



1. INFORMATION ABOUT SANTANDER BROKERAGE POLAND AND ITS SERVICES

Capital Group

Santander Brokerage Poland (Santander Biuro Maklerskie) is a separate organisational unit of Santander Bank Polska S.A. (Bank) conducting brokerage activities.

Registered office:

al. Jana Pawła II 17
00-854 Warszawa

Correspondence address:

al. Jana Pawła II 17
00-854 Warszawa

Website:

www.inwestor.santander.pl

Registered by the District Court for the capital city of Warsaw, 13th Business Division of the National Court Register (KRS) under KRS 0000008723. Share capital: PLN 1 021 893 140 paid up in full. NIP 896-000-56-73.

Contact points

Clients may contact Santander Brokerage Poland in the following way:

- a) in connection with orders and instructions¹: in person at the Brokerage Service Point or at Santander Brokerage Poland's registered office, or via electronic channels (telephone, Internet, Bloomberg and Thomson-Reuters systems);
- b) in connection with all other matters (except for the ones referred to above): in writing, to the correspondence address indicated above.

Languages in which Santander Brokerage Poland provides services

1. Santander Brokerage Poland provides its services in Polish and provides Clients with information and materials in Polish, subject to the provisions of sub-section 2 below.
2. Selected types of services, information and documents are provided to Clients in English in the following circumstances:
 - a) it has been agreed so with the Client,
 - b) in the absence of a Polish version of information and documents which are not produced by Santander Brokerage Poland,
 - c) use of English terms typical for the financial instrument trading industry,
 - d) with respect to selected investment analyses, financial analyses and other general recommendations concerning trades in financial instruments.

In each case, Santander Brokerage Poland reserves the right to deliver to the Client (concurrently or at a later date) a Polish translation of entire or a part of the above-mentioned information or documents, also as an explanation of the meaning of certain English terms. Santander Brokerage Poland is not obligated to prepare or provide such translations. Unless otherwise specified, the English version of such information provided is binding.

¹the ways in which Clients can contact Santander Brokerage Poland with respect to matters related to submitted orders and instructions are set out in their relevant brokerage services agreements; contact details are provided to Clients prior to when they enter into their agreement;

License

Santander Brokerage Poland operates pursuant to a license issued by the Polish Financial Supervision Authority (in Polish: Komisja Nadzoru Finansowego). Santander Brokerage Poland is subject to supervision by the Polish Financial Supervision Authority.

Polish Financial Supervision Authority (KNF)

Registered office:

ul. Piękna 20, 00-549 Warszawa
phone: (+48 22) 262 50 00, (+48 22) 262-58-00
fax (+48 22) 262 51 11 (95)
e-mail: knf@knf.gov.pl
www.knf.gov.pl

Range of provided services

Santander Brokerage Poland provides the following services:

1. receiving and transmitting orders to buy or sell financial instruments on the Polish market and on foreign markets;
2. executing orders to buy or sell financial instruments on behalf of individuals placing orders;
3. buying and selling financial instruments on its own account;
4. offering financial instruments;
5. providing services under firm-commitment underwriting and stand-by underwriting agreements and other similar agreements involving financial instruments;
6. providing additional services in connection with firm-commitment underwriting and stand-by underwriting agreements;
7. safekeeping or registering financial instruments, including maintenance of securities accounts, derivative accounts, omnibus accounts or cash accounts;
8. preparing investment analyses, financial analyses and other general recommendations concerning transactions in financial instruments;
9. advising companies on the structure of equity assets, business strategy or other aspects related to the equity structure or business strategy;
10. providing advisory and other services related to mergers, demergers and acquisition of businesses;
11. providing investment advisory;
12. providing foreign currency services when connected with brokerage services to the extent referred to in sub-sections 1-5 and 11.

2. CLIENT CATEGORISATION, PRINCIPLES OF TREATING CLIENTS BASED ON THEIR CATEGORISATION, INFORMATION ABOUT POSSIBLE REQUEST FOR CHANGING THE ASSIGNED CATEGORY

Santander Brokerage Poland classifies its Clients to provide them with an adequate level of security and protection. The protection involves providing Clients with relevant information, examining suitability and appropriateness of offered services or products, applying relevant policies towards Clients in a given category and performing other obligations as per the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, legal acts issued pursuant thereto (the "MiFID") and the Regulation of the Minister of Finance of 30 May 2018 on determination of the detailed technical and organisational conditions for investment firms, banks referred to in Article 70(2) of the Financial Instruments Trading Act, and custodian banks (the "Regulation"). Santander Brokerage Poland categorises Clients into retail and professional clients, including eligible counterparties. According to MiFID and the Regulation, the highest degree of protection should be offered to retail clients and the lowest to eligible counterparties. In accordance with MiFID and the Regulation, in the case of professional clients, Santander Brokerage Poland:

- is not obliged to assess the suitability and appropriateness of the services and products offered to professional clients,

- is not obliged to develop Brokerage Services Regulations and the rights and responsibilities of both Santander Brokerage Poland and professional client related to the provision of brokerage services are set forth in the Brokerage services agreement.

List of selected information disclosed to Clients based on the assigned category

Scope of protection and information	Retail client	Professional client	Eligible counterparty
Appropriateness and suitability test	■	–	–
Brokerage Services Regulations	■	–	–
Detailed information about Santander Brokerage Poland and provided services	■	■	■
Information on existing conflicts of interest that could cause damage to the Client's interest	■	■	■
Information on financial instruments and risks related to investing in such instruments	■	■	■
Information on inducements	■	■	■*
Santander Brokerage Poland's Best Execution Policy	■	■	–
Confirmation of transaction execution provided after transaction execution	■	■	■*
Information on securing Client's financial instruments or funds	■	■	■
Information about assigned client category, including information about the right to request a different categorisation	■	■	■

* It is possible to narrow the scope of disclosed information.

Each Client may at any time request Santander Brokerage Poland in writing to assign different categorisation than originally assigned by Santander Brokerage Poland – in particular, a professional client may request Santander Brokerage Poland in writing to be categorised as a retail client in the scope defined in its written request. If a Client opts for a category with a lower degree of protection, Santander Brokerage Poland will accept the request, provided the Client meets the criteria set out in MiFID or in the Regulation. Even when the Client meets the requirements, Santander Brokerage Poland may refuse to assign the Client to a category with a lower protection, particularly to ensure optimum protection to the Client.

3. INFORMATION ABOUT FINANCIAL INSTRUMENTS, SERVICES AND RISK

Santander Brokerage Poland emphasizes that prior to making any investment decision, the Client should thoroughly review the information about particular financial instruments and the associated risk. To help Clients make informed decisions, Santander Brokerage Poland explains the nature of individual financial instruments, their principles and performance in various market conditions.

Santander Brokerage Poland informs that risk is an inherent part of each investment. The degree of risk varies and depends on the type of financial instrument being the subject of investment. Taking any investment decision requires, among others, assessment of the future income and related risk. Investing in financial instruments is associated with the risk of losing some or all invested funds, or even bearing additional costs. Santander Brokerage Poland emphasizes that the price of financial instruments is affected by many factors that are or may be independent of the issuers and results of their performance, such as economic, legal, political or tax conditions. When investing in financial instruments traded in foreign execution venues, the Client should take into account additional risks detailed in the section on investments in foreign execution venues below and remember that using credit facilities

or deferred payment facilities triggers a leverage which means a potential higher rate of return but also higher losses.

Santander Brokerage Poland highlights the risk of inflation understood as the risk of decline in the purchasing power of the funds invested in a financial instrument. The impact of the inflation may mean that the actual rate of return on an investment will be lower than in nominal terms and that the purchasing power of the invested funds will decline compared to their power at the investment date. If the inflation is high or extremely high, the return on the investment on a nominal basis may be insufficient to cover the cost of holding the investment understood as the level of inflation over the investment period, thus resulting in an actual negative rate of return on the investment. Prior to their investment, the Client should consider the impact of the inflation risk on its profitability.

It should be remembered that the investment risk depends also on portfolio diversification, i.e. the mix of financial investments held by a given investor. Smaller diversification of portfolio composed of financial instruments from different issuers and issuers from different industries translates into a higher investment risk, i.e. a significant decline in the value of one financial instruments making up such a portfolio will have a greater impact on the overall performance of that portfolio when compared to a more diversified portfolio.

The risk description presented in this document is by no means exhaustive. Information about individual investment products and associated risks is provided also by the issuers in prospectuses, information memorandums as well as trade and issue terms and conditions. Information is also supplied by specialist information services, Komisja Nadzoru Finansowego (www.knf.gov.pl) and Warsaw Stock Exchange (www.gpw.pl). Materials and guidelines for investors are available on the said websites.

Information on historic high yields from particular investments or services does not guarantee similar performance at present or in the future and should not be construed as anticipated or achievable results.

EQUITIES

Equities are equity financial instruments which represent a share of ownership in a company and its assets. An equity entitles the holder to a membership in a joint stock company and, at the same time, defines the scope of the shareholders' rights and responsibilities. The rights of shareholders include property and corporate rights. The property rights include the right to a dividend and to a proportional stake of the corporate assets upon liquidation of the company. The corporate rights also encompass the right to attend the general meetings of shareholders, the right to receive information about the company's performance and voting rights. Ownership of equity shares is not only associated with rights but also with particular risks. One of the key risks inherent in investments in equities is fluctuation of their value dictated by the market. When a company performs well, both its value and the stock price increase and investors may receive a dividend. However, in a free market economy based on the principle of competition, other scenarios are also possible, such as difficulties with selling the products, no profits or even bankruptcy. While being aware of the opportunities of a successful business for unlimited stock value growth, investors should not forget about a possibility of a market price drop or, in extreme cases, a total impairment of shares if a company goes bankrupt. Dematerialised shares (i.e. in an electronic form) are traded on a regulated market.

Risk factors

The key risk factors of investments in equities are associated with the financial standing of the issuers. The main categories of risk include:

- macroeconomic risk – related to the capital market sensitivity to domestic and global macroeconomic factors, in particular including the economic growth rate, degree of macro-economic imbalance (budget, trading and current turnover deficit), volume of consumer demand, size of investments, interest rates, the inflation rate and inflation trends, commodities prices and price trends and the geopolitical situation;
- industry risk – shares of companies operating in particular industry sectors are exposed to specific types of risk, in particular including increased competition, drop in demand for products offered by the industry and technology changes; diversification of investments across various sectors may help limit the industry risk;
- company specific risk – all shares are exposed to risks related to the performance of particular companies, such as the quality of management, change of the business strategy or business model, changes in the corporate governance arrangements or the dividend policy; force majeure circumstances affecting the operations of the company, conflicts between the shareholders, and agency costs; diversification of investments may effectively reduce company specific risk.

In addition to the risks described above, ownership of shares is subject to a number of general risks associated with investments in regulated instruments, such as liquidity risk or a risk of suspending or withdrawing an instrument from organised trading. The liquidity of some shares, in particular those of lower capitalisation and traded outside the key stock markets (e.g. Warsaw Stock Exchange) may be limited which in turn may hamper the divestment in the assumed timeframe and adversely impact the expected yield.

Shares are characterized by a substantial price volatility, particularly in a short-term perspective. A longer term investment horizon may mitigate the risk of share price fluctuation.

ALLOTMENT CERTIFICATES

Allotment certificates are financial instruments of a nature similar to equities. They entitle the holders to take up new share issues of public companies. The rights originate upon allocation of shares and expire upon their registration in a depository of securities or upon the District Court's decision refusing to record a share capital increase in the register of entrepreneurs becoming final.

The purpose of allotment certificates is to reduce the time between the allotment of newly issued shares and their first listing on a regulated market. Allotment certificates, however, do not offer their holders the same benefits as shares in the same company. Share issuers are not obliged to each time offer newly issued shares in the form of allotment certificates prior to their registration.

Risk factors

Investment in allotment certificates is associated with the same risks as those described for equities investment. Additionally, Clients should be aware of the fact that if the court refuses to register a share issue, the issuer will be obliged to repay the holder of the allotment certificates the funds paid during the subscription according to the share issue price, regardless of the actual price paid for allotment certificates.

Allotment certificates are characterised by considerable price volatility, often higher than in case of the company's shares. Assuming that the court registers a new share issue, extension of the investment horizon will reduce the degree of price fluctuation risk inherent in the allotment certificates to the level typical of that company's shares.

SUBSCRIPTION RIGHTS

Subscription rights apply to planned issues of new shares by a company. This means that the existing shareholders are privileged in buying new shares. This right is important due to the fact that if a new group of shareholders were to take up new stock, it would result in a so called 'capital dilution' i.e. reduction of percentage holdings of the current shareholders versus the total value of the share capital. By exercising their subscription rights, the shareholders can retain their current level of holding in a joint stock company.

In the case of shares admitted to trading on the regulated market, an important characteristic of the subscription rights is that they can be traded independently as an autonomous type of securities. This means that the current holders of the existing shares may resign from their right to take up new shares by selling such right on a regulated market. Furthermore, new shareholders (those who were not shareholders before the new share issue) wishing to acquire newly issued shares may do it by purchasing the subscription rights.

The General Shareholders' Meeting, while adopting resolutions regarding a new share issue, may decide to exclude the subscription rights of existing shareholders.

Risk factors

Investments in subscription rights are subject to the same risk factors as those characteristic of investments in equities. Additionally, the period when subscription rights are listed is usually very short (from a few days to a few weeks). If the subscription rights are not sold on the last trading day, the Client should thoroughly analyze the need to subscribe to a new issue of shares by exercising their rights. Thus, the Client should always remember that the subscription right is a financial instrument with a specified expiry date. If a holder of subscription rights fails to subscribe to a new share issue or sell the rights during the period of their listing on a regulated market, they will not receive any compensation upon the expiry of the rights.

Subscription rights exhibit considerable price volatility, often much higher than in the case of shares of the same company.

FUTURES

Futures are financial instruments which represent a kind of contract between two parties, a buyer who undertakes to buy and the seller who undertakes to sell an underlying instrument at a predetermined future price and date (i.e. expiry date) or to make an equivalent cash settlement. Value of a futures contract depends on the value of the so-called underlying instrument. The underlying instruments for futures contracts may include stock indices, currencies, company shares, interest rates and bonds. Volatility of underlying instrument value entails volatility of the derivative value.

Although the purchase or sale of a futures contract is equivalent to a commitment to accept or deliver a particular underlying instrument in the future, in the case of majority of future contracts traded on Warsaw Stock Exchange the settlement is actually effected in cash.

Futures contracts are traded in the so-called series. One series encompasses all contracts with the same delivery date.

A buyer or seller of a futures contract is said to have an open position (a long or short position, respectively). The holder of a futures contract may keep it until the delivery date or withdraw from the market at any time (close the position). The buyer of a futures contract (holder of a long position) who wants to close the position must sell the

contract with the same delivery date. The seller of a futures contract (holder of a short position) who wants to close the position must buy the contract.

The Client buying/ selling a futures contract is required to place an initial margin as collateral for the settlement of the obligation towards the counterparty. The minimum margin value placed with an investment firm is determined by the competent clearing house (e.g. National Depository for Securities) responsible for clearing and underwriting all transactions executed on the market. In most cases, it is updated on a daily basis. Daily market settlements are made, resulting either in a margin call or a margin refund. If the margin call requirement is not met, Santander Brokerage Poland reserves the right to close the Client's open positions or to take other actions provided for in the Regulations. Futures contracts have an embedded leverage meaning that the margin represents only a part of the transaction's value. The leverage enables opening a position with a relatively higher value than the value of initially invested funds. This allows to generate a higher profit while investing only a small amount, i.e. the margin, however there is also a risk of incurring a loss higher than the value of invested funds.

The price of a contract is denominated, among others, in index points, Polish zloty or percentage points, and its value can be determined by multiplying the price by a relevant multiplier. Multiplier values differ depending on contract classes (underlying instruments of the futures contracts). For example, the price of futures contracts quoted on WIG20 (FW20) varies marginally by 1 index point. The PLN value of changed price contract by 1 index point depends on the multiplier, i.e. 20 for contracts quoted on WIG20. Consequently, each change by 1 point translates into PLN 20 loss or profit. Detailed information about different types of futures contracts traded on the WSE may be found on the website: www.gpw.pl.

Risk factors

Investments in futures contracts are subject to all types of risk factors typical for the underlying instrument. Additionally, an inherent characteristic of investments in the futures contracts (listed on WSE) is the base risk, i.e. a risk that the price of the derivative instrument may differ from the theoretical value of the underlying instrument.

Because of limited capital requirements at the time of opening a futures position (placing a margin instead of paying the entire value of the contract; use of financial leverage), **investments in futures contracts bear a high investment risk and are not suitable for all investors**. The level of profit or loss on the investment is determined based on the value of the futures contract understood as the product of the futures price and the multiplier. The value is purchased by the investor for a fraction part of it, which is determined on the basis of the level of margin. Thanks to the leverage effect, the investor has a share in the multiplied return on the investment, both profits as well as losses. The Client should take into account not only the possibility of losing all the capital invested but also a possibility of suffering a potential loss exceeding the value of the initial margin.

Liquidity risk – the liquidity of some futures contracts is significantly lower than the liquidity of the relevant underlying instruments (e.g. futures contracts for shares). Additionally, liquidity of contracts with the longest expiry dates is also limited.

The volatility of contracts quotations is similar to the volatility of underlying instruments, subject to the differences arising from the base risk, however it should be magnified by the leverage.

OPTIONS

An option is a derivative in the form of a contract, whereby the holder has a right to buy (call option) or sell (put option) an underlying instrument at a strike price fixed on the expiry date, i.e. a right to exercise the option. Both call options and put options can be purchased or put on sale by the Clients.

WIG20 index is an underlying instrument for options traded on WSE. Obligations resulting from options are cleared exclusively in the form of cash settlement.

Similarly to contracts, options are traded in series. One series encompasses all options of a given type with the same delivery date. In the case of options listed on WSE, the last trading day for each series is the third Friday of the delivery month.

A buyer or seller of an option is said to have an open position. The holder may keep it until the delivery date or withdraw from the market at any time (close the position). The buyer of an option who wants to close the position must sell the option with the same expiry date and the same strike price. The seller of an option who wants to close the position must buy it.

Depending on the type of position held (purchase – long position, sale – short position), the yield profiles of individual positions differs significantly. The purchase of a call option and sale of a put option offer a possibility of making profit when the value of the underlying instrument goes up. The purchase of a call option and the sale of a put option offer a possibility of benefiting from a drop in the value of the underlying instrument. The maximum profit of the Client with a long position on options (buyer) is unlimited while the maximum loss represents the equivalent of the premium paid at the time of opening the position (increased by a transactional fee). The maximum profit of the Client with a short position on options (seller) represents the equivalent of the premium received at the time of opening the position (less the transactional fee) while the maximum loss is unlimited.

In the case of options listed on the WSE, the premium is equal to a transaction value multiplied by a relevant multiplier. The multiplier value depends on the type of the underlying instrument. Detailed information about different types of option contracts traded on the WSE may be found on the website: www.gpw.pl.

The Client opening a long position on options has to pay a premium. The Client opening a short position on options contributes a margin. The minimum margin value is determined by the competent clearing house (e.g. Central Securities Depository of Poland) responsible for clearing and guaranteeing all transactions executed on the market. In most cases, it is updated on a daily basis. Daily market settlements are made, resulting either in a margin call or a margin refund. If the margin call requirement is not met, Santander Brokerage Poland reserves the right to close the Client's open positions or to take other actions provided for in the Regulations. Options have an embedded leverage meaning that the margin represents only a part of the transaction's value. The leverage enables opening a position with a relatively higher value than the value of initially invested funds. This allows to generate a higher yield while investing only a small amount, i.e. the margin, however there is also a risk of incurring a loss higher than the value of invested funds.

The major factors of significance in the case of options include volatility and time. The higher the volatility of an underlying instrument, the higher the option price. In general, the shorter the time until the option expiry, the lower the value of the option.

Risk factors

Investments in options are associated with all risk factors typical of the underlying instrument of an option contract. Additionally, there is no universal method to determine the value of the option prior to its expiry date, therefore the Client should be aware that the market price is the reflection of market expectations as to the future performance of the underlying instrument and that there are no fixed points of reference.

The maximum loss of the Client with a long position on options (purchase of call or put options) equals the invested capital. Because of limited capital requirements at the time of opening a short position (placing a margin instead of paying the entire value of the contract) and the embedded leverage, **investments in options bear a high investment risk and are not suitable for all investors**. The level of profit or loss on the investment is determined based on the value of the option understood as the product of the option price and the multiplier. The value is purchased by the investor for a fraction part of it, which is determined on the basis of the level of margin. Thanks to the leverage effect, the investor has a share in the multiplied return on the investment, both profits as well as losses. If an option is issued, the Client should take into account not only the possibility of losing all the capital invested but also a possibility of suffering a potential loss exceeding the value of the initial margin.

The market risk resulting from dependence on the underlying instrument is increased by the financial leverage effect. The value of the initial investment, i.e. the option price multiplied by a multiplier (in the case of an option purchase) or the margin (in the case of an option sale) is low compared to the value of the underlying instrument. Thus, even minor fluctuations in the price of the underlying instrument have a proportionally bigger effect on the value of the option position.

The risk of time lapse – the price of an option depends on the time to its expiry. The approaching expiry date may trigger a drop in the option value, even when the price of the underlying instrument remains unchanged. Hence, the impact of time is detrimental to the buyers of call options and put options.

The risk of underlying instrument volatility – trends in the volatility of the underlying instrument affect the value of the option. The higher the volatility of the underlying instrument, the higher the option value and the lower volatility the lower the option value.

Liquidity risk – the liquidity of options put on sale, in particular including the share options, is very low.

Options are characterized by very high volatility of quotations.

WARRANTS

Warrant is a security with an issuer and issue prospectus (one for all series). The issuer undertakes to irrevocably and unconditionally pay the settlement amount to authorised warrant holders. In case of a call warrant, the settlement amount is the positive difference between the price of the underlying instrument and the strike price set by the issuer while in the case of a put warrant, the settlement amount is the positive difference between the strike price and the price of the underlying instrument. The issuer's obligation may be performed both by cash delivery or delivery (i.e. purchase or sale, respectively) of the underlying instrument at the strike price.

There are subscription and option warrants. Subscription warrants are very similar to options; however, only the issuer of the underlying instrument (company) may be the issuer (holder of a short position). Therefore, subscription warrants are actually a combination of an option with subscription rights. Option warrants are identical to subscription warrants with the only difference being the warrant issuer. Unlike subscription warrants issued exclusively by issuers of the underlying instruments, option warrants can be issued by banks and other financial institutions, e.g. brokerage houses for shares of other companies traded on an organized exchange market. The difference between option warrants and options is that the first are issued while the latter are created at the time of signing an agreement.

Moreover, from the point of view of the warrant exercise time, two types of warrants are distinguished: European warrants (call or put) and American warrants (call or put). A European warrant may be exercised only on a date predefined by the issuer (referred to as the expiry date). An American warrant, on the other hand, may be exercised at any time selected by the Client until the expiry date.

Risk factors

The risk factors associated with investments in warrants are identical with the risk factors for option contracts from the perspective of the holders of long positions.

Market risk – leverage mechanism may generate both high profits and significant losses.

Liquidity risk – warrants are characterised by low liquidity.

Warrants are characterized by very high volatility of quotations. In the case of option warrants, the risk of potential insolvency of the issuer should also be remembered.

BONDS

Bonds are debt securities, i.e. the sale of bonds is equivalent to taking out a loan by bond issuers from the bond holders. Bonds may be purchased directly from the issuer (issued in tranches every few months) or on the secondary market from the holders of bonds purchased in earlier issues.

The loan is repaid as cash obligations at a strictly predefined time with interest calculated based on the terms and conditions of bond issue. The value of the loan is the nominal value of bonds and the repayment date is the bonds redemption date.

Bonds are divided primarily based on the nature of the issuer. There are government bonds (issued by governments), municipal bonds (issued by local authorities) and corporate bonds (issued by companies). For many institutions, proceeds from the bond issue are the key source of financing capital expenditures. From investors' perspective, government bonds represent a very important class of assets. Despite the low interest rate, given the low likelihood of government bankruptcy (in particular in developed countries), bonds are treated as assets with the lowest investment risk.

Bonds are also classified based on the type of bondholder. According to the foregoing classification, there are registered and bearer's bonds. The registered bonds are issued for the benefit of a specific person, the attached rights have to be transferred and the document handed over. Bearer's bonds may be transferred simply by handing them over to the buyer by the seller.

Given the redemption date, bonds may be categorised into short, mid and long-term bonds. It is assumed that short-term bonds are redeemed within a year, mid-term bonds from 1 to 1,5 year and long-term bonds in more than 5 years. As for the interest rate, there are fixed and variable interest rate bonds (coupon bonds) and zero-coupon bonds (in the case of which the cumulated interest is paid at the redemption).

Bonds are classified also according to the type of issue. There are bond private placements addressed to maximum 149 Clients and public placements available to an unlimited number of investors.

There is a special type of bonds, i.e. subordinated bonds, issued by banks and companies. Unlike ordinary bonds, subordinated bonds give the issuer the option to defer or even withhold payment of interest or bond redemption. In the case of the issuer's bankruptcy or liquidation, the bondholders are satisfied at the end, after other creditors, equally with the entity's owners. This means that the subordinated bonds bear a higher risk.

Risk factors

Credit risk – the risk of insolvency of the issuer, guarantor, or underwriter of the security or the financial instrument meaning that the debtor may be unable to fulfil the repayment obligation. This risk is particularly important in the case of corporate bonds.

Interest rate risk – change in the price of fixed interest rate bonds in the event of a change in the market interest rate. When the interest rates go up, the price of the bonds decreases, while when the interest rates go down – it increases. In the case of T-bills and securities with a floating interest rate, the risk is low. The longer the time to maturity of fixed-rate instruments, the higher the risk.

Risk of reinvestment – a risk that the return rate on debt securities assumed by the Client will not be achieved due to the reinvestment of coupon funds in lower interest-rate instruments.

Risk of bond price in the future – the unpredictability of the bond price generates the risk of losing part or all of the invested capital.

Risk of early redemption by the issuer – risk that the issuer will announce early redemption. This risk refers to bonds embedded with an opt-out clause giving the issuer the right to redeem the bonds before their maturity without the consent of the bondholder.

Fx risk – refers to bonds denominated in foreign currencies. The risk covers the impact of fx rate fluctuations on payments made by the issuer for the benefit of the investor.

Inflation risk – a risk that inflation fluctuations will not allow to achieve the assumed bond yield in a given time horizon.

Bonds are characterized by limited price fluctuation.

INVESTMENT CERTIFICATES OF CLOSED-END INVESTMENT FUNDS

Investment certificates are securities issued by closed-end investment funds. The value of investment certificates depends on the value of the fund's investment portfolio. Closed-end investment funds, compared to open funds, provide for a wider range of investments, including: futures transactions, derivative rights, currencies, and even shares in limited liability companies, i.e. options unavailable in the case of open-end funds (as per the law) which gives the managers a greater flexibility in selecting strategies and investments. A closed-end investment fund may be established for a specific period of time. The fund's existence ends with liquidation proceedings involving redemption of the investment certificates and payment to the fund members of financial equivalent of the number of investment certificates held by each member multiplied by the final settlement value of the certificates. Investment certificates may be offered as part of private placement or in a public offering. They may also be traded on the stock exchange.

Risk factors

Investment certificates are characterized by all risk factors associated with the participation units.

Bearing in mind the wider investment opportunities, closed-end investment funds and their investment certificates may be subject to a higher risk than open-end funds.

Closed-end investment funds are not required to revalue their assets as frequently as open-end investment funds.

The market price of investment certificates may not reflect their actual value.

Liquidity risk – in the majority of cases the liquidity of investment certificates is low.

The fluctuation of the valuation of investment certificates differs depending on the fund type, however, usually is not higher than the volatility of individual shares.

ETN

ETN (Exchange Traded Notes) is a structured product being a financial instrument, usually an unsecured debt of the issuer, the price of which depends on the price of the underlying instrument (e.g. stock indices, shares in domestic and international companies, exchange rates, derivative instruments or baskets of: shares, commodities or stock indices). When buying an ETN, the investor is not provided with the ownership of the underlying instruments, the prices of which are used as the basis for determining the level of the payout. ETNs are issued by financial institutions, usually banks or brokerage houses. Each structured product listed on the stock exchange needs to have an issue prospectus (may be the same for many products) and the issue Final Terms presenting all essential information about the instrument and the issuer. Prior to buying a structured instrument, investors should analyze the legal terms and the structure of the instrument provided in such documents. ETNs include ETCs (Exchange Traded Commodities) or Exchange Traded Currencies – the investment policy of such instruments may involve the physical purchase of underlying financial instruments or any other assets or derivative instruments based on such assets.

There are two major types of structured products:

- products providing full capital protection (safe instruments) – offer the Client a pre-determined share in potential profits and, at the same time, give a 100% guarantee of invested capital payout (usually at maturity date set out in the issue documentation and not earlier, unless the issuer provides for an option for the Client to demand an early redemption);
- products offering partial capital protection or products without capital protection (high risk instruments) – offer the Client a potentially higher share in potential profits, but also the Client's share in the losses generated by the product can result in a partial payout of invested capital, no such payout or even the Client's obligation towards the issuer of the ETN.

The ETN instruments include:

- Index-linked Certificates – instruments tracking the underlying instrument on a 1:1 basis; their value is determined as the product of the value of the underlying instrument and the subscription rate. The subscription rate is a certain pre-defined fraction of the underlying instrument which you can get for a single certificate.
- Bonus Certificates – financial instruments that provide a partial capital guarantee. The certificate's mechanism enables the investor to get profits as long as the prices of the underlying instrument do not fall below an established safety barrier. If the prices are above the maximum payout (the so-called cap) or below the barrier, the value of the certificate tracks the value of the underlying instrument. A mechanism

providing an additional bonus for exceeding the maximum payout (cap value) can also be an element of the instrument's structure.

- Discount Certificates – instruments providing no capital protection. The investor acquires the certificate at a discount to the underlying instrument's price which constitutes also the upper limit of the return for the investor if the price of the underlying instrument falls to the established barrier level. If the price of the underlying instrument falls below the barrier, the investor suffers a loss. If the price of the underlying instrument falls below the initial price, but not below the barrier, the investor gets a portion of the bonus resulting from the discount, proportional to the change in the price of the underlying instrument. When the prices rise above the so-called cap, the cap marks the maximum possible return for the investor.
- Factor Certificates – financial instruments with a mechanism enabling the investor to limit the level of capital loss to the initial amount paid to buy (Factor long certificates) or sell (Factor short certificates) the instrument. Such instruments have a fixed leverage embedded in them and have no maturity date. The daily fluctuations in the value of such instruments derive from the changes in the underlying instrument's price; the value is the product of the percentage change on the price of the underlying instrument and the factor. In the case of instruments based on futures contracts on underlying instruments, the position rollover costs have to be included.
- Turbo Knock Out Certificates – financial instruments with variable leverage depending on how far the price of the underlying instrument is from the barrier level. Turbo Knock Out Long Certificates allow the investor to benefit from rising prices (long certificates) or falling prices of the underlying instrument (short certificates). The knock-out mechanism makes it possible to protect the investor against losses exceeding the level of the initially invested capital. In the case of long certificates – if the price of the underlying instrument touches the barrier or falls below the established level, the certificate is purchased by the issuer at the final price agreed in accordance with the certificate issue terms. In the case of short certificates – if the price of the underlying instrument touches or rises above the established barrier, the certificate is purchased by the issuer at the residual value. When buying a leveraged certificate (certificate involving leverage), the investor somehow buys the underlying instrument, e.g. a share for a fraction of its market price. The remaining part is covered by the issuer who buys (or sells) the relevant share securing the certificate bought by the investor.
- Reverse Convertible Certificates – the investor who purchased the instrument is paid the stated coupon interest rate at maturity, regardless of the final value of the underlying instrument. Such instruments have a pre-defined coupon rate, redemption date and conversion rate indicating the number of underlying instruments per certificate. Additionally, if at the redemption date the price of the underlying instrument is at the level of the exercise price or above that price, the investor gets the nominal value of the certificate, and if the price is below, they get the physical underlying instrument in an amount resulting from the conversion rate.

Risk factors

It is impossible to determine a general risk profile of structured products due to the unlimited range of possible investment strategies. It is possible to develop low risk investment strategies comparable to the risk of investing in bonds as well as strategies whose catalogue of risks matches more the risks related to investments in derivatives such as options or futures.

Investments in structured products generate many risks, of which the most important ones include:

- issuer risk – one of the main risk factors affecting the value of ETNs is the assessment of the financial credibility of the issuer as the ETN's value is impacted by the credit rating of the issuer, for example the value of the ETN could decline due to a downgrade in the issuer's credit rating, even though there was no change in the underlying instrument. An ETN could also be redeemed or closed before maturity; the issuer might also suspend ETN issuances or there might occur the risk of the issuer suspending the calculation of net assets value;
risk of missing collateral – risk associated with lack of full coverage in assets reflecting the value of the ETNs;
- concentration risk – the instruments might be concentrated in very narrow market sectors, which means that an ETN may have a considerable share in a given market sector;
underlying instrument risk – if the listing of the underlying instrument is suspended, the ETN will not be listed either;
- investment policy risk – the method of executing the ETN investment policy might be confidential and the policy might involve elements of financial engineering instead of a direct investment in underlying instruments;
- risk of missing information – risk associated with the portfolio composition not being updated on an ongoing basis;

- investment horizon risk - certain ETNs, e.g. leveraged or inverse ETNs, are for short-term investments, e.g. for holding periods of a few days. Over a longer period, the rate of return on such products may differ a lot from the investment multiplier and the underlying instrument's price;
- financial leverage – it is embedded into certain ETNs, which means that the profits and losses for the ETN holder might be several-times higher than the changes in the underlying instrument's price.

Exchange Traded Funds

Exchange Traded Fund (ETF) is an open-end investment fund traded on the stock exchange tracking the performance of a given index (stock, commodities, bonds) or a basket. Like other investment funds, ETFs are governed by relevant regulations. Depending on the instrument, they are characterised by various levels of liquidity and the option to create and redeem units (called certificates) on a daily basis. ETF units are traded on the stock exchange on the same terms and conditions as equities. Participation titles in ETFs are securities. As ETFs are listed in a continuous trading system, an investor can make short, mid and long-term investments. The majority of most popular ETFs is available on international markets. Given the wide range of available ETFs, before making any investments, the Client should read carefully the detailed specification of each instrument and related risks.

Risk factors

Investments in ETFs are subject to all risk factors related to an underlying instrument whose rate of return is represented by a given investment fund. In the case of ETFs issued on the basis of equity markets indices, their capital risk (price volatility) is higher than the risk associated with bonds or other fixed-income securities. Investments in ETFs are associated with a counterparty risk resulting from the use of financial instruments related to a credit institution and its potential failure to perform its obligations resulting from such instruments. Furthermore, investors investing in ETFs are exposed to the risk of inaccurate representation of an underlying instrument's rate of return.

Global Depository Receipt/American Depository Receipt

Global Depository Receipt (GDR) is a marketable financial instrument introduced by the custodian bank to trading on the regulated markets outside the USA, e.g. in Germany. Depository bank issues depository receipts based on shares purchased on a given regulated market and blocked on the depository bank's accounts. Most frequently, 1 GDR equals 10 shares yet any other number is possible.

American Depository Receipt (ADR) is a marketable financial instrument introduced by the depository bank to the American regulated market. Depository bank issues depository receipts based on shares purchased in trading systems other than American regulated markets and blocked on the depository bank's accounts. Most frequently, 1 ADR equals 10 shares yet any other number is possible.

Risk factors

Risk factors related to GDRs and ADRs, in addition to the risk factors related to foreign investments, are similar to the risk factors related to equities.

FOREIGN FINANCIAL INSTRUMENTS

Risk factors

Foreign financial instruments issued by international entities under third-country laws, including instruments which, being subject to trading on a foreign regulated market, were admitted to organised trading in Poland, are subject to all risk factors applicable to a given class of financial instruments which were described above. Additionally, a number of other risk factors should be taken into account, in particular:

- risk of fluctuations in the currency in which a financial instrument is settled on a foreign market relative to Polish zloty currency, including both the impact of changes in the exchange rate on the value of the financial instrument from the perspective of a domestic investor as well as the value of proceeds from this instrument (e.g. dividend);
- risk of limited (delayed) access to information resulting from language barriers or a differing legal regime with respect to information requirements; this particularly applies to situations when foreign financial instruments issued by a given issuer were admitted to trading on a regulated market or an alternative trading venue in the territory of the Republic of Poland without the said issuer's consent; this issuer is not subject to the information requirements arising from the Polish law; foreign issuers may additionally be bound by information requirements to a different extent than that arising from the Polish law or the EU law;
- legal risk arising from the fact that foreign financial instruments were issued under third-country laws, which may imply different rights and obligations of investors; an extreme example could be significantly different rights of an investor related to the delisting of a financial instrument or the issuer's bankruptcy or liquidation; additionally, foreign investors may, to some extent, not be subject to the jurisdiction of Polish courts;

- risk associated with corporate actions – management of corporate actions such as pre-emption rights, dividends, share purchase or AGMs may significantly differ from domestic standards potentially known to the investor;
- tax risk – the investor's tax obligations may differ significantly depending on the country in which the financial instrument was issued and depending on the investor's individual situation;
- risk associated with market effectiveness which could lead to differences in the valuation of a foreign financial instrument in different trading systems, taking into consideration the applicable exchange rate;
- risk associated with exiting an investment in foreign financial instruments, especially when a given financial instrument is delisted from the market in which it had been purchased by the investor; it may particularly mean a need to: (i) expand the scope of provided brokerage services to include the execution of orders in foreign markets and (ii) sell (in a foreign market) a foreign financial instrument previously purchased in the trading system within the territory of the Republic of Poland and, consequently, incur additional costs;
- risk of inability or limited ability to exit the investment; the trading hours in foreign markets as well as the trading days may differ from the trading hours and days when the domestic markets operate.

Instruments available on foreign markets are characterised by higher liquidity due to their global nature. The volatility of investments in foreign assets may be higher due to exposure not only to fluctuation of the financial instrument prices, but also to FX rates fluctuation.

The trading hours and days of foreign markets may differ from the trading hours and days of domestic markets. This may be particularly important to Clients investing in financial instruments issued by a foreign issuer which were admitted to trading, without that issuer's consent, in a regulated market or an alternative trading venue within the territory of the Republic of Poland.

ADVANCED ORDERS

Advanced orders are special type orders placed on the futures contracts market.

All entered orders are fully automated and give the Client the option to create investment strategies by developing new order types and enjoying full flexibility without the need to continuously monitor the market.

- The first type is the **ToC – Take or Cut**.

The key objective is to protect the Client's position – both realise the profits and protect the invested capital.

ToC order combines two related orders. The first (Take) is a limit order (price limit) to realise profit from the investment. The second (Cut) is a stop-loss order in the case of a wrong investment. Those orders are closely correlated – if one is executed or activated in the stock exchange sheet, the other is automatically cancelled by Santander Brokerage Poland. Additionally, if one order is executed partly, the volume of the other order will be automatically adjusted to the first one.

- **Step Stop Limit / Loss (SSL)** is a second type of an advanced order.

It is a dynamic stop order allowing to maximise profits from investments or limit losses. SSL adapts to changes in prices on the market based on the parameters pre-defined by the investor. A buy order in a sheet will move down (activation limit will decline) in response to a falling price in order to maximise the investor's profit on their short position. If the price unexpectedly goes up, the profit will be realised on the maximum possible level. The order works similarly to minimise losses. The principles of SSL are the same for a sell order. A Stop Loss order allows the Client to increase the profit while the loss may be smaller than originally assumed by the Client.

- The third type of order is **SToC – Speed Take or Cut**

This order combines three various orders (primary and secondary) and is dedicated to day-traders only. SToC allows to open an order at any time during the session and to guarantee a profit or limit the loss without switching on a computer. The Speed order, being an integral part of SToC order, combined with a Take and Cut order, gives Santander Brokerage Poland the chance to offer unique opportunities to the investors. The principles of Take and Cut orders are the same as for ToC order. The order serves as an auxiliary tool to plan investment strategies based on technical analyses and allows to take advantage of sharp price fluctuations often occurring after announcement of cyclical macroeconomic data. An investor plans the price level for opening a position, the level of profit and acceptable loss. Santander Brokerage Poland takes care of the rest and places the order at the right time. The Client does not need to monitor the trading/quotations.

Automated modifications of advanced orders are made based on quotations of financial instruments published by WSE and monitored online by Santander Brokerage Poland.

Placed advanced orders, unlike standard orders, cannot be modified (the Client may cancel an order and place a new one with new parameters).

Detailed information about advanced orders can be found on the website www.bm.santander.pl.

Risk factors

Risk factors typical for advanced orders are the same as in the case of futures contracts.

SHORT SALE

Short sale enables the sale of financial instruments without the requirement to own them at the time of placing a sell order. In the case of short sale transactions profit is generated on the fall in the share value. The Client needs to have an investment account and place a relevant instruction with Santander Brokerage Poland to activate the short sale. Santander Brokerage Poland defines financial instruments subject to short sale.

The Client can place a short sale instruction provided they hold adequate margin on the account as required by Santander Brokerage Poland. By the settlement day, at the latest, the Client is obliged to hold financial instruments in the amount representing the amount of instruments which were subject to short sale. If the Client fails to deliver financial instruments, Santander Brokerage Poland may disburse a loan until the transaction is settled (provided such a service is available in line with Santander Brokerage Poland internal regulations) or buy back financial instruments.

The investor may execute short sale in anticipation of a price decline of specific securities. In the case of actual decline, the gross profit represents the difference between the proceeds from the sale of borrowed securities and the money paid for their buy back. The net profit on the investment account is the gross profit less remuneration for the lender (for the loan) and fees of the brokerage house (for the purchase and sale of shares). If, contrary to expectations, the price of a given security rises above the sale price, the investor will suffer a loss.

Risk factors

Short sale transactions are associated with the same risks as in the case of investments in equities and bonds. The primary risk is the settlement risk as it is uncertain whether the investor executing a given transaction will acquire and deliver sold securities within the settlement period.

Additional costs of a loan generated in the lending period pose another risk.

There is also the so-called shortsqueeze risk. This refers to securities with a high number of open positions (i.e. sold for a short period). Should investors with short positions decide to close them at the same time, high demand for specific securities is observed (high value of buy orders) which might translate into artificial price growth. Shortsqueeze refers in particular to securities characterised by lower liquidity.

RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS

Reception and transmission of orders to buy or sell financial instruments as well as execution of orders on account of the parties placing such orders are major elements of investment firms' core business. Both these types of services are intended to result in a transaction to buy or sell a financial instrument on the basis of the Client's order.

Reception and transmission of orders to buy or sell financial instruments involves the investment firm's commitment to receive and transmit orders to buy or sell financial instruments through:

- 1) reception and transmission of orders to buy or sell financial instruments to another party, such as an issuer, an issuer of financial instruments other than securities or a party offering a financial instrument, for their execution or;
- 2) putting two or more entities together in order facilitate a transaction between them.

Execution of orders to buy or sell financial instruments is understood as the buying or selling of financial instruments on account of the party placing such orders or carrying out any other activities in which financial instruments are involved resulting in the same. . Execution of orders to buy or sell financial instruments may also involve the investment firm's entering into, on its own behalf, financial instruments purchase or sale agreements with the parties placing such orders or reception of subscriptions for the financial instruments issued by the investment firm in question.

In practice, the execution of orders usually means the reception of an order to buy or sell a financial instrument, issuance of a brokerage order and its transmission to the execution venue (e.g. the Warsaw Stock Exchange, of which the brokerage house is a member). As part of such services, the brokerage house buys or sells financial instruments on its the Client's account – by issuing a brokerage order on the basis of the Client's order or entering into a transaction with them. Whereas in the process of reception and transmission of orders, the brokerage house transmits the Client's order to a third party who executes the order by entering into the transaction.

Risk factors

Risks associated with such services primarily depend on the object of the investment, i.e. the type of financial instrument that the Client invests in. The Client may face the risk of losing a portion or all of the invested funds, or even bearing additional costs (applies to financial instruments with an embedded leverage such as options or futures).

Operational risk associated with the order being not executed or being executed in an untimely or inadequate manner (e.g. as a result of an employee's error or IT system breakdown) by the brokerage house or the party to

which the order was transmitted for execution (the foreign broker in the case of order reception and transmission services).

4. INFORMATION OBLIGATIONS OF SHAREHOLDERS

Santander Brokerage Poland informs you that the buying or selling of financial instruments may trigger additional obligations for the buyer or seller towards third parties, in particular the obligation to disclose information about votes held (notifications of Polish Financial Supervision Authority and the company) in case of achieving or exceeding the defined threshold of votes in a public company specified in the Act on public offering and conditions of introducing financial instruments to organised trade and public companies (Journal of Law from 2016, item 1639, as amended). These obligations of a buyer or seller of financial instruments are not covered by the Brokerage services agreement with Santander Brokerage Poland. In case of doubts the buyer or seller of financial instruments should contact their legal advisors.

5. REPORTING

Santander Brokerage Poland provides Clients with reports on services provided on the terms and conditions defined in the brokerage services agreement, in particular information about executed transactions, quarterly information about deposited financial instruments and funds, annual account statements and list of annual costs and fees.

6. KEY PRINCIPLES OF ASSET PROTECTION

Santander Brokerage Poland is a member of the Compensation Scheme operated by the Central Securities Depository of Poland (KDPW S.A.).

Under the Scheme, assets deposited on accounts or provided for safekeeping by Santander Brokerage Poland and payment of funds in the amount stipulated in the Financial Instruments Trading Act of 29 July 2005 (Journal of Laws from 2017, item 1768, as amended) is guaranteed in the following cases:

1. bankruptcy of Santander Brokerage Poland has been announced or restructuring procedure has been initiated, or
2. a legally binding court decision has been issued to dismiss the bankruptcy petition as the assets of Santander Brokerage Poland were insufficient to satisfy the costs of proceedings, or
3. the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) has identified that Santander Brokerage Poland, due to purely financial reasons, is not capable of performing its obligations arising from investors' claims and it will not be possible to perform them in the near future.

Discontinuation of bankruptcy proceedings against Santander Brokerage Poland does not prevent actions aimed at paying compensation to investors.

The Compensation Scheme secures the payment of the Client's funds less the amounts due to Santander Brokerage Poland for provided services, as at the day when one of the said incidents occurred, – – 100% is paid in compensation up to PLN equivalent of EUR 3,000 and 90% compensation is paid over PLN equivalent of EUR 3,000; th; with a reservation that tassets covered by the compensation scheme are capped at PLN equivalent of EUR 22,000. The average NBP rate is used to calculate the PLN equivalent of EUR amount as per the fx rate table published on the day a given incident occurred representing the basis for paying compensation.

7. SECURING THE CLIENT'S FINANCIAL INSTRUMENTS OR FUNDS

Santander Brokerage Poland cooperates with other investment firms performing investment activity and rendering investment services abroad ("Foreign Broker") and with foreign depository banks ("Foreign Depository Bank") providing services for Santander Brokerage Poland related to orders for financial instruments traded in foreign execution venues and to safekeeping of those instruments. The cooperation is exposed to the risk of business continuity of those institutions (risk of bankruptcy or liquidation).

Santander Brokerage Poland is held liable for the selection of Foreign Broker or Foreign Depository Bank if they had not been appointed by the Client.

Santander Brokerage Poland informs that it acted with due care to ensure protection of customer interest when selecting the Foreign Broker and the Foreign Depository Bank.

Santander Brokerage Poland may perform safekeeping of financial instruments of the Client on Omnibus Account operated by Santander Brokerage Poland or another investment firm. This does not generate the risk that such financial instruments cannot be separated from own instruments of an investment firm or Santander Brokerage Poland in relation to registration of rights to foreign financial instruments and registration of foreign financial instruments operated by Santander Brokerage Poland. Only financial instruments of Santander Brokerage Poland's Clients are deposited on Omnibus Account operated by a Foreign Broker. If there is a need to deposit own financial instruments of Santander Brokerage Poland on an account operated by a Foreign Broker, Santander Brokerage Poland will open a separate account for those instruments.

It is not possible to safe-keep or register the Client's assets separately from the assets of Santander Brokerage Poland, a Foreign Broker or Foreign Depository Bank due to the law applicable in a state where financial instruments or the Client's monies are to be safe-kept, Santander Brokerage Poland will notify Clients of that fact. It is possible to entrust safekeeping of financial instruments or the Client's monies with such entities only provided the Clients give their consent in writing.

If specific operations are performed on the Client's financial instruments, e.g. split, reverse-split, etc. and it is not possible to identify such operations on the day they are performed, there is a risk of erroneous transactions involving the Client's financial instruments. To eliminate the said risk, Santander Brokerage Poland immediately contacts the Foreign Broker/Depository Bank. All benefits and rights arising from financial instruments purchased by the Client are registered in the Client's account immediately after clarifying the issue with the Foreign Broker/Depository Bank by Santander Brokerage Poland. In the case of erroneous transactions referred to above triggering erroneous settlement on the Client's account, Santander Brokerage Poland may change the posting of such transactions to the extent permitted by the law (cancel booking records) to ensure compliance with the actual status.

The principles of rendering services by a Foreign Broker and Foreign Depository Bank, including operating the accounts where the Clients' financial instruments are deposited, are or may be governed by regulations of the state where a given Foreign Broker/Depository Bank operates. This means that the rights of Santander Brokerage Poland may be governed in a different mode than under the regulations applicable in Poland.

Santander Brokerage Poland may pledge the Client's financial instruments in relation to seeking or securing receivables due to specific entities under the agreement and the applicable law.

Santander Brokerage Poland will not use financial instruments of the Client. However, should such a situation occur, Santander Brokerage Poland will provide the Client with relevant information (on a durable medium) about the obligations and scope of responsibility, principles of recovering financial instruments and related threats.

8. GENERAL CODE OF CONDUCT IN THE EVENT OF CONFLICTS OF INTEREST

Santander Brokerage Poland, as a separate organisational unit under which Santander Bank Polska S.A. provides brokerage services (Santander Brokerage Poland), hereby informs you that it strives to avoid conflicts of interest with its Clients through its organisational and administrative solutions as well as internal regulations. Santander Brokerage Poland acts with due care to ensure that in case of a conflict, the Client's interests are not breached.

Santander Brokerage Poland and entities from the Bank's capital group offer a range of services on the financial market to a diversified group of entities, in particular could have or can execute counter orders referring to financial instruments covered by the Client's orders, perform the function of a market maker, offer financial instruments, buy or sell instruments on its own account or for the benefit of a third party and could have or can make transactions in those instruments. They can also manage financial instruments, render brokerage services and investment banking services for the benefit of issuers of financial instruments in which the Client invests or may invest. Underwriting is also available as part of financial instruments offers, merger and acquisition transactions and other activities related to the issuers of financial instruments (as regards financial instruments in which the Client is interested); they can also act as issuers of financial instruments or be connected with such issuers and receive remuneration, fees and generate profits on such activity.

1. Introductory regulations

1) Introduction

The code of conduct in the event of conflicts of interest refers to potential conflicts of interest in relationships between the Client and Santander Brokerage Poland, between Clients, between the Client and an employee of Santander Brokerage Poland and potential conflicts of interest arising from the organisational structure and type of business activity conducted by other members of the capital group to which the Bank belongs, including Santander Brokerage Poland.

2) The following terms are defined below for the purpose of the Code:

a) The Client of Santander Brokerage Poland

The Client of Santander Brokerage Poland is a natural person, legal person or an organisation without a legal personality for the benefit of whom Santander Brokerage Poland provides its services.

- b) Santander Brokerage Poland (Santander Biuro Maklerskie) is a separate organisational unit of Santander Bank Polska S.A. (the "Bank") carrying out brokerage activities.
 - c) Conflict of interest – circumstances known to Santander Brokerage Poland which may lead to a conflict between the interest of Santander Brokerage Poland, other entities from the group or a person connected with Santander Brokerage Poland and the obligation to ensure best execution as well as any circumstances known to Santander Brokerage Poland which can give rise to a conflict between the interests of a number of Clients of Santander Brokerage Poland.
- 3) Legal regulations under which Santander Brokerage Poland is obliged to prevent and manage conflicts of interest:
- Trading in Financial Instruments Act;
 - Regulation of the Minister of Finance on the procedure and operating conditions for investment firms and banks referred to in Article 70 (2) of the Trading in Financial Instruments Act and custodian banks ("Regulation");
 - Regulation of the Minister of Finance on detailed technical and organisational terms for investment firms and banks referred to in Article 70 (2) of the Trading in Financial Instruments Act and custodian banks.
 - Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
 - Commission Delegated Regulation (EU) 565/2017 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

2. Preventing and managing conflicts of interest

Santander Brokerage Poland prevents and manages conflicts of interest in the following stages:

The first stage is to avoid situations that may lead to a potential conflict. The second stage involves organisational and administrative arrangements of Santander Brokerage Poland which prevent the occurrence of conflicts of interest.

If those two stages do not allow to effectively eliminate the conflict of interest (organisational and administrative solutions applied to prevent or manage conflicts of interest are not sufficient to effectively eliminate the risk of conflicts of interest), in the final stage Santander Brokerage Poland provides the Client with relevant information and withholds from rendering brokerage services until receiving the Client's instruction to continue or to terminate the agreement.

3. General organisational arrangements and internal regulations used to prevent conflict of interest

Santander Brokerage Poland has adopted regulations to identify circumstances that represent or may generate conflicts of interests for one or a few Clients in case of specific investment or additional services.

Additionally, rules which prevent manipulation or abuse of confidential information at the organisational level have been implemented. Other organisational solutions applied include the so-called "Chinese walls", i.e. information barriers which prevent uncontrolled flow of information between particular organisational units or employees of Santander Brokerage Poland as well as maintenance of the Watch and Restricted Lists.

The following regulations are applicable in Santander Brokerage Poland to actively prevent conflicts of interest:

- Regulations on counteracting conflicts of interest;
- Organisation regulations defining the scope and allocation of rights and responsibilities between the particular departments and teams;
- Regulations on protection of the flow of insider information, professional secrecy and other sensitive information in Santander Brokerage Poland;
- Regulations on trading in financial instruments by persons connected with Santander Brokerage Poland or on their account (Special regulations apply to transactions executed for the account of persons involved in preparation of recommendations, financial analyses and public offering);
- Procedure of developing, verifying and distributing Analytical Products in Santander Brokerage Poland;
- Anti-corruption programme and regulations on giving and receiving gifts;
- Regulations on remuneration for persons providing services to Clients;
- Regulations on giving and accepting "inducements".

4. Special organisational arrangements

- 1) Other roles

Santander Brokerage Poland has adopted and implemented measures aimed at counteracting conflicts of interest and – in the event of their occurrence – managing such conflicts, in relation to the fact that some employees of Santander Brokerage Poland perform other functions and roles outside Santander Brokerage Poland. In particular, the employees of Santander Brokerage Poland are obliged to disclose information about their functions performed in the governing bodies of public companies and to obtain a consent for fulfilling such a role during their employment with Santander Brokerage Poland. In addition, relevant regulations have been introduced to ban acceptance of any monies, fees, gifts or remuneration from a third party for transactions executed by the Group except for cases specified in the regulations (so-called “small gifts”). Taking or giving a gift of specific amount needs to be recorded in the register.

2) Commissions (inducements)

In consideration of the provided brokerage services, Santander Brokerage Poland cannot offer or accept any inducements other than the standard fee or commission for a given service, unless such additional inducements are intended to ensure a higher quality of services provided for the Client. Acceptance or offering of an inducement cannot contradict due and proper delivery of the service for the benefit of the Client and the very fact of its acceptance or offering, type and value of the inducement must be disclosed to the Client prior to commencement of providing the service in an exhaustive, clear and understandable way.

3) Order execution policy (best execution principle)

Santander Brokerage Poland has implemented the Best Execution Policy which regulates the reception, transmission and execution of the orders placed by the Clients.

4) Execution of the Client's orders

When executing orders placed by Clients, a potential conflict of interest can arise in relation to the execution of Santander Brokerage Poland's own transactions. Santander Brokerage Poland has adopted rules which prevent own trades with terms and conditions privileged to those of Clients' orders.

Furthermore, Santander Brokerage Poland has implemented procedures which prevent the use of information about balances and turnovers in Clients' accounts and other information about Clients when making decisions about own trades.

Santander Brokerage Poland executes own trades in particular as part of market making, in the process of underwriting of issues. Santander Brokerage Poland does not purchase financial instruments on its own account for investment purposes.

5) Recommendations and analyses

Santander Brokerage Poland has taken appropriate actions and implemented organisational measures in order to counteract, detect and manage conflicts of interest during the preparation of recommendations and analyses. The potential conflicts of interest concerning a specific recommendation or analysis which is publicly available or known to a wide range of people are disclosed in the recommendation or analysis or in an attached document.

6) Investment advisory

Santander Brokerage Poland provides investment advisory services on a non-independent basis, which means that the organization analyzes a limited range of financial instruments when providing the services and can accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to the Clients (inducements). Before potentially accepting an inducement, Santander Brokerage Poland checks whether it is acceptable under the applicable regulations. When the investment advisory service involves financial instruments that are issued, offered or sold by Santander Brokerage Poland or entities affiliated with it, Santander Brokerage Poland will notify the Client of this fact by incorporating relevant information into the investment recommendation, or immediately before providing such a recommendation. Additionally, a practice is used that personalized investment recommendations for individual Clients must not include the financial instruments of Santander Bank Polska and any members belonging to the capital group. Personalized investment recommendations given as part of the investment advisory services that take into consideration each Client's individual situation (as part of the conducted suitability test that collects information about the Client's knowledge, experience, financial situation and investment objectives) may differ from recommendations that are generic in nature because the latter do not take into consideration each Client's individual situation. An additional element are the Chinese Walls blocking the exchange of inside information between the units of Santander Brokerage Poland providing such services.

5. Additional information

The general rules of managing conflicts of interest are reviewed on a regular basis, at least once a year, and significant changes are communicated to Clients by publication on Santander Brokerage Poland's website or in any other way agreed with the Client, provided the binding legal regulations are met.

At the Clients request, they may be provided with detailed information about the rules currently in force (on a durable medium or via Santander Brokerage Poland's website).

9. GENERAL INFORMATION ABOUT FEES AND CHARGES

Santander Brokerage Poland charges its fees in accordance with the agreement in place or Santander Brokerage Poland's Schedule of Fees and Charges (if applicable). The scope of information about fees and charges provided to Clients is set out in the General terms & conditions of providing services by Santander Brokerage Poland to professional clients and eligible counterparties.

10. INFORMATION ABOUT COSTS, FEES AND NON-MONETARY BENEFITS (INDUCEMENTS)

The employees of Santander Brokerage Poland may participate in training organised and financed or co-financed by third parties (e.g. Asset Management, issuer). The employees of Santander Brokerage Poland may participate in a competition, for example, on execution of orders covering specific financial instruments offered by Santander Brokerage Poland.

Santander Brokerage Poland, in relation to transmission of orders to execution venues (such as regulated market, among others), cannot accept any cash or non-cash benefits that would violate Santander Brokerage Poland's obligations related to managing conflicts of interest and accepting cash or non-cash benefits.

In consideration of the service of offering financial instruments and accepting subscriptions for financial instruments offered in a public offering or private placement, Santander Brokerage Poland receives or may receive remuneration from third parties. When Santander Brokerage Poland acts as the issue agent, the remuneration is paid by the issuer or the seller of financial instruments. When a prospectus is drawn up and published for the purpose of an issue, the information about costs related to the offering, including the amount of remuneration payable to the issuer's/seller's advisors, is included in the prospectus. When Santander Brokerage Poland participates in a syndicate of distributors of financial instruments in a public offer, the remuneration is received from an investment firm acting as the issue agent or in the form of a brokerage commission on orders executed based on subscriptions placed in relation to the offering.

At the Client's request, Santander Brokerage Poland provides the Client with information about charges, fees and non-financial benefits other than:

1. charges, fees and non-financial benefits received from the Client or a person acting on their behalf or paid to the Client or a person acting on their behalf,
2. charges and fees required for the purpose of providing a given brokerage service to the Client.

Santander Brokerage Poland is obliged to withhold and pay a flat-rate tax on the dividend and interest income due to the Client in consideration of the financial instruments held. Santander Brokerage Poland is obliged to pay income tax in the case of early termination of an account entitling the Client to a tax allowance (prior to the expiry of the statutory deadline).

11. SANTANDER BROKERAGE POLAND BEST EXECUTION POLICY

Santander Brokerage Poland provides order reception, transmission and execution services in accordance with brokerage services agreements made with the Clients, General terms & conditions of providing services by Santander Brokerage Poland to professional clients and eligible counterparties (the "General Terms & Conditions") and this Best Execution Policy (the "Policy").

Terms used in the Policy have the meaning assigned to them in the applicable regulations, the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and legal acts issued thereunder (the "MIFID"), the brokerage services agreement or the General terms & conditions for providing services by Santander Brokerage Poland to professional clients and eligible counterparties.

1. Santander Brokerage Poland receives and executes or transmits orders in accordance with the order execution terms specified by the Client.
2. Santander Brokerage Poland receives and transmits orders for execution in venues indicated in Appendix 2 to the Policy.
3. Santander Brokerage Poland executes or transmits orders immediately after their receipt, in the sequence in which they are placed in a given system, unless the terms of the order execution, the nature of the order or the current market situation indicates otherwise or unless such a sequence would be in conflict with the Client's best interest.
4. Santander Brokerage Poland acts with due diligence when selecting intermediaries for the transmission of the Client's order for execution in execution venues to which Santander Brokerage Poland has no direct access to.
5. Santander Brokerage Poland executes the Client's orders by carrying out transactions on behalf of the Client in the execution venue where it operates directly.
6. If an order is to be executed in an execution venue to which Santander Brokerage Poland has no direct access, Santander Brokerage Poland transmits the Client's order for execution to the relevant investment firm unless the brokerage services agreement states otherwise. Santander Brokerage Poland informs its Clients about investment firms whose services it uses. Santander Brokerage Poland selects an investment firm from the abovementioned firms to which it transmits the Client's order in compliance with the provisions of sub-sections 11–14 below, on condition that the best price criterion referred to in sub-section 11.b will apply only to orders without specification of a price. The lowest cost criterion is applied by Santander Brokerage Poland if the total sum of costs incurred by the Client differs depending on the selected investment firm. The investment firm to which Santander Brokerage Poland transmits the Client's orders may execute them in various execution venues (regulated market, Multilateral Trading Facility, market maker, systematic internaliser) or outside the regulated market, in accordance with its Best Execution Policy.
7. If detailed terms of Client's order execution are not specified, Santander Brokerage Poland will execute orders in the following manner:
 - a) when the details required to execute or transmit an order are missing, Santander Brokerage Poland will reject the order, unless it is able to immediately determine the missing facts in a manner that will not raise any doubts by acting in the Client's best interest;
 - b) when the number of financial instruments being the subject of the Client order has not been specified, Santander Brokerage Poland will reject the order; the number of financial instruments may be specified indirectly;
 - c) when the price has not been specified by the professional client, Santander Brokerage Poland executes the order at the price closest to the average weighted part of turnover volume, from the moment of the order placement (usually 1/3 of the volume) until the order execution moment, unless the order value or type justifies the order execution at the best current price quoted in a counter offer. Depending on the order type and the market conditions, the Client's order may be executed in the form of several transactions, at different prices, in order to ensure the highest likelihood of the order execution.
 - d) when the execution venue has not been specified, Santander Brokerage Poland will execute an order in an execution venue where the financial instrument is traded, subject to sub-sections 11-14, unless provided otherwise in the Brokerage services agreement or by the circumstances of order placement. Santander Brokerage Poland may restrict the possibility of placing orders with incomplete execution terms to particular execution venues.
8. The Client may define additional terms which will affect the execution or transmission of the order. The Client may define additional terms of the order execution if the Client meets the requirements set by Santander Brokerage Poland, in particular those related to trading volumes, order size or the value of assets held, or a positive rating given to the Client in accordance with the applicable regulations.

Any instructions placed by the Client (additional terms exceeding the minimum information required to execute or transmit an order) may prevent Santander Brokerage Poland from undertaking the measures which have been designed and implemented under this Policy to ensure best order execution or transmission, with regard to the aspects affected by such instructions.
9. Santander Brokerage Poland may execute Client's order by carrying a transaction outside the regulated market or Multilateral Trading Platform (an alternative trading system, hereinafter referred to as the: MTF) upon the Client's consent, and the terms of such order execution will be at least not worse than those of other execution venues; the latter requirement will not apply when the Client has specifically demanded execution of the order outside the regulated market or MTF. In case of orders executed outside the regulated market, a counterparty risk should be taken into account (e.g. lack of timely settlement). Santander Brokerage Poland may refuse to execute an order in the manner specified above. Items 11–14 apply accordingly. Items 11–14 apply accordingly.

10. Santander Brokerage Poland may execute the Client's order by carrying out a transaction on its own account, provided that the terms of order execution are at least equal to those of other execution venues; the latter requirement will not apply when the Client demanded the order to be executed on the account of Santander Brokerage Poland. Santander Brokerage Poland may refuse to execute an order in the manner specified above. Items 11–14 apply accordingly.
11. When the order may be executed in more than one execution venues and Santander Brokerage Poland executes orders in at least two of those venues and the Client has not specified expressly where the order should be executed, Santander Brokerage Poland:
 - a) transmits the order for execution to an investment firm referred to sub-section 6 if Santander Brokerage Poland does not operate directly in any of those execution venues,
or with respect to execution venues where Santander Brokerage Poland operates directly at least in one of them:
 - b) identifies the execution venue with the lowest price for buy orders and the highest price for sell orders,
 - c) identifies the execution venue with the lowest costs of the order execution;
 - d) identifies execution venue where the order will be executed and settled in the shortest period of time,
 - e) identifies the execution venue with the highest likelihood of the order execution taking into account the trading volume of the market, the number of financial instruments covered by the order and its specific characteristics,
 - f) identifies the execution venue with the highest likelihood of settlement of a transaction made based on the order,

Santander Brokerage Poland, following the analysis described in sub-sections 12-14, executes the Client's order in a relevant execution venue or transmits the order of Santander Brokerage Poland issued based on the Client's instruction to a relevant investment firm when Santander Brokerage Poland does not operate directly in a particular execution venue.
12. When making arrangements referred to in sub-section 11, Santander Brokerage Poland takes into account the need to transfer financial instruments between clearing houses in the case of financial instruments quoted in execution venues settled and cleared by different clearing houses or in different currencies, as well as associated time and costs.
13. Santander Brokerage Poland considers the aspects set out in sub-sections 11.b-11.f (criteria) in the above stated sequence and selects the execution venue offering the best price for the Client, with the lowest costs and the highest likelihood of the transaction execution and settlement in the shortest possible time (factors). If a given execution venue does not meet all of the said criteria, Santander Brokerage Poland will apply relative weights to the factors determining the choice of the order execution venue, as described in the appendix hereto.
14. The analysis of factors is carried out once, directly prior to the Client order execution and is based on market information available to Santander Brokerage Poland at the time of the analysis or on historical information, depending on the factor type, the nature of the order and the circumstances of its placement and the results of the analysis are not subject to verification or modification during order execution. In particular, the analysis will not be repeated after the Client's subsequent modification of the order unless execution of the order has not commenced yet.
15. Santander Brokerage Poland may define new weights of the factors determining the choice of the execution venue where the order will be executed by assigning specific numeric values to the factors, differentiating them depending on the characteristics of the Client and the order, the properties of the financial instruments being the subject of the order and the markets to which the order may be transmitted.
16. The provisions of sub-sections 5-7 and 11-15 apply to the transmission of orders for execution to execution venues to which Santander Brokerage Poland has no direct access.
17. Santander Brokerage Poland may combine the Client's orders with the orders of other Clients or of Santander Brokerage Poland unless such an operation is detrimental to the interest of any of the Clients. If combining orders could potentially damage the interest of any of the Clients but the likelihood of such an event is low, Santander Brokerage Poland will inform the Client about the fact. In other cases Santander Brokerage Poland will not combine orders. The combined orders will be executed in the sequence in which they were placed, in particular including partial execution of an order consisting of a number of combined orders. The size or price has no impact on the order execution sequence.
18. This Policy cannot guarantee that in each case the Client's order will be executed or transmitted with the best effect for the Client taking into account all the Client's expectations at the time of placing the order.
19. The purpose of this Policy is to inform the Clients how Santander Brokerage Poland will be executing or transmitting their orders for execution.

20. Santander Brokerage Poland will execute or transmit the Client's orders provided the Client has accepted the Policy. The Client may give their consent in the same way as in the case of changes to the brokerage services agreement or in another, in an explicit or implicit form, as long as the Client's intent is expressed in an explicit manner. In particular, Santander Brokerage Poland presumes that every submission of an order by the Client after the receipt of this Policy, will be treated as the Client's consent for this Policy to be applied to the order. Santander Brokerage Poland may request confirmation of the Client's consent on a data carrier or prepare such a confirmation, in particular, on the basis of records stored in its systems.
21. In the case of Clients placing orders with the use of the Direct Electronic Access services, it is presumed that they have independently set all the parameters of order execution and orders are executed in accordance with the parameters set by them.
22. At each request of the Client, Santander Brokerage Poland will provide information about order execution or transmission to an extent sufficient to assess whether the order was executed or transmitted in accordance with this Policy.
23. This Policy will be reviewed by Santander Brokerage Poland at least once a year in terms of its compliance with the applicable laws, in particular the requirements of ensuring best execution of Clients' orders.
24. Information about top five order execution venues with respect to individual classes of financial instruments (in terms of the turnover volume) in which Santander Brokerage Poland executes the Client's orders or to which it transmits orders for execution, are provided on the website: <https://www.santander.pl/inwestor/regulacje-i-regulaminy/best-execution>
25. This Policy does not apply to Clients who act as eligible counterparties in its relationships with Santander Brokerage Poland.

Appendix 1

to Santander Brokerage Poland's Policy on the order execution and acting in the best interest of the Client (for professional clients)

Description of relative weights assigned to individual factors having impact on the selection of the execution venue where an order will be executed

When executing orders for professional clients, Santander Brokerage Poland will take all reasonable steps to execute them while considering the following factors:

1. Price – refers to the price of the transaction, excluding fees;
2. Costs – refer to the brokerage fee, costs and additional fees related to order execution; to compare the order execution costs expressed in different currencies Santander Brokerage Poland recalculates them into PLN on the basis of the recent average exchange rate announced by the Polish National Bank;
3. Speed – refers to the time when Santander Brokerage Poland may execute or transmit an order;
4. Likelihood of execution – likelihood of order execution, in part or in whole, by Santander Brokerage Poland;
5. Likelihood of settlement – Santander Brokerage Poland assumes the settlement of transactions within a standard timeframe for a given financial instrument; most frequently this factor has no material impact.

If no execution venue where an order may be executed ensures best execution for each factor specified above, Santander Brokerage Poland selects the execution venue based on the following criteria, for each class of financial instruments:

1. When choosing an execution venue for the Client's order to be executed, Santander Brokerage Poland will take into account the best price and the lowest costs for the Client, provided that a given execution venue offers a possibility of executing the whole order or its major portion.
2. If, despite the best price and lowest costs, it is not possible to execute the whole order or its major portion in a given execution venue, Santander Brokerage Poland will transmit the order to an execution venue where such execution is possible, provided the costs and price offered on that execution venue do not differ significantly from those identified as the most beneficial to the Client. If this condition is not met, Santander Brokerage Poland transmits the order to the execution venue that ensures the highest likelihood of the order execution.
3. If the best price and lowest costs are identified for different execution venues, the highest likelihood of the order execution will be the decisive factor for Santander Brokerage Poland.
4. If the likelihood of the order execution for various execution venues does not differ significantly within a given criterion, the execution venue is selected based on the price and then the costs followed by the speed and likelihood of settlement.

Appendix 2

to Santander Brokerage Poland's Policy on the order execution and acting in the best interest of the Client (for professional clients)

Identification of execution venues for individual types of financial instruments and execution venues allowing Santander Brokerage Poland to fulfil the best execution obligation on an ongoing basis.

Santander Brokerage Poland executes orders of the Client for whom it operates investment accounts directly or through a relevant financial institution in the following execution venues:

1. **Equities, Subscription rights, Allotment certificates** – Warsaw Stock Exchange, NewConnect, GlobalConnect, Wiener Borse, NYSE, NYSE Euronext, Nasdaq, NasdaqOMX, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Madrid Stock Exchange, Bloomberg MTF;
2. **Futures contract, options** – GPW, CBT, CME, CMX, MSE, EUX, ICF, MFM, EOE, BFO, BDP, MIL, EOP, MEFF, HKG, OSE, NYM;
3. **Bonds**– Catalyst; Santander Bank Polska S.A. (executes transactions outside the organised trading platform *OTC*, e.g. as a systematic internalizer), Wiener Borse, NYSE, NYSE Euronext, Nasdaq, NasdaqOMX, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Madrid Stock Exchange, Bloomberg MTF
4. **ETF, ETN** – Warsaw Stock Exchange, NYSE, NYSE Euronext, Nasdaq, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Bloomberg MTF;
5. **ADR, GDR** - Wiener Borse, NYSE, NYSE Euronext, Nasdaq, NasdaqOMX, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Madrid Stock Exchange;
6. **Warrants** – Warsaw Stock Exchange, Wiener Borse, NYSE, NYSE Euronext, Nasdaq, NasdaqOMX, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Madrid Stock Exchange;
7. **Investment certificates** – Warsaw Stock Exchange, Wiener Borse, NYSE, NYSE Euronext, Nasdaq, NasdaqOMX, Xetra, Borse Frankfurt, Borsa Italiana, SIX Swiss Exchange, London SE, Madrid Stock Exchange;

if the brokerage services agreement so provides and the order can be executed in a given execution venue. Santander Brokerage Poland or the investment firm acting as Santander Brokerage Poland's intermediary, may transmit the Client's order to an execution venue different than the ones listed above (sub-sections 1-7) provided that the transmission ensures, in the opinion of Santander Brokerage Poland or that investment firm, order execution terms that are more favorable to the Client.

Execution venues to which Santander Brokerage Poland has direct access as a participant:

GPW, New Connect, Global Connect, Catalyst, Bloomberg MTF.

When it comes to the other execution venues referred to in sub-sections 1-7 above, Santander Brokerage Poland relies on the services of the following intermediaries which may also act as counterparties to a transaction made with Santander Brokerage Poland:

SWISS Capital Romania, AS SEB Bank, Global Menkul Degerler A.S Raiffeisen Centrobank AG, Ata Invest, Is Investment Securities, YF Securities, Merrill Lynch International, Patria Finance, a.s, TEB Securities, Ilirika Brokerage house plc, First Financial Brokerage House, Bank of New York, J&T Banka, a.s., AS LHV Bank, Banco Santander S.A., SEKER Yatirim A.S., AK Invest, Jefferies International Ltd, Morgan Stanley International, Deniz Yatirim Menkul Kıymetler A.S., Baader Bank AG, JP Morgan Securities PLC, Garanti Yatirim Menkul Kıymetler AS, KCG Europe LTD, Guggenheim Securities, Santander Investment Securities Inc., Virtu ITG, ABG Sundal Collier, Flow Traders B.V., Susquehanna International Securities Ltd, Jane Street Financials Ltd., Concorde Securities Ltd., Optiver V.O.F.

Additionally, Santander Brokerage Poland transfers Clients' orders to issuers of financial instruments or entities designated to execute orders in relation to the said issuers' offers, with respect to a given issuer's financial instruments for which Santander Brokerage Poland acts as an intermediary.

12. INFORMATION ABOUT TAX OBLIGATIONS OF CLIENTS

Professional Clients and eligible counterparties verify their tax obligations on their own. Santander Brokerage Poland acts in the capacity of the payer of payable taxes if the applicable laws require Santander Brokerage Poland to do so. Information about taxes charged on transactions made in individual markets is provided in transaction confirmations. If payouts to Clients for which Santander Brokerage Poland provides assets safekeeping services are subject to flat-rate income tax, Clients should submit residency certificates and relevant statements, e.g. for the purpose of applying the relevant double taxation agreement.

13. COMPLAINT RESOLUTION PROCEDURE

Each Client may complain about Santander Brokerage Poland's non-fulfilment or inadequate fulfilment of obligations towards the Client or if they identify any other omission committed by Santander Brokerage Poland or any third parties in connection with the provided services. Clients may also complain about any other aspects of the services provided by Santander Brokerage Poland. The Client's complaint should be filed immediately after the occurrence triggering the complaint or upon the Client's determination of the occurrence referred in the complaint so that it could be fairly resolved.

Complaints may be filed:

- in writing – by letter sent to the following address: Santander Biuro Maklerskie, , ul. Kolorowa 8 p. 1, 60-198 Poznań) or any customer service unit of the Bank (branch addresses are available on the Bank's website: www.santander.pl);
- in electronic format – by sending an e-mail to: reklamacje.bm@santander.pl or using the form available on the Bank's website: www.santander.pl;
- verbally – over the phone by calling the employees of Santander Brokerage Poland at the following phone number: 61 856 44 44 or the helpline: 801 36 46 36;
- verbally – personally at any branch of the Bank;

The complaint should include: name and surname, PESEL or brokerage account number.

If a complaint is submitted via a different channel than mail, Santander Brokerage Poland will issue, at the Client's request, a complaint acknowledgement letter as agreed with the Client.

The Client has a right to submit a complaint through an attorney.

Complaints are resolved within the shortest possible time lot longer than 30 days of the reporting date; in complex cases where it is not possible to resolve a given complaint within that time, the period may be prolonged to maximum 60 days upon explaining the reasons for the delay to the Client and indicating circumstances requiring further clarification.

Should the Client be dissatisfied with the response, they may appeal in writing to the Head of the Support and Control Office. Clients with consumer status may seek free legal assistance from the local Consumer Ombudsman. Any disputes between the Client who is a consumer and Santander Brokerage Poland may be resolved amicably before the Bank's Arbiter at the Polish Bank Association (ZBP), provided that the amount in controversy does not exceed PLN 12,000. Website of the Bank's Arbiter: <http://zbp.pl/dla-konsumentow/arbiter-bankowy>. Should Santander Brokerage Poland not uphold the Client's complaint, any dispute between the Client who is a natural person and Santander Brokerage Poland may be settled out-of-court before the Financial Ombudsman in accordance with the Act on handling complaints by financial market entities and on the Financial Ombudsman of 5 August 2015 (Ustawa z dnia 5 sierpnia 2015 r. O rozpatrywaniu reklamacji przez podmioty rynku finansowego i o Rzeczniku Finansowym). Website of the Financial Ombudsman: <https://rf.gov.pl>. Notwithstanding the procedure described above, the Client may file an action with a competent court.

14. CROSS-SELLING

Cross-selling means either tying or bundling.

Tying – means an investment firm's provision of brokerage services referred to in Article 69(2) of the Act on trading in financial instruments (the "Act") and other services arising from the agreement referred to in Article 83(f)(1)(1) of the Act or under one of the agreements referred to in Article 83(f)(1)(2) of the Act, if the following criteria are met:

- a) each of the services may be provided by the investment firm on the basis of a separate agreement, and
- b) the Client may enter into a separate agreement with respect to each of the services with the investment firm;

Bundling – means an investment firm's provision of brokerage services referred to in Article 69(2) of the Act on trading in financial instruments (the "Act") and other services arising from the agreement referred to in Article 83(f)(1)(1) of the Act

or under one of the agreements referred to in Article 83(f)(1)(2) of the Act, if at least one type of these services may not be provided by the investment firm under a separate agreement;

Santander Brokerage Poland will inform its Clients about the terms & conditions of the agreements made as part of the cross-selling services, taking into consideration their specific nature. If a brokerage service may be provided under one of the agreements or under a separate agreement, Santander Brokerage Poland will notify the Client of this fact to enable them to make an informed decision and select the agreement under which the brokerage services will be provided and to understand the nature of cross-selling and the risks associated with this strategy.

While considering the Clients' best interest and the nature of cross-selling, Santander Brokerage Poland will provide the following information about provided services:

I. Santander Brokerage Poland's core and auxiliary services

■ Reception, transmission and execution of orders	1
preparing investment analyses, financial analyses and other general recommendations concerning transactions in financial instruments;	2
safekeeping or registering financial instruments, including maintenance of securities accounts, derivative accounts, omnibus accounts or cash accounts;	3
providing derivative instruments-related services;	4
providing services related to foreign financial instruments;	5
providing short sale services;	6

The cross-selling services provided to professional clients and eligible counterparties by Santander Brokerage Poland under its brokerage services agreements include: reception and transmission of orders and execution of orders (I.1)

Without entering into the agreement referred to in the previous sentence, auxiliary services referred to in I. 4-6 may not be provided at Santander Brokerage Poland.

Clients are not additionally charged for the provision of auxiliary services (referred to in I.4-6), except for the fees arising from Santander Brokerage Poland's Schedule of fees and charges or except for fees agreed with them otherwise in accordance with the agreement made.

The services referred to in section I.2 and I.3 may be provided under separate agreements (cross-selling). Risks associated with cross-selling are the same as the risks described for individual types of services if they were provided by Santander Brokerage Poland under separate agreements, but in the case of cross-selling they should be perceived as a sum of risks normally associated with individual types of services.

The costs of services arising from cross-selling and provided under a single agreement would be fixed at the same or higher level compared to the costs of individual types of services (I. 2-6) if they were provided by Santander Brokerage Poland under separate agreements.

Service type specified in I.1 in the table:

1. The following risks are associated with this type of services:
 - a. Risk of loss of part or all of invested capital or even risk of additional costs. The level of the risk varies and depends on the type of financial instrument underlying the investment. Further details on risks associated with individual types of financial instruments are provided in section 3: INFORMATION ABOUT FINANCIAL INSTRUMENTS, SERVICES AND RISK
 - b. Operational risk associated with untimely execution or inadequate execution of the Client's order (e.g. as a result of an employee's error or a system breakdown at Santander Brokerage Poland or at an international broker to which the Client's order was transmitted).
2. Fees & charges:

Certain fees are charged for the services provided. Their level depends on the financial instrument the Client invests in, type of account used by the Client and the Client' activity. The applicable fees are specified in Santander Brokerage Poland's Schedule of fees and charges.

Service type specified in I.2 in the table:

1. The following risks are associated with this type of services:
 - a. risk of final mispricing or risk of wrong assessment of price fluctuations of a financial instrument (including the investment horizon when the price should change) – mispricing, wrong assessment of price fluctuations or

inappropriate time horizon of the investment, and the related recommended investment behaviours might result in a return being worse-than-expected; in particular, there is a risk of losing all of invested capital;

- b. risk associated with selection of unsuitable instruments – risk of the recommended financial instruments being unsuitable for a given investor; investments or services presented or included in provided recommendations might be unsuitable for a given investor, which might result in loss of part or all of invested capital;
- c. risk associated with outdated recommendations – risk of investment recommendations provided to Clients becoming no longer applicable as they are valid for a limited period of time.

2. Fees & charges:

Santander Brokerage Poland does not charge any additional fees for the services unless an additional payment is required from the Client by the applicable laws. If such additional fees are payable, the Schedule of fees and charges will apply.

Service type specified in I.3 in the table:

1. The following risks are associated with this type of services:

- a. risk associated with the safekeeping of financial instruments or funds as a single institution; Santander Brokerage Poland is a member of the Compensation Scheme operated by the Central Securities Depository of Poland (KDPW S.A.). Under the scheme, assets deposited on accounts or contributed for safekeeping by an investment firm and payment of funds in the amount stipulated in the Financial Instruments Trading Act of 29 July 2005 (Journal of Laws from 2010, item 1384, as amended) are guaranteed. Details can be found in the section: ASSETS SAFEKEEPING;
- b. Santander Brokerage Poland cooperates with other investment firms carrying on investment activities and providing investment services internationally (“Foreign Broker”) and with foreign depository banks (“Foreign Depository Bank”) providing Santander Brokerage Poland with services related to orders involving financial instruments traded in foreign execution venues and to safekeeping of those instruments; the cooperation is exposed to the risk of business continuity of those institutions (risk of bankruptcy or liquidation); further details can be found in section SECURITY OF FINANCIAL INSTRUMENTS AND FUNDS.

2. Fees & charges:

The level of account maintenance fees primarily depends on the frequency of transactions and the value of deposited financial instruments. The applicable fees are specified in Santander Brokerage Poland’s Schedule of fees and charges.

Service type specified in I.4 in the table:

1. The following risks are associated with this type of services:

Risk of loss of part or all of invested capital or even risk of additional costs. More details on risks associated with investments in derivative instruments are provided in section INFORMATION ABOUT FINANCIAL INSTRUMENTS, SERVICES AND RISK.

2. Fees & charges:

The applicable fees are specified in Santander Brokerage Poland’s Schedule of fees and charges.

Service type specified in section I.5 in the table:

1. The following risks are associated with this type of services:

Risk of loss of part or all of invested capital. Information about the risk associated with investments in foreign financial instruments is provided in the section: INFORMATION ABOUT FINANCIAL INSTRUMENTS, SERVICES AND RISK – FOREIGN FINANCIAL INSTRUMENTS

Santander Brokerage Poland’s relationship with other investment firms carrying on investment activities and providing investment services internationally (“Foreign Broker”) and with foreign depository banks (“Foreign Depository Bank”) generates additional risks described in the section devoted to service type under number 3.

2. Fees & charges:

The applicable fees are specified in Santander Brokerage Poland’s Schedule of fees and charges.

Service type specified in I.6 in the table:

Risk of loss of part or all of invested capital. More details on risks associated with investments based on the short-selling strategy are provided in section INFORMATION ABOUT FINANCIAL INSTRUMENTS, SERVICES AND RISK – SHORT-SELLING.

The applicable fees are specified in Santander Brokerage Poland’s Schedule of fees and charges.