



The Central Register of Beneficial Owners

Beneficial Owner identification

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Bank Handlowy w Warszawie S.A.

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Who is the Beneficial Owner in your company?

Beneficial owners are defined as natural person or natural persons who exercise, directly or indirectly, control over a customer. In the case of a customer being a legal person other than a company whose securities are admitted to trading on a regulated market and are subject to information disclosure requirements arising from the European Union law or corresponding regulations of a third country:

- a natural person being the customer's stakeholder or shareholder holding the ownership title of more than 25% of the total number of stocks or shares of such a legal person,
- a natural person holding more than 25% of the total number of votes in the customer's governing body, also as a pledgee or a user, or under agreements with other persons authorised to vote,
- a natural person exercising control over a legal person or legal persons holding the ownership title of more than 25% of the total number of stocks or shares of the customer or jointly holding more than 25% of the total number of votes in the customer's governing body, also as a pledgee or a user, or under agreements with other persons authorised to vote,
- a natural person exercising control over the customer, through holding, in relation to such legal person, powers referred to in Article 3(1)(37) of the Accounting Act of 29 September 1994 (Journal of Laws of 2018, items 395, 398 and 650), or
- a natural person holding a senior management position, in the case of documented lack of possibility to determine the identity, or doubts regarding the identity of natural persons defined in the first, second, third and fourth indent, and in the case of failure to confirm the suspicion of money laundering or terrorist financing,

How to understand the definition

- **a natural person being the customer's stakeholder or shareholder holding the ownership title of more than 25% of the total number of shares of such a legal person,**



- ✓ A case when the beneficial owner of a legal person is a natural person/are natural persons who hold(s)/own(s) more than 25% of shares.
- ✓ If the shareholder or stockholder is another company/are another companies which own(s) more than 25% of shares, the identification process needs to be more thorough and the ownership structure of the company needs to be analysed in order to identify natural persons with the ownership right above the statutory threshold.
- ✓ Please note! In the case of complex ownership structures, the analysis needs to be carried out through the entire path or until the moment when it is impossible to identify natural persons meeting the ownership threshold.

How to understand the definition

- a natural person holding more than 25% of the total number of votes in the customer's governing body, also as a pledgee or a user, or under agreements with other persons authorised to vote,



- Example of a case when the beneficial owner of a legal person is a natural person/are natural persons who hold(s) more than 25% of votes at a General Meeting/Shareholders' Meeting, including a pledgee or user, including on the basis of contracts/agreements with other entitles entitled to vote.
- **In this scenario, one should take into account if:**
 - a shareholder is privileged in terms of voting rights
 - there are voting agreements between shareholders
 - the shares are encumbered with a pledge or right of usufruct.

How to understand the definition

- **a natural person exercising control over a legal person or legal persons holding the ownership title of more than 25% of the total number of shares of the customer or jointly holding more than 25% of the total number of votes in the customer's governing body, also as a pledgee or a user, or under agreements with other persons authorised to vote,**



- This case relates to a natural person who controls (but does not hold more than 25% of shares in a legal person/legal persons, if the legal person/legal persons has/have more than 25% of the overall number of voting rights (not shares) in our client's company, including as a pledgee, user on under agreements.

How to understand the definition

- a natural person exercising control over customer, through holding, in relation to such legal person, powers referred to in Article 3(1)(37) of the Accounting Act of 29 September 1994 (Journal of Laws of 2018 items 395 and 398 and 650),



- Exercising control over another entity means the right to determine the directions of development of financial and operating policy of another entity, in order to achieve economic benefits from its operation;
- Exercising joint control over another entity means the ability of a partner of a co-subsiary to direct, on equal terms with other partners, financial and operating policy of the entity, in order to jointly achieve economic benefits;
- A significant impact is the ability (without the characteristics of control or joint control) to influence financial and operating policy of another entity, in particular by:
 - participation in decision-making regarding distribution of profit or coverage of loss,
 - being a member of the management, supervisory or administrative body,
 - carrying out material transactions with the entity,
 - providing the entity with technical information that is significant for its business,
 - the right to appoint and dismiss members of the management, supervisory or administrative bodies,
 - holding not less than 20% of the overall number of votes in the entity's decision-making body.

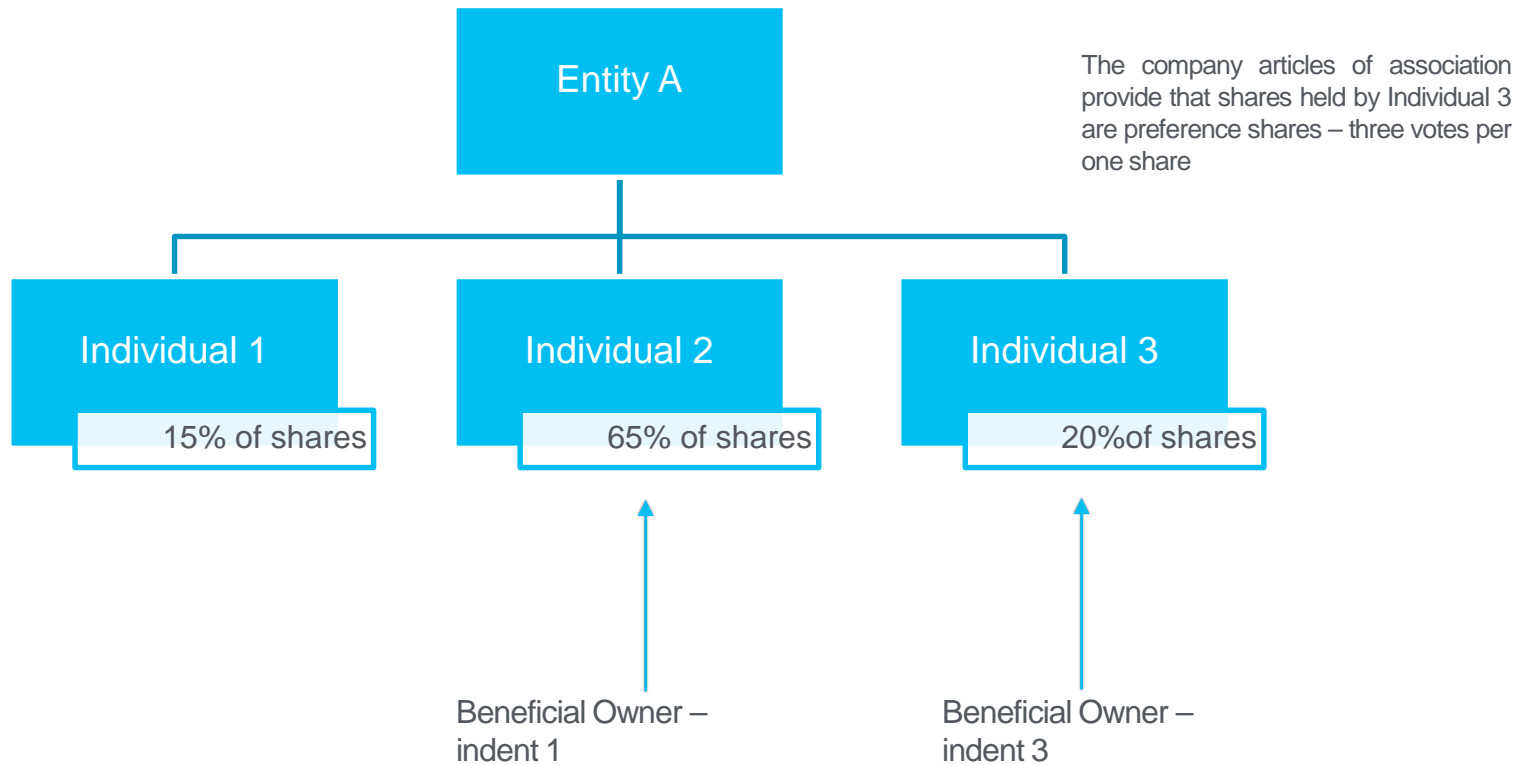
How to understand the definition

- a natural person holding a senior management position, in the case of documented lack of possibility to determine the identity, or doubts regarding the identity of natural persons defined in the first, second, third and fourth indent, and in the case of failure to confirm the suspicion of money laundering or terrorist financing,



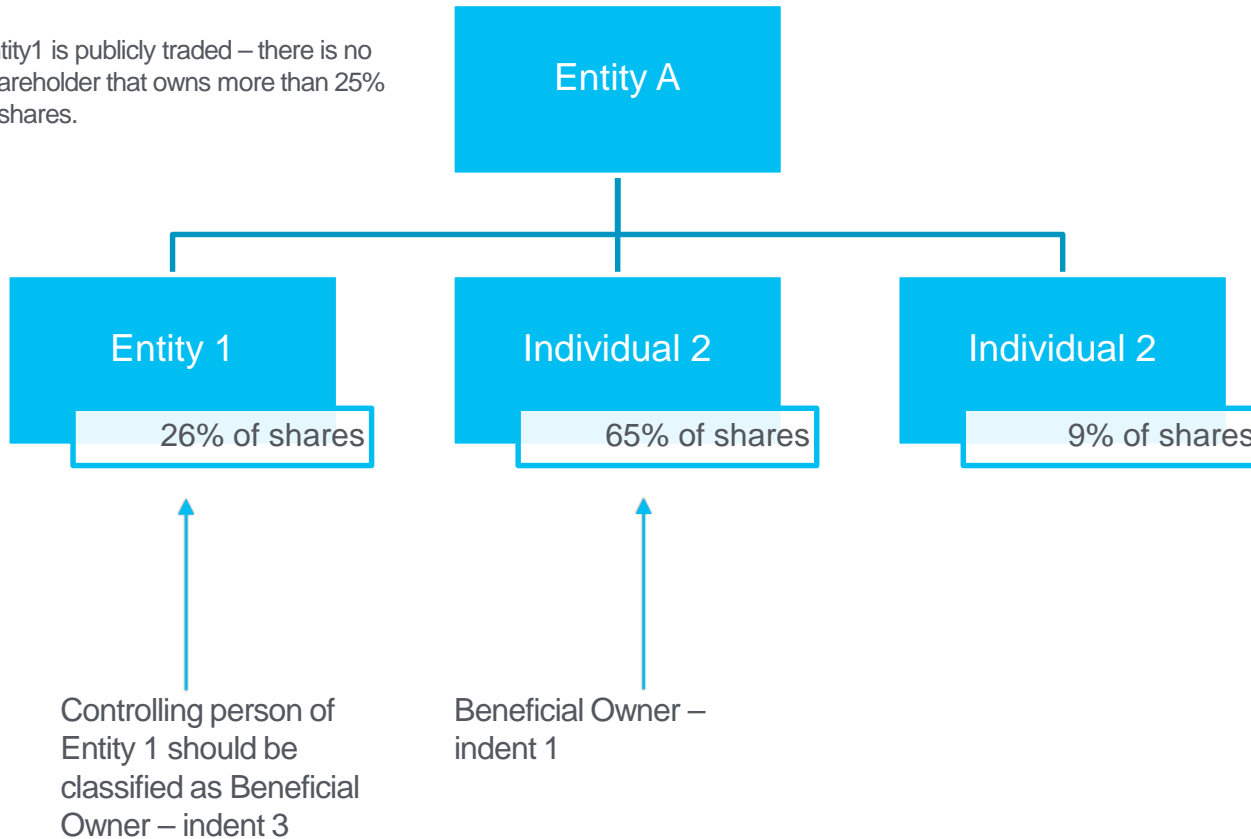
- The provisions of indent 5 may be applied only when there is documented evidence demonstrating the impossibility to identify a beneficial owner under indents 1-4.
- A company should be able to demonstrate that it has taken all appropriate measures to identify beneficial owners on the basis of indents 1-4.

Example 1

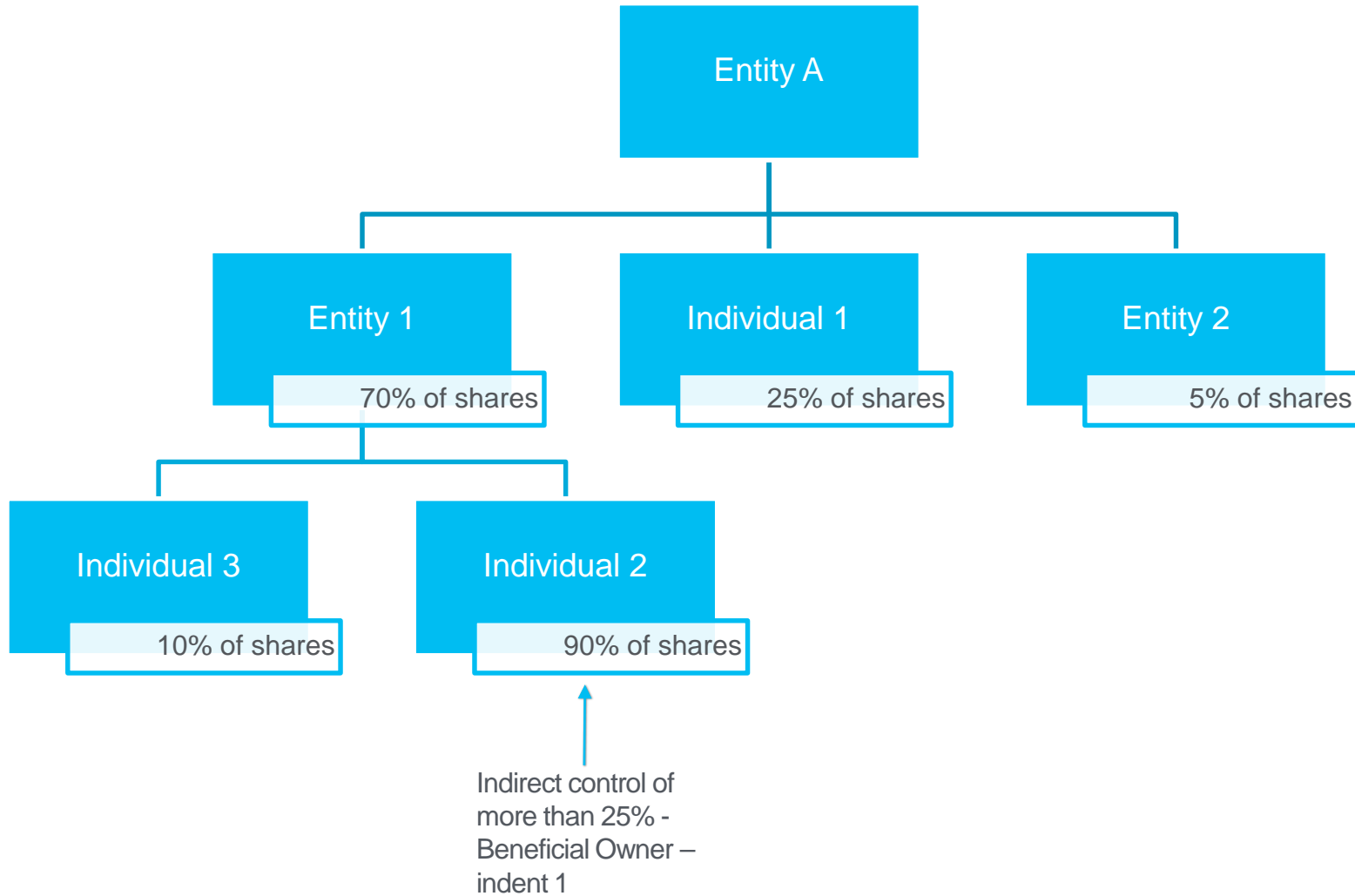


Example 2

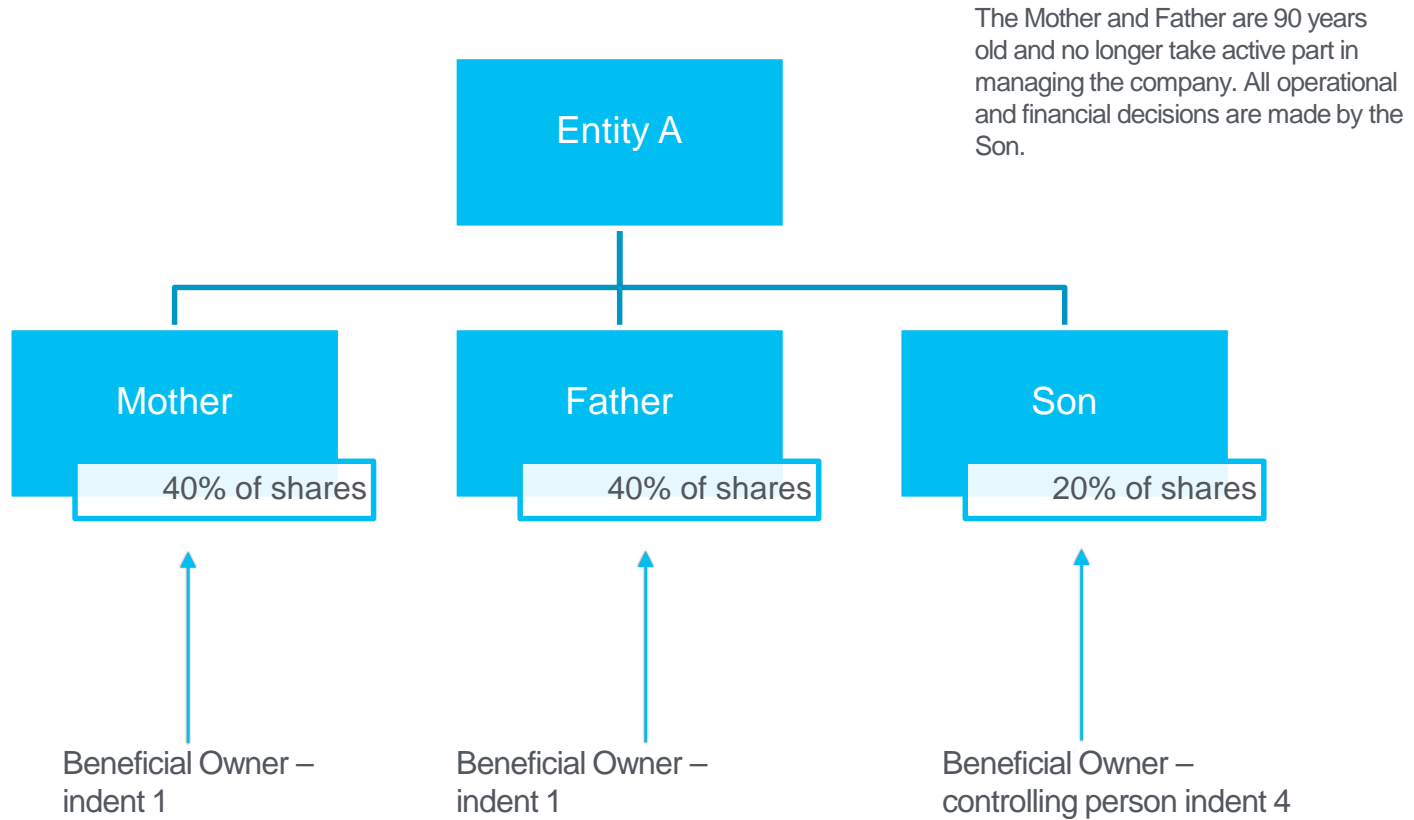
Entity1 is publicly traded – there is no shareholder that owns more than 25% of shares.



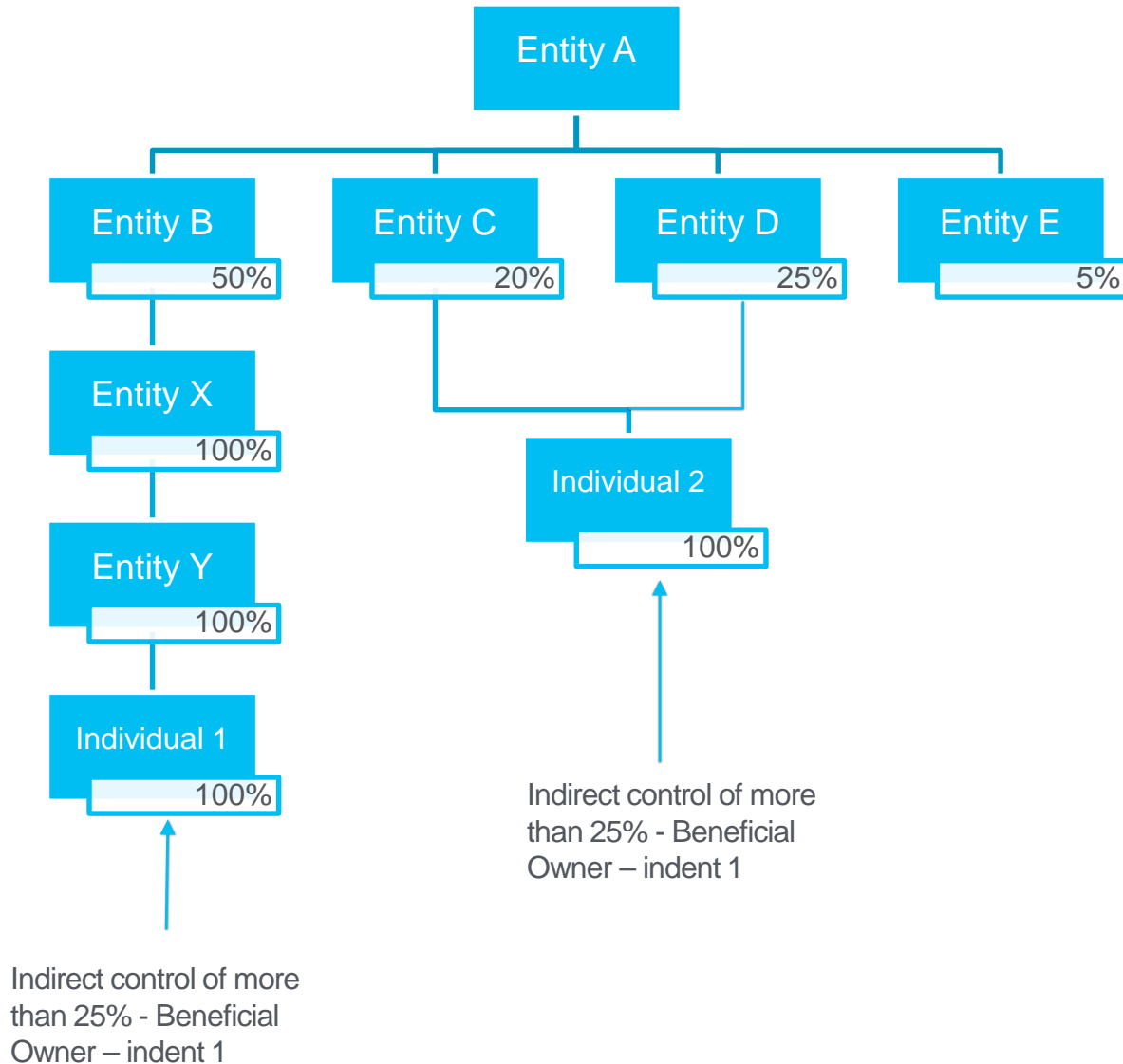
Example 3



Example 4



Example 5



The logo for Citi Handlowy features the word "citi" in a lowercase, sans-serif font with a red arc above the letters "i" and "t". To the right of "citi" is the word "handlowy" in a larger, lowercase, sans-serif font. A registered trademark symbol (®) is located at the top right of the word "handlowy".

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