

Information about Erste Securities Polska S.A

Version effective from 01.01.2023

**This information is addressed to Clients and potential Clients
of Erste Securities Polska S.A.**

This information is the information referred to in Article 26 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council with regard to organizational requirements and operating conditions for investment companies and concepts defined for the purposes of this directive (hereinafter referred to as "the Regulation").

1. The name and address of the investment firm, and the contact details necessary to enable Clients to communicate effectively with the firm

Erste Securities Polska S.A. with its seat in Warsaw, ul. Królewska 16, 00-103 Warszawa.

Erste Securities Polska S.A. provides direct contact with the Client or potential Client in its seat and through the following communication channels: telephone: +48 22 257 57 00, fax: +48 22 257 57 01, e-mail: ErsteSecuritiesPolska@erstegroup.com or through the contact form on the website: www.esp.pl.

2. The languages in which the Client may communicate with the investment firm, and receive documents and other information from the firm

Erste Securities Polska S.A. serves Clients in Polish and in English.

3. The methods of communication to be used between the investment firm and the Client including, where relevant, those for the sending and reception of orders

General contact details are indicated in Section 1 above.

Communication methods to be used in the provision of brokerage services, as well as contact details to respective organizational units of Erste Securities Polska S.A. are specified in the contract for the provision of brokerage services or documents sent to the Client in connection with its conclusion.

Erste Securities Polska S.A. enables in the course of its activity to use the following methods of sending and receiving orders:

- a) in writing;
- b) by phone (only via lines enabling recording of telephone conversations);
- c) using electronic mail;
- d) using the Bloomberg or Refinitiv terminal;
- e) by means of electronic protocols agreed with the Client;

subject to the conclusion of an appropriate agreement for the provision of brokerage services.

Information about Communication Registration

Erste Securities Polska S.A. informs that telephone conversations and electronic correspondence with a potential Client or Client are recorded. A copy of the recording of telephone conversations and correspondence with the Client may be made available to the Client at the Client's request for a period of five years, and in the event that it is requested by the PFSA for a period of up to seven years.

4. A statement of the fact that the investment firm is authorised and the name and contact address of the competent authority that has authorised it

Erste Securities Polska S.A. declares that he has a license to provide investment services.

The competent authority that granted Erste Securities Polska S.A. permission for the provision of brokerage services is the Polish Financial Supervision Authority (formerly the Securities and Exchange Commission), with its office at Piękna 20, 00-549 Warszawa.

Permission granted to Erste Securities Polska S.A. includes:

- 1) acceptance and transfer of orders to acquire or dispose of financial instruments;
- 2) execution of the orders referred to in point 1 for the account of Clients;
- 3) investment advisory;
- 4) offering financial instruments;
- 5) safekeeping or recording financial instruments, including maintaining securities accounts, derivatives accounts and omnibus accounts, and maintaining cash accounts;
- 6) advice to undertakings on capital structure, corporate strategy or other issues related to such structure or strategy, as well as advice and other services on mergers, demergers and acquisitions of undertakings;
- 7) foreign exchange services where these are connected to the provision of investment services;
- 8) investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

5. The nature, frequency and timing of the reports on the performance of the service to be provided by the investment firm to the Client in accordance with Article 25(6) of Directive 2014/65/EU;

With reference to the order execution service, Erste Securities Polska S.A.:

- a) immediately provides the Client with the most important information on the execution of the order on a durable medium;
- b) as soon as possible and not later than on the first business day after the order is completed, sends to the Client on a durable medium a notification confirming its execution or - if the investment firm receives confirmation from a third party - no later than the first business day after receipt of confirmation from a third party.

The notification referred to in letter (b) contains the information referred to in Article 59 section 4 of the Regulation.

Reports related to other brokerage services rendered by Erste Securities Polska S.A. are provided to the Client in accordance with the content of the contract for the provision of a given brokerage services.

Erste Securities Polska S.A. may conclude contracts with eligible counterparties that differently specify the content of the reports and the schedule for their submission.

If Erste Securities Polska S.A. hold Client financial instruments or Client funds it shall send at least on a quarterly basis, to Client for whom they hold financial instruments or funds, a statement in a durable medium of those financial instruments or funds unless such a statement has been provided in any other periodic statement. Upon Client

request, Erste Securities Polska S.A. provide such statement more frequently at a commercial cost. The above statement contains the information specified in Article 63 section 2 of the Regulation.

6. A brief description of the steps taken by Erste Securities Polska S.A to ensure the protection of financial instruments or funds of Clients for whom Erste Securities Polska S.A holds or registers financial instruments or funds of the Client, including summary information on any compensation schemes or deposit guarantees

Assets of Clients of Erste Securities Polska S.A. are protected within the compensation system, which is created by the National Deposit of Securities. Detailed principles of the compulsory compensation system are described in Section V of the Act of 29 July 2005 on trading in financial instruments (the "Act"). According to article 139 section 1 of the Act, the compensation system secures the payment of investors' funds, referred to in article 133 section 2, less the receivables of the brokerage house from the investor for services rendered, as at the date of the occurrence of one of the circumstances referred to in art. 133 section 2, up to the PLN equivalent of EUR 3,000 - 100% of the value of funds covered by the compensation system and 90% of the surplus over this amount, however, the upper limit of funds covered by the compensation system is the equivalent in PLN of EUR 22,000 from January 1, 2008, the equivalent in zlotys of EUR 15,000 from the day from January 1, 2006 to December 31, 2006, the PLN equivalent of EUR 19,000 from January 1, 2007 to December 31, 2007. The average exchange rate of The National Bank of Poland shall be used to calculate the EUR value in PLN, in accordance with the announced exchange rate table, on the day of occurrence of the circumstances constituting the basis for payment of compensation.

The amounts referred to above determine the maximum amount of the investor's claims regardless of the amount and number of accounts where the funds are held in or the number of receivables due to him in a given brokerage house. In the event that financial instruments and cash are subject to joint ownership, each of the co-owners is entitled to a claim in the amount in proportion to their share, but no more than the amount specified above. In the case of joint co-ownership, the amount of participation is determined by the provisions relating to that co-ownership in the event of termination. Compensations are payable according to the payout schedule, however not later than within 3 months from the date of approval of this schedule by the National Depository. In the event of particularly justified circumstances making it impossible to pay compensation within 3 months, the Commission may, at the request of the National Depository, extend the payment deadline, but no longer than for a further three months. The National Depository shall submit the application referred to above, no later than 14 days before the deadline for payment of compensation. Claims for compensation are statute-barred after 10 years from the date on which the circumstances forming the basis for payment of compensation occurred. The investor retains the right to claim from the bankruptcy estate or brokerage house its claims above the amount specified above.

7. Indication of the basic rules of conduct in the event of a conflict of interest and information that at the Client's request may be provided to him, using a durable medium of information, detailed information on the principles of conflicts of interest management

The conflict of interest is understood as known to Erste Securities Polska S.A. (the "Investment House") circumstances that may lead to conflicts in the scope of the activity carried out by the Investment House, the Erste Bank Group or Relevant Person, in connection with the provision of brokerage services to Clients that may benefit the

Investment House, another entity from the Erste Bank Group, the Relevant Person or another Client for whom the Investment House acts, if it may have an adverse effect on the Client's interests;

Relevant Person is a person within the meaning of art. 2 point 1 of the Regulation.

Conflicts of interest may relate in particular to the relations between:

- a) interest of the Investment House, another entity from the Erste Bank Group or the Relevant Person and the interests of the Client or group of Clients;
- b) the interests of the Client or group of Clients and the interests of another Client or another group of Clients;
- c) the interests of the Investment House and the interests of the Relevant Person or group of Relevant Persons.

Before concluding the contract, the Investment House informs the Client about an existing conflict of interest, unless the organization and internal regulations of the investment firm ensure that in the event of a conflict of interest there is no breach of the Client's interest. The contract may be concluded only on the condition that the Client confirms the receipt of information on the existing conflict of interest and clearly confirms the will to conclude a contract with the Investment House.

Client before concluding the agreement with Erste Securities Polska S.A. using a durable medium of information confirms the receipt of information on existing conflicts of interest and in the event of a decision to conclude the agreement, despite the existing conflicts of interest - will clearly confirm the will to conclude the agreement.

In the event of a conflict of interest after the conclusion of the contract with the Client, the above provisions shall apply accordingly, except that the Investment House notifies the Client of the conflict of interest immediately after its discovery and refrains from providing the brokerage service until receiving the express statement of the Customer on the continuation or termination of the contract .

The Investment House declares that for each type of conflict of interest identified, it implements solutions tailored to its specificity, aimed at managing and monitoring the conflict of interest and preventing the potential adverse impact that it may have on the interests of the Client or Clients.

At the Client's request, Erste Securities Polska S.A. will provide the Client with, on a durable medium, further detailed information on the rules of conduct of the Investment House in the event of a conflict of interest determined in the Conflict of Interest Management Policy in Erste Securities Polska S.A.

8. Description of procedures for the prompt handling of Clients' or potential Clients' complaints

- 1) A complaint, including Client's complaint, may be submitted:
 - a) in electronic form: by sending an e-mail to the address Compliance.pl@erstegroup.com;
 - b) in writing: to the postal address of the seat of Erste Securities Polska S.A.;
 - c) personally in the seat of Erste Securities Polska S.A.;
 - d) verbally: by telephone during the Investment House's work hours, under the telephone numbers +48 22 257 57 11, +48 22 257 57 13, +48 22 257 57 15.

- 2) Erste Securities Polska S.A. is obliged to respond to the submitted complaint within 30 days of its receipt. To meet the deadline, it is enough to send a response before its expiry.
- 3) In particularly complicated cases, making it impossible to consider the complaint and reply within 30 days, the Investment House in the information provided to the Client who has made the complaint:
 - a) explains the reason for the delay;
 - b) indicates the circumstances that must be determined for the consideration of the complaint;
 - c) specifies the expected date of considering the complaint and providing the answer, which may not exceed 60 days from the date of receipt of the complaint.

Erste Securities Polska S.A. examines complaints of Clients being a natural persons in accordance with the provisions of the Act of 5 August 2015 on handling complaints by financial market entities and on the Financial Ombudsman.

Other details of the procedures for the prompt handling of Clients' or potential Clients' complaints are governed by the Complaints Handling Procedure at Erste Securities Polska S.A.

9. Indication of costs and fees related to brokerage services provided by Erste Securities Polska S.A.

The costs incurred by the Client are presented in the Table of Fees and Commissions, which constitutes an annex to the contract for the provision of brokerage services. In the case of commissions regarding the provision of brokerage services in financial instruments on foreign markets, the commission for the intermediary entity (e.g. foreign broker) is negotiable or depends on the turnover of the Client. The sum of all fees and commissions relating to transactions concluded on foreign markets may not, however, exceed the amount of commission mentioned in the Table of Fees and Commissions.

10. Information on safekeeping of the funds and the financial instruments (for Clients for which the Investment House provides services for safekeeping and registering financial instruments, including maintaining securities accounts and financial accounts)

Financial instruments admitted to organized trading (e.g. on the Warsaw Stock Exchange) and acquired in this market are held in the National Depository for Securities.

Erste Securities Polska S.A. is holding the Clients' financial instruments in a manner enabling at any time the separation of financial instruments held for one Client from financial instruments held for the other Client and from financial instruments of Erste Securities Polska S.A.

Erste Securities Polska S.A. may establish collateral on Clients' financial instruments in connection with the recovery or securing of receivables due to Erste Securities Polska S.A. on the terms specified in the agreement and the provisions of applicable law.

Erste Securities Polska S.A. does not use the Client's financial instruments for its own account.

Erste Securities Polska S.A. or the entity holding the Clients' financial instruments may have certain rights to the Client's financial instruments, in particular the right to settle claims of Erste Securities Polska S.A. or the holding entity from designated financial instruments, if such rights are reserved in the contract with the Client, the regulations for the provision of a given service or applicable laws.

Foreign financial instruments will be transferred for holding to other entities on the terms specified in the contract for the provision of brokerage services.

Erste Securities Polska S.A. bears responsibility for entities in which funds or foreign financial instruments are held or deposited in accordance with the provisions of the Polish law. In the event of the insolvency of these entities, funds or foreign financial instruments may form part of the bankruptcy estate of these entities.

Foreign financial instruments may be held on the territory of foreign states. Where accounts that contain financial instruments or funds belonging to that Client or potential Client are or will be subject to the law of a foreign jurisdiction, the rights of the Client or potential Client relating to those financial instruments or funds may differ accordingly

If the Client's foreign financial instruments are stored on a collective account ("Omnibus Account") maintained by the custodian bank for the benefit of the foreign broker, then the rules for keeping the above account:

- ensure that the Client's foreign financial instruments are kept separately from financial instruments owned by the foreign broker or Erste Securities Polska S.A.;
- mean that foreign financial instruments of Clients of Erste Securities Polska S.A. may be stored together with financial instruments of other clients of the foreign broker, which causes the threat of using the Client's foreign financial instruments to settle transactions of another Client of Erste Securities Polska S.A. or foreign broker and the risk in the case of bankruptcy or other similar event to the foreign broker causing the necessity to prove the legal title to foreign financial instruments in order to isolate them from the instruments accumulated on this account.

Erste Securities Polska S.A. informs that it maintains a register of rights to foreign financial instruments and a register of foreign financial instruments in a manner enabling unambiguous identification of the Client's foreign financial instruments and defining the rights to which it is entitled.

Erste Securities Polska S.A. or an entity holding financial instruments and funds may be entitled to satisfy its claims from funds or from the Client's financial instruments.

Funds (cash) of Clients can be deposited by Erste Securities Polska S.A. in entities permitted by law.

Funds of Clients of Erste Securities Polska S.A. are deposited in accounts maintained for the benefit of Erste Securities Polska S.A. by domestic banks (Bank Gospodarstwa Krajowego and ING Bank Śląski S.A.) and foreign banks (Erste Group Bank AG) selected by Erste Securities Polska S.A. with due diligence. Cash deposited in the accounts maintained by the banks may bear interest in accordance with separate agreements concluded by Erste Securities Polska S.A. with these banks. Possible benefits from this are attributable to Erste Securities Polska S.A.

Provisions of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and forced restructuring regulate the issue of obtaining by the Clients, who entrusted the investment firm with funds in connection with the provision

of brokerage services and which are deposited on the account of that investment firm conducted by the bank, the status of depositors within the meaning of the above-mentioned Act, within the limits resulting from their participation in the amount accumulated on the account, under the terms and conditions specified in the above Act.

Erste Securities Polska S.A. informs that:

- in the event of the initiation of enforcement proceedings against Erste Securities Polska S.A. funds entrusted by Clients of Erste Securities Polska S.A. in connection with the provision of brokerage services are not subject of the seizure;
- in the event of the bankruptcy of Erste Securities Polska S.A. funds entrusted by Clients of Erste Securities Polska S.A. in connection with brokerage services are excluded from the bankruptcy estate of Erste Securities Polska S.A.

Erste Securities Polska S.A. or the entity that holds the Clients' funds may have certain rights to the Client's funds, in particular the right to settle claims of Erste Securities Polska S.A. or a holding entity, as long as such rights are reserved in the contract with the Client, the regulations for the provision of a given service or applicable laws.

11. Cross-selling

1) Definitions

Cross-selling is combined selling or bundling.

A combined selling is the provision by an investment firm of a brokerage service, as referred to in Article 69 section 2 of the Act, and other services under an agreement referred to in Article 83f section 1 point 1 of the Act, or under one of the agreements referred to in Article 83f section 1 point 2 of the Act, if:

- a) each of these services may be provided by the investment firm under a separate agreement; and
- b) the client has the option to enter into a separate agreement with the investment firm for each of these services.

A bundled sale is the provision by an investment firm of a brokerage service referred to in Article 69 section 2 of the Act and other services on the basis of an agreement referred to in Article 83f section 1 point 1 of the Act or on the basis of one of the agreements referred to in Article 83f section 1 point 2 of the Act, if at least one of those services cannot be provided by the investment firm on the basis of a separate agreement.

2) Cross-selling at Erste Securities Polska S.A.

Basic services

1.1. At Erste Securities Polska S.A., based on a Brokerage Services Agreement, bundling services are provided:

- a) acceptance and transfer of orders to acquire or dispose of financial instruments;
- b) execution of the orders referred to in letter a) for the account of the principal;
- c) investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- d) safekeeping or recording financial instruments, including maintaining securities accounts, derivatives accounts and omnibus accounts, and maintaining cash accounts, although in the case of clients who have concluded an agreement with

a depositary bank, it is possible to conclude a Brokerage Services Agreement that does not include this service.

- 1.2. It is possible to separately conclude with Erste Securities Polska S.A. a Brokerage Services Agreement on Foreign Markets, based on which within the framework of a bundle sale, services from item 1.1. a) - d) are provided, as well as foreign exchange services with regard to foreign financial instruments. In the case of Clients who have concluded an agreement with a depositary bank, it is possible to conclude a Brokerage Services Agreement on Foreign Markets, which does not include the service referred to in item 1.1. d) above.
- 1.3. It is possible to conclude separately with Erste Securities Polska S.A. a Brokerage Services Agreement for Derivative Rights, based on which services from point 1.1. a) to d) for derivatives are provided under a bundled sale. In the case of Clients who concluded an agreement with a depositary bank, it is possible to conclude a Brokerage Services Agreement for Derivative Rights not covering the service referred to in point 1.1. d) above.
- 1.4. It is possible to separately conclude with Erste Securities Polska S.A. a Brokerage Services Agreement for Foreign Derivative Rights, based on which services from point 1.1. a) - d) and foreign exchange services with regard to foreign derivative instruments are provided under a bundled sale. In the case of Clients who have concluded an agreement with a depositary bank, it is possible to conclude a Brokerage Services Agreement for Foreign Derivative Rights which does not include the service referred to in point 1.1. d) above.
- 1.5. It is possible to conclude separately with Erste Securities Polska S.A. a Master Securities Loan Agreement.

Additional services

- 2.1. It is possible to separately conclude a service agreement with Erste Securities Polska S.A. for the provision of investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.
- 2.2. It is possible to separately conclude an investment advisory agreement with Erste Securities Polska S.A. .
- 2.3. It is possible to separately conclude an agreement with Erste Securities Polska S.A. for the provision of financial instrument offering services.
- 2.4. It is possible to separately conclude a service agreement with Erste Securities Polska S.A. to provide advice to undertakings on capital structure, corporate strategy or other issues related to such structure or strategy.
- 2.5. It is possible to separately conclude a service agreement with Erste Securities Polska S.A. to provide advice and other services on mergers, demergers and acquisitions of undertakings.

3) Impact of cross-selling on customer costs

The breakdown of costs and fees related to the conclusion, execution or termination of the agreements concluded within the framework of cross-selling (Agreements indicated in points 1.1 - 1.4 above) is set out in the Table of Fees and Commissions attached to these agreements. The content of the agreement together with the Table of Fees and

Commissions is presented to the Client prior to the conclusion of the agreement. Erste Securities Polska S.A. enables the client to use investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments at no additional cost.

The costs and fees associated with the conclusion, performance or termination of contracts for individual services, if those services were provided under separate contracts, would be set at the same level or higher.

4) Impact of cross-selling on customer risk

The risks arising from cross-selling compared to the risks described for the individual services if these were provided by Erste Securities Polska S.A. on the basis of separate contracts do not change, with the proviso that in the case of cross-selling they represent the sum of the risks of the individual cross-selling services.

5) Risks associated with individual services provided at cross-selling:

- a) Risks associated with the service of executing orders for the account of the principal:
 - The risk of losing some or all of the funds invested or even incurring costs in excess of the initial investment - the level of risk varies and depends on the type of financial instrument that is the subject of the service. For details of the risks associated with a particular financial instrument, please refer to the document *"General description of the nature and risks of financial instruments"*.
 - Risk of untimely, incorrect execution of the Client's order (e.g. as a result of an employee error or a failure of Erste Securities Polska S.A.'s IT systems or the trading venue where the order is executed).
- b) Risks associated with the service of acceptance and transfer of orders to acquire or dispose of financial instruments:
 - In addition to the risk of untimely, incorrect execution of the Client's order (e.g. as a result of an employee error or a failure of Erste Securities Polska S.A.'s IT systems or the trading system on which the order is executed) , an additional risk is the risk of untimely, incorrect execution of the Client's order by the foreign broker.
- c) Risks associated with the service of preparing investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments:
 - Risk of incorrectly estimated target price or the risk of an inaccurate assessment of the direction of price changes of a recommended financial instrument (including the assumed investment period in which the price change should take place) - an incorrectly estimated target price, an inaccurate assessment of the direction of price changes or the adoption of an inappropriate investment time horizon and the related recommended investment behaviour may lead to worse investment results than expected; in particular, there is the risk of incurring a loss of the total capital originally invested;

- Financial instrument mis-match risk - a lack of assurance as to whether the financial instruments being recommended are suitable for a particular investor. The investments and services presented or included in the recommendations provided may not be suitable for a particular investor, which may result in the loss of some or all of the invested capital;
 - Recommendation obsolescence risk - there is a risk associated with the time-limited validity of an investment recommendation provided to a client.
- d) Risks associated with the service of safekeeping or recording financial instruments, including maintaining securities accounts, derivatives accounts and omnibus accounts, and maintaining cash accounts:
- Risk of safekeeping financial instruments or cash in a single institution. Erste Securities Polska S.A. is a participant in the Compensation Scheme operated by the National Depository for Securities. For details in this respect, see section 6 of this document;
 - Erste Securities Polska S.A. cooperates with other companies conducting investment activities and providing investment services abroad (foreign broker) and with foreign depository banks (foreign custodian bank), which provide services to Erste Securities Polska S.A., respectively, with regard to the handling of orders having as their object financial instruments listed in foreign execution venues and with regard to the safekeeping of these financial instruments. The above cooperation is associated with the risk of maintaining the continuity of the operations of the above institutions (risk of bankruptcy, liquidation of these institutions). For details in this regard, please refer to section 10 of this document.