

The Order Execution and Acting in the Best Interests of Clients Policy of Corporate and Investment Banking Division at Santander Bank Polska S.A.

I. GENERAL PROVISIONS

1. This *Order Execution and Acting in the Best Interests of Clients Policy of Corporate and Investment Banking Division at Santander Bank Polska S.A.* sets out the principles for executing Clients' orders at Santander Bank Polska S.A. and for acting in the best interests of Clients in order to obtain the best possible results for them in the course of business carried out by Santander Bank Polska S.A. under Article 70(2) of the *Act on Trading in Financial Instruments of 29 July 2005 (Journal of Laws of 2005, No. 183, item 1538, as amended)*.
2. This Policy does not apply to Brokerage Services that are provided by Santander Bank Polska S.A. Brokerage Office (Biuro Maklerskie Santander Bank Polska S.A.).

II. DEFINITIONS

Capitalized terms used in this Policy have the following meaning:

- a) **Bank** – Santander Bank Polska S.A.;
- b) **Client** – client to whom the Bank provides Brokerage Service;
- c) **Retail Client** – client classified as a retail client by the Bank in accordance with the Act;
- d) **Professional Client** – client classified as a professional client by the Bank in accordance with the Act;
- e) **Mark-up** – the difference between the price of the Transaction proposed to the Client and the price of holding a position for the Bank in a given financial instrument. The Mark-up is included in the price of the Transaction and, if applicable, in the early termination price of the Transaction;
- f) **Execution Venue** – execution venue within the meaning of the *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 Act on trading in financial instruments, and for custodian banks of 30 May 2018*;
- g) **Policy** – this *Order Execution and Acting in the Best Interests of Clients Policy of Corporate and Investment Banking Division at Santander Bank Polska S.A.*;
- h) **Trading Venue** – a financial instruments trading venue within the meaning of the Act, such as a regulated market, an MTF (multilateral trading facility) or an OTF (organized trading facility);
- i) **Transaction** – a transaction entered into by the Client with the Bank based on the Agreement involving a financial instrument listed in the Appendix to this Policy;
- j) **Durable Medium** – durable medium within the meaning of the Act;
- k) **Agreement** – an agreement specifying the terms under which the Bank provides Brokerage Services to the Client;
- l) **Eligible Counterparty** – client classified as an eligible counterparty by the Bank in accordance with the Act;
- m) **Brokerage Service** – for the purposes of this Policy, such service is understood as an execution of orders to buy or sell financial instruments on behalf of the Client or a reception and transmission of orders in relation to one or more financial instruments;
- n) **Act** – *Act on Trading in Financial Instruments of 29 July 2005 (Journal of Laws of 2005, No. 183, item 1538, as amended)*.

III. SCOPE OF APPLICATION

1. This Policy applies to the financial instruments as set out in the Act. The list of financial instruments to which this Policy applies is provided in the Appendix hereto.
2. This Policy applies to orders placed by both Retail and Professional Clients, but excludes Eligible Counterparties.
3. This Policy does not apply whenever the Client provides specific instructions for the execution of the order or transmission thereof to a third party for execution. To the extent that the client provides specific instructions for order execution, the execution and transmission of that order in line with those specific instructions, will be deemed as the Bank taking all reasonable steps to obtain the best result for the Client.

- Any kind of specific instructions from the Client related to the provision of a Brokerage Service may prevent the Bank from taking measures, which have been developed and implemented under this Policy, in order to obtain the best possible result in the course of providing that service and in relation to the matters to which the above instructions apply.

IV. BEST EXECUTION OF ORDERS TO BUY OR SELL FINANCIAL INSTRUMENTS

- The best execution obligation applies to the provision by the Bank of the service of execution of orders to buy or sell financial instruments to its Client.
- In principle, the Bank deals on its own account when making Transactions. The best execution obligation is satisfied by ensuring the Client the fairness of the offered price, to which the Bank's Mark-up is added.
- When executing orders or deciding to trade in financial instruments outside the Trading Venue, the Bank deems that the fair price offered means a price estimated by the Bank using internal models and systems for pricing financial instruments, which derives from the current market value at the time of the transaction on the basis of available market data.
- When presenting the Client with a price based on internal financial instruments pricing models and systems, the Bank will use the following IT systems or applications:
 - Bloomberg; or
 - Reuters Information System Eikon; or
 - SuperDerivatives; or
 - Santander Group's in-house apps; which contain built-in financial instruments pricing models or serve as a source of data used by the Bank's in-house pricing models.
- The pricing models referred to in Point IV.4 are subject to validation and regular monitoring to check their accuracy in accordance with the applicable regulations and market standards. When applying pricing models the Bank relies on their accuracy and the designated fair price of financial instruments.
- In order to ensure the best possible results for the Client, the Bank will only take into consideration the price criterion from the Transaction parameters. Criteria of the likelihood of execution and settlement, size, nature and speed of order execution are satisfied by Client's acceptance of quotation (acceptance of the Transaction parameters).

V. ACTING IN THE BEST INTERESTS OF THE CLIENT WITH RESPECT TO RECEPTION AND TRANSMISSION OF ORDERS TO BUY OR SELL FINANCIAL INSTRUMENTS

- The obligation to act in the best interests of the Client is closely related to the provision of the service of reception and transmission of orders to buy or sell financial instruments, and the execution of this service by transferring orders by the Bank for execution purposes.
- The Bank satisfies its obligation to act in the best interests of the Client by executing Client's orders in accordance with their parameters and transmitting them to relevant Execution Venues as soon as possible.
- If securities are purchased on the primary market, the Client's order is transmitted to the issuer within the timeframes specified in the legal documentation that regulates the issue of such securities.
- If there is only a single Execution Venue for the Transaction, the Bank will satisfy its obligation to act in the best interests of the Client by transmitting the order to that Execution Venue.
- In the case of providing to the Client the service of reception and transmission of orders to buy or sell financial instruments, for which the Bank will have access to at least two Execution Venues (investment firms), the Bank will select the investment firm by taking into consideration, in particular, the following factors:

Factor	Retail Client	Professional Client
The lowest order execution and settlement costs for the Client	High	Medium
For orders to sell financial instruments, the highest possible price; for orders to buy financial instruments, the lowest possible price	High	High
Estimated time to execute an order	Medium	High
Likelihood of executing the Client's order in full and settlement of the order	Low	Medium
Qualitative factors	Low	Medium
Other factors justified by the characteristics of the order	Low	Low

VI. ORDER EXECUTION OUTSIDE THE TRADING VENUE

- Orders executed by dealing by the Bank on its own account are executed outside the Trading Venue.

2. Order execution and making Transactions outside the Trading Venue may involve additional risks, including increased counterparty risk.
3. The Bank provides the Client, at their request, with additional information about the consequences of order execution outside the Trading Venue.
4. The Bank performs the role of a systematic internaliser (SI) in relation to certain financial instruments. The list of such instruments can be found at: www.santander.pl (section dedicated to MIFID II).

VII. GENERAL TERMS OF ORDER EXECUTION AND ALLOCATION OF AGGREGATED ORDERS

1. When executing Client's orders to buy or sell financial instruments, the Bank will take all sufficient steps to obtain the best possible results for the Client.
2. The Bank will execute orders in a reliable and fair manner, ensuring their prompt execution and accurate registration and allocation. Orders are executed depending on the sequence in which they are received, unless:
 - a) the Client's order execution parameters stipulate otherwise; or
 - b) the characteristics of the order or prevailing market conditions make this impracticable; or
 - c) the interests of the Client require otherwise.
3. The Bank may carry out Clients' orders in aggregation with its own orders (dealing on own account) or another Client's order provided that the following conditions are met:
 - a) it is unlikely that the aggregation of orders and Transactions will work overall to the disadvantage of any Client whose order is to be aggregated;
 - b) the Bank has informed the Client beforehand about such order execution method and that the allocation may work to their disadvantage;
 - c) the Bank abides by the rules for aggregated orders allocation.
4. Clients orders that are executed through their reception and transmission by the Bank to the Execution Venue may stipulate additional conditions for their execution, provided that these do not contradict any separate rules and regulations applicable to trading on the relevant Execution Venue. Orders stipulating additional conditions, which do not meet the requirement referred to in the previous sentence will not be accepted by the Bank.
5. The Bank will not accept, in relation to order execution, any monetary and non-monetary benefits from third parties that would contradict the Bank's obligations related to management of conflicts of interest or acceptance of monetary or non-monetary benefits.
6. Allocation of aggregated orders is determined primarily by the price defined in the order, and subsequently by the size of the order. The Bank allocates orders sequentially from the highest-priced ones to the lowest-priced ones. For same-price orders, the allocation is carried out from the largest to the smallest order.
7. Where it is not possible to execute the aggregated Clients' orders with Bank's orders for own account in full, the Bank's orders will be excluded or partially executed so that the Clients' orders can be executed in full.
8. The Bank has no obligation to exclude its order from an aggregation provided that:
 - a) the execution of the Client's order jointly with the Bank's order for own account enables the Bank to obtain a better results for the Client than executing this Client's order separately; or
 - b) the Client's order cannot be processed separately from the Bank's order.
9. If the situation referred to in Point VII.8 above occurs, the Bank has the right to allocate orders in accordance with Point VII.6.
10. If the Bank aggregates the Client's order with one or more orders of another Client and the aggregated Clients' orders cannot be executed in full, then the Clients' orders will be reduced proportionately, excluding orders from those Clients who had reserved the right not to consent to such a reduction, provided that such reservation is permitted under the terms of issuing the security or the terms upon which orders are executed on a given Execution Venue. After such reduction, the aggregated orders from Clients (both the reduced and non-reduced ones) are re-allocated by size from the largest to the smallest.

VIII. REPORTING ON EXECUTION QUALITY

1. After the end of each calendar year, the Bank issues and makes available to the public its annual report showing:
 - a) top five investment firms, in terms of trading volume, to which the Bank transmitted execution orders in the previous year in the course of providing services of reception and transmission of orders to buy or sell financial instruments;
 - b) top five Execution Venues, in relation to each class of financial instruments, determined by the trading volume generated by the Bank in that execution system in the previous year, in the course of providing services of execution of orders to buy or sell financial instruments.
2. The Bank makes information about the quality of Transaction execution public on a quarterly basis.
3. The annual and quarterly reports referred to in Points VIII.1 and VIII.2 will be published at: www.santander.pl.

IX. MONITORING OF THE APPLICATION OF THIS POLICY, ITS REVIEW AND MODIFICATIONS

1. The Bank will monitor the effectiveness of implemented solutions and the Policy on a regular basis, including the quality of order execution on each Execution Venue defined herein.
2. The Bank reviews this Policy at least annually. Such a review will also be carried out whenever a material change occurs that permanently affects the Bank's ability to obtain, on a continuous basis, the best possible results when transmitting orders to third parties for execution or when Client's orders are executed by the Bank. To satisfy the Bank's obligation indicated above, the Bank assesses and monitors, on an ongoing basis, whether such material changes have occurred and, if so, will analyse whether it is necessary to make changes regarding the Trading Venues set out in the Policy.
3. The material change referred to in Point IX.2 means a significant event that may affect the parameters of best execution of orders in the course of providing Brokerage Services to the Clients, such as the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. A change in the type of financial instruments in scope of this Policy shall not be considered a material change.
4. Any major amendments to the Policy will be communicated by the Bank to the Clients in a manner defined in the Agreement or in the terms and conditions of a specific Brokerage Service, as well as via placing the updated Policy at: www.santander.pl. In the case of other amendments that are not deemed material, the Bank will publish the updated version of the Policy at: www.santander.pl.
5. The amendments to the Policy become effective 14 days after placing the updated Policy at: www.santander.pl, unless the Bank indicates a specific effective date for the updated Policy that is longer than the 14-day period indicated above.
6. The Policy is provided to the Clients on a Durable Medium prior to performing the Brokerage Services.
7. Before entering into the Agreement, the Client must be made familiar with this Policy. By signing the Agreement, the Client consents and accepts that the Bank will apply the terms and conditions set out in the Policy herein.

X. FINAL PROVISIONS

1. There is no guarantee that actions taken by the Bank and stipulated in the Policy herein will result in the provided Brokerage Service to yield the best results for the Client in each case and under any circumstances.
2. At the Client's written, justified and proportionate request, the Bank will demonstrate how it satisfies its obligations arising from this Policy in relation to a specific order governed by this Policy. The Bank will respond within 30 days.
3. When providing the services of the reception and transmission of orders, the Bank will additionally, upon a justified request from the Client or potential Client, provide information about the entities to which orders were transmitted or transferred for execution. The information referred to above will be provided by the Bank subject to the obligations related to the management of conflicts of interests and bank secrecy.

XI. EFFECTIVE DATE

This Policy is effective from 1 July 2024.

Appendix to the Order Execution and Acting in the Best Interests of Clients Policy of Corporate and Investment Banking Division at Santander Bank Polska S.A.

List of Execution Venues

Effective from: 1 July 2024

Financial instrument or class of financial instrument	Type of Brokerage Service	Execution Venue
FX Forwards	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A.
FX Swaps	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A.
FX options	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A. Banco Santander, S.A. UBS Europe SE Deutsche Bank AG
Interest Rate Swaps (IRS)	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A. Banco Santander, S.A.
Cross-currency Interest Rate Swaps (CIRS)	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A. Banco Santander, S.A.
Forward Rate Agreements (FRA)	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A.
Interest rate options	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A. Banco Santander, S.A.
Corporate debt securities	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A.
	Reception and transmission of orders to buy or sell financial instruments	Issuer
Treasury Debt securities (treasury bonds/ bills)	Execution of orders to buy or sell financial instruments	Santander Bank Polska S.A.
	Reception and transmission of orders to buy or sell financial instruments	Issuer