
8. All the phone call recordings and records of communications with the Customer may be used as evidence. At the Customer's request, the Bank shall provide the Customer with a copy of the report, recording or memo referred in item 6 sub-item 2 and in item 7 above.

## Rules for lodging complaints and the complaints procedure

### § 20

1. The Bank shall accept complaints from the Customers:
  - a) in writing - lodged in person at the Bank's branch during the business hours of the Bank's branch or sent to the following address:  
Customer Complaint and Query Handling Department  
Bank Handlowy w Warszawie S.A., ul. Golezowska 6  
01-249 Warszawa
  - b) verbally - by phone or in person for the record during the Customer's visit to the Bank's branch  
Individual customers, phone: 801 32 24 84 or +48 22 692 24 84;  
Citigold individual customers, phone: 800 22 46 53 or +48 22 692 24 84 when calling from a cell phone.  
Connection rates: 801 32 24 84 - rate per 1 impulse + VAT the operator's rate apply per each started 3 minutes;  
+48 22 692 24 84 - the operator's current rates apply.
  - c) electronically - to the Bank's e-mail address, through Citibank Online after logging in via the "Contact the bank" tab and on the [www.citihandlowy.pl](http://www.citihandlowy.pl) website using the complaint form.  
The current contact data enabling lodging a complaint shall be available at the Bank's website ([www.citihandlowy.pl](http://www.citihandlowy.pl)).



2. On the Customer's demand, the Bank shall confirm receipt of a complaint in writing or otherwise as may be agreed with the Customer.
3. The Customer shall have the possibility to have a complaint lodged by an attorney holding a power of attorney granted in writing with a notarized signature, in the form of a notarized deed or granted by the Customer at the Bank's branch in writing in the presence of an employee of the Bank.
4. Lodging of a complaint immediately after the voicing of reservations by the Customer shall facilitate and accelerate its thorough processing by the Bank unless that circumstance has no impact on the method of processing of the complaint.
5. The Bank may require the Customer to present the supplementary information and documents as long as their presentation is necessary for processing of the complaint.
6. In order to enable swift and effective processing of the complaint, it is recommended that the complaint comprises the name and surname, PESEL number or identity document number, description of the event to which it refers, designation of the deficiency that is the object of the complaint, provision of the surname of the employee handling the Customer (or the circumstances enabling his or her identification) and, when any damage is sustained, express specification of the Customer's claim on account of the identified irregularities, and a signature consistent with the specimen signature card kept at the Bank.
7. The Customer shall be informed about the outcome of processing of the complaint without undue delay, however not later than within 30 days of the date of receipt of the complaint by the Bank.
8. In the especially complex cases preventing the processing of and responding to a complaint within the time limit referred to in item 7 above, the Bank shall, in the information communicated to the Customer:
  - 1) explain the reason for the delay;
  - 2) designate the circumstances that must be established for the case to be considered; and
  - 3) indicate the anticipated date of processing of the complaint and of making a response thereto that cannot exceed 60 days from the date of receipt of the complaint.
9. The Bank may respond to the lodged complaint:
  - 1) in writing on paper to the Customer's current address for notices;
  - 2) using another durable medium; or
  - 3) via email at the Customer's request, to the Customer's email address provided to the Bank.
10. The Bank hereby notifies the Customer that the latter has the right to the following procedures enabling out-of-court settlement of disputes:
  - a) for the lawsuits up to PLN 12,000 - by using alternative dispute resolution procedure through institution of the procedure in accordance with the Rules of the Bank Consumer Arbitration before the Bank Arbitrator acting at the Polish Bank Association; website: [www.zbp.pl/arbitrator](http://www.zbp.pl/arbitrator). The Bank hereby notifies the Customer that the Bank's participation in the procedure before the Bank Arbitrator is mandatory;
  - b) by petitioning the Financial Ombudsman to review the case or through the alternative dispute resolution procedure before the Financial Ombudsman; Financial Ombudsman's website: <http://rf.gov.pl>. The Bank hereby notifies the Customer that the Bank's participation in the procedure before the Financial Ombudsman is mandatory;
  - c) by using the alternative dispute resolution procedure before a court of arbitration at the Polish Financial Supervision Authority, in compliance with its rules; the website: [http://www.knf.gov.pl/regulacje/Sad\\_Polubowny](http://www.knf.gov.pl/regulacje/Sad_Polubowny). The Bank hereby consents to participation in the alternative dispute resolution procedure for consumer dispute resolution
11. Prior to making a decision to settle the dispute in the court of arbitration, the Customer should read the rules of the court and obtain information about the applicable fees.
12. The Customer shall be authorized to file a lawsuit against the Bank with the common court of jurisdiction over the registered office of the Bank. A proprietary lawsuit against the Bank may be brought before a court in whose district the main company or its branch is located, provided the claim pertains to the business of that main company or its branch.
13. A lawsuit concerning the conclusion of the agreement, determination of its content, amendment to the agreement and determination of existence of the agreement, enforcement, termination or annulment of the agreement, as well as a lawsuit seeking an indemnity on the grounds of non-performance or undue performance of the agreement may also be brought before a court having jurisdiction over the place of performance of the agreement.
14. The Customers may send any feedback, suggestions or comments concerning the services provided by the Bank to the Customer Ombudsman at the Bank, at the following address:  
Bank Handlowy w Warszawie S.A.  
Customer Ombudsman  
ul. Golezowska 6  
01-249 Warszawa  
[rzecznik.klienta@citi.com](mailto:rzecznik.klienta@citi.com)

### **Term. Termination** **§ 21**

1. The Agreement has been signed for an indefinite term.
2. The Agreement may be dissolved by way of its termination by either party subject to a 30-day period of notice, counted from the date of the Customer's notice of termination of the Agreement, to be filed in writing under the pain of nullity and, in the case of termination by the Bank, from the date of service upon the Customer of the notice of termination of the Agreement, to be filed in writing under the pain of nullity.
3. The Bank may terminate the Agreement for valid reasons only such as:
  - 1) discontinuance of the Service by the Bank on terms and conditions set forth herein;
  - 2) discontinuance of fulfilment by the Customer of the conditions required for the signing of the Agreement and derived from the Terms and Conditions.
4. The Agreement shall be dissolved upon the Customer's death.
5. The Bank shall not outsource any individual activities constituting the Service.
6. For the avoidance of doubt, the Parties to the Agreement shall have no contractual right to withdraw from the Agreement

## Amendment of the Terms and Conditions

### § 22

1. The Bank reserves the right to amend the Terms and Conditions in the following cases:
  - 1) changes to the Bank's IT system if such changes impact the provision of the Service by the Bank and do not prejudice the Customer's interests;
  - 2) change to the scope, manner or form of performance by the Bank of the activities covered by the Terms and Conditions arising from the changes to the laws and regulations impacting the provisions of the Terms and Conditions
  - 3) the need to rectify editorial or booking mistakes, and also to ensure that the provisions of the Terms and Conditions are explicit, whereby the scope of duties is not extended and the scope of Customer's rights is not limited.
2. The Bank shall further be authorized to amend the Terms and Conditions in terms of the fees incurred by the Customer in consideration of the Service provided by the Bank in the event of:
  - 1) expansion of the scope or introduction of an additional form or functionality of the Service previously provided under the Agreement, to the extent those changes are not prejudicial to the Customer's interests;
  - 2) introduction of the amount of the fee, or its increase up to or decrease down to the level, incorporating:
    - a) the costs involved in compliance with the newly issued or amended existing recommendations, directives or decisions of the entities overseeing the Bank's operations, impacting the costs incurred by the Bank in connection with provision of the Service;
    - b) the costs arising in connection with the issuance of new or amendment of generally applicable laws and regulations governing performance of the Agreement, impacting the costs incurred by the Bank in connection with provision of the Service.
3. The Bank shall notify the Customer of every amendment to the Terms and Conditions ahead of its effective date. The Bank shall notify the Customer of an amendment to the Terms and Conditions or the new Terms and Conditions on a Durable Medium via email to the last Primary Email Address designated by the Customer or in writing to the last address for notices designated by the Customer and appropriate for the Personal Account. The changes shall bind upon the Customer from the day they are introduced, as specified by the Bank, unless the Customer terminates the Agreement within 14 days of the service of the notice about the amendments to the Terms and Conditions or about the new Terms and Conditions. In the event of termination of the Agreement by the Customer as a result of an amendment to the Terms and Conditions, the Agreement shall be dissolved after the lapse of 30 days from the date of service of the notice of termination. The previously applicable Terms and Conditions shall apply during the period of notice.

The Terms and Conditions shall take effect as of 03.01.2018