

REGULATIONS CONCERNING TRANSACTIONS IN TREASURY SECURITIES AND BUY-SELL-BACK AND SELL-BUY-BACK TRANSACTIONS AT ING BANK ŚLĄSKI S.A.

1. DEFINITIONS

- 1.1 **Bank** - ING Bank Śląski Spółka Akcyjna;
- 1.2 **Treasury Bills** - bearer Treasury bills issued by: (i) the State Treasury of the Republic of Poland under the rules set out in the Ordinance; or (ii) the State Treasury of the Czech Republic under the rules set out in the relevant legislation;
- 1.3 **Price per 100** - the price per one hundred monetary units of the nominal value of the Treasury Securities, Accrued Interest excluded in the case of coupon instruments;
- 1.4 **Settlement Date** - the date on which the Client's Settlement Account is to be credited or debited for the execution of the Transaction;
- 1.5 **Transaction Date** - the date on which the Transaction Parameters are agreed between the Parties;
- 1.6 **Maturity Date** - means the date on which the Treasury is obliged to redeem the Treasury Securities;
- 1.7 **Second Part of the Transaction** - (i) for BSB Transactions, the sale of Equivalent Securities by the Client to the Bank and (ii) for SBB Transactions, the purchase of Equivalent Securities by the Client from the Bank;
- 1.8 **Business Day** - any day from Monday to Friday, with the exception of public holidays, on which the Bank carries out its banking activities and, in the case of settlement of Transactions in a currency other than PLN, on which the main financial centres in the country of the currency used for the settlement of the Transaction make settlements;
- 1.9 **Eurobonds** - bearer treasury bonds issued on foreign markets by the State Treasury of the Republic of Poland under the terms of the Ordinance or the State Treasury of the Czech Republic under the terms provided for in the relevant regulations;
- 1.10 **Financial Institution** - a domestic or foreign bank, a credit institution and other entities that are recognised as financial institutions under the Banking Law, in particular a leasing company or an insurance company;
- 1.11 **Clearing House** - an institution intermediating in the settlement of Transactions or the settlement of issues of Treasury Securities
- 1.12 **Client** - means a client of the Bank serviced by the Business Clients Division or Wholesale Banking Division, excluding domestic banks, foreign banks and credit institutions within the meaning of the Banking Law of 29 August 1997, who is a resident or non-resident within the meaning of the Act of 27 July 2002 "Foreign Exchange Law" (Journal of Laws No. 141, item 1178, as amended);
- 1.13 **Funding Costs** - interest on the amount of the outstanding commitment, calculated at the benchmark interest rates referred to in Section 14.9, for one-month deposits in the currency of the outstanding commitment in force on the maturity date;
- 1.14 **Nominal Amount** - the sum of the nominal values of the Treasury Securities that are the subject of the Transaction;
- 1.15 **Accrued Interest** - the unpaid interest that has accrued on the Treasury Bonds during the period from and including the issue date or the last interest determination date (whichever is later) to the Settlement Date, excluding that date;
- 1.16 **Treasury Bonds** - bearer government bonds issued by: (i) the State Treasury of the Republic of Poland under the rules set out in the Ordinance or (ii) the State Treasury of the Czech Republic under the rules set out in the relevant legislation;
- 1.17 **Late Payment Interest** - interest for late payment, determined in accordance with the Ordinance of the President of the Bank Management Board dated 30 July 2007 (No. Korp/260/2007) on the amount of increased interest on outstanding debt in PLN and convertible currency applicable to corporate clients (the "Ordinance"), or the regulation that will amend or replace the Ordinance, available at www.ing.pl;
- 1.18 **Authorised Person** - a person authorised by a Party to enter into Transactions on its behalf, or to send letters by a Party, designated in accordance with Clause 2.5;
- 1.19 **Transaction Parameters** - means the elements and conditions of the Transaction which must be agreed upon by and between the Parties, in the manner indicated in Clause 3, to conclude the Transaction;
- 1.20 **First Part of the Transaction** - (i) for a BSB Transaction, the purchase by the Client of the Transferred Securities from the Bank and (ii) for an SBB Transaction, the sale by the Client of the Transferred Securities to the Bank;
- 1.21 **Transaction Confirmation** - a document drawn up by the Bank containing the agreed Transaction Parameters;
- 1.22 **Banking Law** - Act of 29 August 1997 - Banking Law (Journal of Laws of 2002, No. 72, item 665, as amended) or a legal act that will amend or replace this Act;
- 1.23 **Bankruptcy and Reorganisation Law** - Act of 28 February 2003 - Bankruptcy and Reorganisation Law (Journal of Laws of 2003, No. 60, item 535, as amended) or a legal act that will amend or replace this Act;
- 1.24 **Tender** - a tender organised by the issuing agent in accordance with the Ordinance and, in the case of treasury bills and treasury bonds issued by the Treasury of the Czech Republic, in accordance with the relevant regulations;
- 1.25 **Event of Default** - an event of fact or law as defined in Clause 7.1;
- 1.26 **Securities Account** - (a) the Bank's account from which and to which the Treasury Securities that are the subject of a Transaction are transferred; and (b) (i) the Client's account from which and to which the Treasury Securities that are the subject of a Transaction are transferred, maintained by the Bank on the terms and conditions set



- out in the Custody Services Agreement and the General Terms and Conditions of Providing Custody Services concluded with the Client; or (ii) where the Bank agrees, a securities account maintained by an entity other than the Bank authorised to maintain such an account under applicable law, designated in a manner agreed between the Bank and the Client;
- 1.27 **Settlement Account** - means (a) the Bank's account through which monetary obligations in relation to Transactions are settled; and (b) (i) the Client's bank account maintained by the Bank in accordance with the bank account agreement between the Bank and the Client; or (ii) where the Bank agrees, a bank account maintained by another bank designated in a manner agreed between the Bank and the Client;
- 1.28 **General Terms and Conditions of Providing Custody Services** - General Terms and Conditions of Providing Custody Services at ING Bank Śląski S.A., introduced by Ordinance of the President of ING Bank Śląski S.A. No. 186/2006 of 10 October 2006 (as amended) or a regulation that will amend or replace these General Terms and Conditions;
- 1.29 **Regulations Concerning FX Spot Transactions** - Regulations concerning FX Spot Transactions with Corporate Clients at ING Bank Śląski S.A., in accordance with the Ordinance of the President of the Bank Management Board dated 8 May 2009 (No. 259/2009) (as amended) or a regulation that will amend or replace these regulations;
- 1.30 **Ordinance** - depending on the type of Treasury Securities (a) for Treasury Bonds issued by the Treasury of the Republic of Poland: Ordinance of the Minister of Finance of June 26, 2006 on the conditions of issuing treasury bonds offered at auctions (Journal of Laws No. 113, item 772, as amended), or an act amending or replacing this Ordinance; or (b) for Treasury Bills issued by the Treasury of the Republic of Poland: Ordinance of the Minister of Finance of June 26, 2006 on the conditions for issuing treasury bills (Journal of Laws No. 113, item 771, as amended), or an act amending or replacing this Ordinance; or (c) for Eurobonds issued by the State Treasury of the Republic of Poland: Ordinance of the Minister of Finance of 26 June 2006 on the conditions for issuing treasury bonds on foreign markets (Journal of Laws No. 113, item 773, as amended), or an act amending or replacing this Ordinance;
- 1.31 **Equivalent Securities** - for a BSB Transaction or an SBB Transaction, are Transferred Securities or Treasury Securities equivalent to the Transferred Securities and in the same number as the Transferred Securities. For the purposes of this definition, equivalent Treasury Securities shall be deemed to be Treasury Securities bearing the same ISIN code;
- 1.32 **Force Majeure** - any event as defined in Clause 8.1;
- 1.33 **Treasury Securities, T-Securities** - Treasury Bills or Treasury Bonds; in relation to a BSB Transaction or an SBB Transaction, Eurobonds are also understood to be Treasury Securities;
- 1.34 **Parties** - the Client and the Bank;
- 1.35 **Affected Party** - the Party affected by the Force Majeure event;
- 1.36 **Defaulting Party** - the Party that suffered the Event of Default or where the Event of Default occurred;
- 1.37 **Non-Defaulting Party** - the party other than a Defaulting Party;
- 1.38 **Transaction** - a Treasury Securities Transaction, BSB Transaction or SBB Transaction;
- 1.39 **BSB (Buy-Sell-Back) Transaction** - a transaction involving a simultaneous commitment by the Client on the Transaction Date to purchase from the Bank the Transferred Securities on the Settlement Date for the First Part of the Transaction and to sell to the Bank the Equivalent Securities on the Settlement Date for the Second Part of the Transaction and a corresponding commitment by the Bank;
- 1.40 **Affected Transaction** - means any Transaction affected by Force Majeure event;
- 1.41 **Treasury Securities Transaction / TS Transaction** - a transaction consisting of (i) the sale of Treasury Securities by the Client to the Bank, (ii) the purchase of Treasury Securities by the Client from the Bank, (iii) the sale of Treasury Securities by the Client to the Bank provided that the Bank disposes of those Treasury Securities at a Tender, (iv) the purchase of Treasury Securities by the Client from the Bank provided that the Bank acquires those Treasury Securities at a Tender or (v) the exchange of Treasury Securities by the Client with the Bank on the condition that the Bank exchanges those Treasury Securities at a Tender;
- 1.42 **Sell-Buy-Back (SBB) Transaction** - a transaction involving a simultaneous commitment by the Client on the Transaction Date to sell to the Bank the Transferred Securities on the Settlement Date for the First Part of the Transaction and to purchase from the Bank the Equivalent Securities on the Settlement Date for the Second Part of the Transaction and a corresponding commitment by the Bank;
- 1.43 **Contingent Transaction** - means the Transaction referred to in Clause 3.10;
- 1.44 **Act on Public Offering** - the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws No. 184, item 1539, as amended), or the legal act that will amend or replace it;
- 1.45 **Agreement of the Transaction Parameters** - the submission by the Parties of concordant declarations of will accepting the Transaction Parameters in the manner indicated in Clauses 3.2 to 3.3;
- 1.46 **Transaction Value** - the total amount of the monetary consideration arising from the Transaction;
- 1.47 **Security** - the security established (or to be established) in accordance with the provisions of Clause 4;
- 1.48 **Notice of Default** - a notice that an Event of Default has occurred as defined in Clause 7.8;
- 1.49 **Withdrawal Notice** - a notice of withdrawal from a Transaction as defined in Clause 7.5;
- 1.50 **Transferred Securities** - the Treasury Securities that are the subject of the First Part of the Transaction for a BSB Transaction or an SBB Transaction.
- ## 2. GENERAL PROVISIONS
- 2.1 The subject matter of these Regulations are the rules for the conclusion and settlement of Transactions, including Contingent Transactions, between the Parties.
- 2.2 The provisions of the Regulations do not impose any obligation on the Parties to enter into any Transaction.
- 2.3 Terms relating to the Transaction, such as "buy" or "sell", are from the Client's point of view.
- 2.4 The Bank is authorised to perform all factual and legal acts necessary or incidental to the conclusion and execution of Transactions between the Bank and the Client, in particular those necessary or incidental to the effective transfer of ownership of the Treasury Securities to the Bank or the Client.

- 2.5 The Client shall indicate the Authorised Persons, e-mail address or telephone numbers and its address, in the Power of Attorney (the "**Power of Attorney**"), and shall revoke the Power of Attorney in its entirety in the Revocation of Power of Attorney (the "**Revocation of Power of Attorney**"), in both cases in accordance with the current form in force at the Bank, which can be found on the website referred to in Clause 2.8 below, or in another form acceptable to the Bank.
- 2.6 In the event of a change of Authorised Persons or a change of other data disclosed in the Power of Attorney, the Client is obliged to inform the Bank thereof immediately by delivering a new Power of Attorney to the Bank and, if the Power of Attorney is revoked in its entirety, by delivering a Revocation of the Power of Attorney. Such changes shall be binding on the Bank upon the Bank's approval of the content of the new Power of Attorney or Revocation of the Power of Attorney, but not earlier than 5 Business Days from the date of its delivery to the Bank, unless the Bank agrees to an earlier date.
- 2.7 Should the data not be changed in the manner indicated in Clause 2.6, the Bank's letters shall be deemed to have been delivered 7 days after being sent to the last address indicated in the Power of Attorney.
- 2.8 The Bank indicates the Authorised Persons, the Bank's Settlement Account numbers, the Bank's Securities Account numbers, email addresses, telephone numbers and its address, on its website www.ing.pl.
- 2.9 The Bank has the right to contact the Client to provide general information on the possibility of Transactions.
- 2.10 The place where the Transaction is executed is the Bank.
- ### 3. ENTERING INTO TRANSACTIONS
- 3.1 The Bank has the right to refuse to enter into a Transaction with the Client without giving any reason.
- 3.2 The Agreement of the Transaction Parameters, subject to Clause 3.3, shall take place by phone. In the case of Clients who are Financial Institutions, the Agreement of the Transaction Parameters, subject to Clause 3.3, shall take place by phone or by means of electronic communication, excluding e-mail.
- 3.3 The Agreement of the Transaction Parameters may take place by means other than those set out in Clause 3.2, by prior agreement between the Parties.
- 3.4 In the event that the Parties have not agreed on a Transaction Parameter that is subject to arithmetic calculation from the agreed Transaction Parameters, such Transaction Parameter shall be deemed to have been agreed in an amount consistent with such calculation upon agreement on the remaining Transaction Parameters.
- 3.5 A Transaction is concluded when the Transaction Parameters are agreed in the manner set out in Clauses 3.2 - 3.4.
- 3.6 Should there be any discrepancies between the agreed Transaction Parameters and these Terms and Conditions, the agreed Transaction Parameters shall prevail.
- 3.7 When entering into a TS Transaction, the Parties shall specify the following Transaction Parameters:
- Parties to the TS Transaction;
 - the direction of the Securities Transaction entered into by the Client (buy or sell);
 - the designation of the Treasury Bonds in the case of a Treasury Bond Transaction or the Maturity Date in the case of a Treasury Bills Transaction;
 - Transaction Date;
 - Settlement Date;
 - Price per 100;
 - Nominal Amount;
 - Transaction Value;
 - Transaction Currency;
 - if the Treasury Securities are to be sold or purchased at a Tender - the type of Tender and the necessary additional elements of the offer for a given type of Tender, not listed under (a) to (i) above.
- 3.8 When entering into a BSB Transaction or an SBB Transaction, the Parties shall specify the following Transaction Parameters:
- Parties to a BSB Transaction or an SBB Transaction;
 - the type of Transaction executed by the Client (BSB Transaction or SBB Transaction);
 - Transferred Securities, by stating either (i) the designation of the Treasury Bonds, (ii) the Maturity Date of the Treasury Bills or (iii) the Maturity Date of the Eurobonds;
 - Transaction Date;
 - Settlement Dates for the First Part of the Transaction and the Second Part of the Transaction;
 - Prices per 100 for the First Part of the Transaction and the Second Part of the Transaction;
 - The Nominal Amount of the Transferred Securities;
 - Transaction Value for the First Part of the Transaction and the Second Part of the Transaction;
 - Transaction Currency.
- 3.9 The parties may specify the Transaction Parameters by means of wording different from that provided for in these Regulations, in particular as used in trading practice, if it is possible to properly attribute to them the Transaction Parameters defined herein.
- 3.10 When the Transaction Parameters are being agreed in accordance with Clause 3.5, the Parties may specify the condition(s) upon the satisfaction of which the effect of the Transaction will depend (the "Contingent Transaction"), provided that one of the conditions referred to above must be the Price per 100 and the date after which, if the condition(s) are not satisfied, the Contingent Transaction will bind the Parties no longer. In the case of a Contingent Transaction, the Transaction Date will be the date on which the condition(s) are fulfilled and will not be determined by the Parties when agreeing the Transaction Parameters. For the avoidance of doubt, the Parties acknowledge that the conclusion of the Transaction and the legal effects related thereto shall take place upon the fulfilment of the condition(s) specified between the Parties.
- 3.11 The effects of a Contingent Transaction shall not occur if, between its conclusion and the fulfilment of the condition(s) specified by the Parties pursuant to Clause 3.10 above, an Event of Default has occurred with respect to the Client and the Bank has served the Client with a Notice of Default pursuant to Clause 7.9 or a Force Majeure event has occurred.
- 3.12 If the Treasury Securities are to be sold, purchased or exchanged at a Tender, the Parties should agree the Transaction Parameters by 10:00 a.m. on the day of the Tender.
- 3.13 When entering into a Transaction, the Client shall inform the Bank of the Settlement Account and the Securities Account used to settle the Transaction.

- 3.14 If, under a Transaction, the Client acquires Treasury Securities with funds borrowed from the Bank, the Client shall inform the Bank of this fact before entering into such Transaction. If such information is not provided, the Bank may assume that the Client is not purchasing Treasury Securities with funds borrowed from the Bank.
- 3.15 Determining whether or not the declaration of will expressed upon Agreement of Transaction Parameters by phone was submitted on behalf of the Party by the authorised person shall be done in the following way: the Authorised Person should introduce himself/herself by providing his/ her name and surname and should also provide the full or common name of the Party being represented provided the said common name enables proper identification of the Party. Moreover, the Authorised Person representing the Client is obliged to give his/her ID number, provided it was given to him/her by the Bank. Each of the Parties is entitled to record electronically any and all telephone calls as well as other forms of communication specified in Clause 3, regardless of whether they have led to the Agreement of the Transaction Parameters or not. The recordings made in such a way may be used as evidence during arbitration, court or any other proceedings.

4. OTHER TERMS AND CONDITIONS OF TRANSACTIONS

- 4.1 In order for the Parties to enter into Transactions with each other, the Client must have a Settlement Account and a Securities Account.
- 4.2 In the case of a Transaction for the purchase of Treasury Securities by the Client, the Bank may condition the conclusion of a Transaction for T-Securities on the Client's provision of security for the Client's performance of its obligations under the Transaction in the form of a blockade of funds on the Client's Settlement Account or in any other form agreed by the Parties, including a blockade on the Client's Securities Account maintained by the Bank, in an amount equal to the Transaction Value. This security is established for the period from the moment the Parties agree on the Transaction Parameters until the Transaction is fully settled.
- 4.3 The Bank may block on the Client's Settlement Account or Securities Account, as the case may be, cash or Treasury Securities under the terms and conditions agreed with the Client in accordance with the procedure provided for the Agreement of Transaction Parameters. Such arrangements shall provide that such blocking shall be released by the Bank when a specified event occurs.
- 4.4 In the event of a Transaction for the sale of Treasury Securities by the Client, the Bank shall block the Treasury Securities that are the subject of the Transaction for Treasury Securities in the Client's Securities Account maintained by the Bank until the final settlement of the Transaction.
- 4.5 In the case of a BSB Transaction, the Bank may block the Equivalent Securities on the Client's Securities Account from the time they are transferred to the Client's Securities Account on the Settlement Date for the First Part of the Transaction until the final settlement of the Transaction and may condition the conclusion of the BSB Transaction on the Client providing security for the Client's performance of its obligations under the BSB Transaction in the form of a blocking of funds on the

Client's Settlement Account or in any other form agreed by the Parties, including blocking on the Client's Securities Account, in an amount equal to the Transaction Value for the First Part of the Transaction. This security is established for the period from the moment the Parties agree on the Transaction Parameters until the First Part of the Transaction is fully settled.

- 4.6 In the case of an SBB Transaction, the Bank may block the Transferred Securities in the Client's Securities Account until the final settlement of the First Part of the Transaction and may condition the conclusion of the SBB Transaction on the Client providing security for the Client's performance of its obligations under the SBB Transaction in the form of a block of funds on the Client's Settlement Account or in any other form agreed by the Parties, including a block on the Client's Securities Account, in an amount equal to the Transaction Value for the Second Part of the Transaction. This security is established for the period from the Settlement Date for the First Part of the Transaction, until the Transaction is fully settled.

5. TRANSACTION CONFIRMATIONS

- 5.1 The Bank confirms the Transaction Parameters by sending the Transaction Confirmation to the Client: (i) for a Transaction that is not a Contingent Transaction - after the Transaction Parameters have been agreed, and (ii) for a Contingent Transaction - after all conditions specified by the Parties have been met.
- 5.2 Transaction Confirmation is sent by the Bank immediately by registered letter, e-mail or via the ING Business online banking system.
- 5.3 In the event of any discrepancy between the agreed Transaction Parameters and the Transaction Parameters stated in the Transaction Confirmation, the Client is obliged to contact the Bank's Authorised Persons by 4:00 p.m. on the next Business Day following the day of receipt of the Transaction Confirmation at the latest in order to clarify the discrepancy. Failure to raise any objections to the content of the Transaction Confirmation by this deadline shall be deemed as confirmation by the Client that the content of the Transaction Confirmation is consistent with the agreed Transaction Parameters. In disputable cases, the recording of the phone call or agreeing of the Transaction Parameters made in any other form referred to in Clause 3.16 shall be decisive. The result of the above arrangements shall be the cancellation of the original Transaction Confirmation and the sending by the Bank of a new Transaction Confirmation specifying the agreed Transaction Parameters. If the Client does not raise any objections to the new Transaction Confirmation within 1 Business Day of its receipt, it shall be deemed to be in compliance with the content of the agreed Transaction Parameters.
- 5.4 The content of the Transaction Confirmation must not change the agreed Transaction Parameters.

6. TRANSACTION SETTLEMENTS

- 6.1 Fulfilment of the monetary obligations arising from the concluded Transactions will take place through the Settlement Account.
- 6.2 Transactions shall be settled in the currency agreed between the Parties at the time the Transaction Parameters are agreed. Subject to the provisions of these Regulations, the conversion of the value of currencies for the purposes of the performance of the Transaction shall take place in accordance with the rules and at the

- exchange rates specified in the Regulations Concerning FX Spot Transactions.
- 6.3 If the Settlement Account is the Client's bank account maintained by the Bank, on the due date under the concluded Transaction, the Bank shall credit or debit the Settlement Account with the due amount. The Client agrees to crediting or debiting of due amounts by the Bank. If the amount of the funds in the Settlement Account is insufficient to cover the abovementioned Client's liabilities towards the Bank in full then the amount of such unpaid liabilities shall be evidenced in the Bank's records and shown on a statement from the Client's Settlement Account.
- 6.4 In the event that the Settlement Account is not a bank account of the Client maintained by the Bank, on the due date of the financial obligation arising from the concluded Transaction, the Party obliged to fulfil the said obligation shall make a transfer to the Settlement Account of the other Party. The day on which the due amount is credited to the relevant Settlement Account of the other Party shall be considered the day of satisfying the financial obligation by a Party.
- 6.5 The transfer of ownership of the Treasury Securities under the Transaction will take place by transferring the Treasury Securities either from the Securities Account or to the Securities Account.
- 6.6 In the event that the Securities Account is the Client's securities account maintained by the Bank, on the date on which, in accordance with the agreed Transaction Parameters, ownership of the Treasury Securities should be transferred, the Bank shall transfer the Treasury Securities to the Securities Account or transfer the Treasury Securities from the Securities Account in accordance with the relevant provisions of the General Terms and Conditions of Providing Custody Services. The Client consents to the Bank carrying out the above operations.
- 6.7 In the event that the Securities Account is not the Client's Securities Account maintained by the Bank, on the date on which ownership of the Treasury Securities should have been transferred in accordance with the agreed Transaction Parameters, the Party obliged to transfer such Treasury Securities shall transfer them to the other Party's Securities Account. The date on which ownership of the Treasury Securities is transferred by a Party is deemed to be the date on which the Treasury Securities are credited to the Securities Account of the other Party.
- 6.8 If Treasury Securities are to be disposed of, purchased or exchanged at a Tender, the Bank undertakes to use due diligence to acquire, dispose of or exchange Treasury Securities at the Tender, under the terms of the specified Transaction Parameters agreed with the Client.
- 6.9 If Treasury Securities are to be sold, purchased or exchanged by the Bank at a Tender, the sale, purchase or exchange of Treasury Securities between the Parties shall take place (i) subject to the Bank selling, purchasing or exchanging such Treasury Securities at the Tender and (ii) to the extent that it does so.

Specific obligations of the Parties under the TS Transaction

- 6.10 Subject to Clause 6.9 above, on the TS Transaction Settlement Date, the Party purchasing the Treasury Securities shall pay the Transaction Value to the other Party, which shall be obliged to transfer ownership of the Treasury Securities to the purchasing Party.
- 6.11 If you enter into a Transaction to purchase Treasury Securities, you must have available funds in your

Settlement Account on the Settlement Date from 12:00 p.m. until the settlement of the TS Transaction to enable you to pay the Transaction Value.

- 6.12 In case of conclusion of Sale Transactions for Treasury Securities issued by the Republic of Poland, the Client is obliged to have the Treasury Securities being the subject of the TS Transaction in the Securities Account starting from 12:00 p.m. on the Settlement Date. In the case of T-Securities issued by the Czech Republic, by 11:25 a.m. on the Settlement Date.
- 6.13 In case when the Transaction is settled through the agency of the Clearing House, the Transaction is settled according to the rules and as provided for by the regulations of that House. In such a case the provisions of these Regulations shall apply accordingly.

Specific obligations of the Parties under the BSB and SBB Transactions

- 6.13 For BSB Transactions:
- 6.13.1. On the Settlement Date for the First Part of the Transaction, the Client shall pay to the Bank the Transaction Value for the First Part of the Transaction and the Bank shall transfer ownership of the Transferred Securities to the Client.
- 6.13.2. On the Settlement Date for the Second Part of the Transaction, the Client shall transfer ownership of the Equivalent Securities to the Bank and the Bank shall pay the Transaction Value for the Second Part of the Transaction to the Client.
- 6.13.3. On the Settlement Date for the First Part of the Transaction, the Client shall have in the Settlement Account, as of 12:00 p.m. for Transactions on Treasury Bills and Treasury Bonds and as of 10:00 a.m. for Transactions on Eurobonds until the settlement of the Transaction, available funds allowing the Client to make payment of the Transaction Value for the First Part of the Transaction.
- 6.13.4. On the Settlement Date for the Second Part of the Transaction, the Client is required to provide Equivalent Securities in the Securities Account, as of 12:00 p.m. for Transactions on Treasury Bills and Treasury Bonds and as of 10:00 a.m. for Transactions on Eurobonds.
- 6.14 For SBB Transactions:
- 6.14.1. On the Settlement Date for the First Part of the Transaction, the Client shall transfer ownership of the Transferred Securities to the Bank and the Bank shall pay the Transaction Value for the First Part of the Transaction to the Client.
- 6.14.2. On the Settlement Date for the Second Part of the Transaction, the Client shall pay to the Bank the Transaction Value for the Second Part of the Transaction and the Bank shall transfer ownership of the Equivalent Securities to the Client.
- 6.14.3. On the Settlement Date for the First Part of the Transaction, the Client shall ensure, as of 12:00 p.m. for Transactions on Treasury Bills and Treasury Bonds and as of 10:00 a.m. for Transactions on Eurobonds, the Transferred Securities in the Securities Account.
- 6.14.4. On the Settlement Date for the Second Part of the Transaction, the Client shall have in the Settlement Account, as of 12:00 p.m. for Transactions on Treasury Bills and Treasury Bonds and as of 10:00 a.m. for Transactions on Eurobonds until the settlement of the Transaction, available funds

allowing the Client to make payment of the Transaction Value for the Second Part of the Transaction.

7. EVENTS OF DEFAULT

7.1 The Parties acknowledge that the occurrence of any of the following events will constitute an Event of Default:

- 7.1.1. failure to comply with obligations under these Regulations or concluded Transactions, in particular:
 - a) the Client's failure to make any payment under the Transaction when due;
 - b) the Client's failure to transfer ownership of the Treasury Securities by the date specified in the agreed Transaction Parameters (or the inability to transfer ownership due to the absence of the relevant Treasury Securities in the Securities Account).
- 7.1.2. the occurrence of a factual or legal event that poses a risk of the Client going into bankruptcy or liquidation, in particular:
 - a) the Client has filed to the court a declaration on instituting of restructuring proceedings;
 - b) the Client is insolvent;
 - c) the Client has filed a bankruptcy petition or such a petition has been filed against the Client;
 - d) bankruptcy or similar proceedings have been instituted against the Client abroad;
 - e) the occurrence of circumstances, as defined in the Bankruptcy and Restructuring Law, justifying the filing of a bankruptcy petition against the Client;
 - f) the occurrence of circumstances, as set out in the legislation governing the Client's legal status, that justify the opening of the Client's liquidation process; or
 - g) the opening of the Client's liquidation process.
- 7.1.3. the occurrence of factual or legal events that increase the risk of the Client's defaulting on its obligations under the Transaction, in particular:
 - a) a significant, permanent deterioration in the economic or financial situation of the Client;
 - b) attachment of the Client's accounts by the enforcement authority;
 - c) instituting enforcement or precautionary proceedings against the Client;
 - d) the commencement of one or more judicial, arbitration or administrative proceedings against the Client aimed at satisfying creditors' claims against the Client;
 - e) ceasing to pay debts, recognising in writing the inability to pay debts on time or entering into negotiations with one or more creditors with a view to changing the amount, legal basis or timing of payment of debts;
 - f) the non-performance or undue performance by the Client of its monetary obligations under any contract to which the Client is a party;
 - g) the appointment of a receiver or other administrator over the Client's business;
 - h) obtaining information by the Bank from a business intelligence agency on the Client's default in performing any monetary obligations.
- 7.1.4. The Client, due to financial difficulties, has entered into negotiations with one or more creditors in order to write off payments, refinance or restructure its

monetary obligations, in particular through a significant change in the terms and conditions of contracts that would affect the Client's cash flow structure or through the Client obtaining a loan or credit facility.

- 7.1.5. the Client has failed or improperly performed its monetary obligation in respect of any tax or other public law liability.
- 7.1.6. the Client's performance of any obligation under these Regulations or the Transaction has become illegal.
- 7.1.7. action has been taken to undermine the Bank's rights under these Regulations or under the Transactions, or any Security provided, or such rights are contested in any other way, in particular through the Client's declarations of non-recognition of the Bank's claims or the Client's assertion of the invalidity of any Transaction by a competent authority.
- 7.1.8. the demerger, merger or transfer of all or a substantial part of its assets by the Client to an entity, if, as a result of such demerger, merger or transfer, the entity formed as a result of such demerger, merger or acquiring entity or the acquirer does not assume all of the Client's obligations under the Transaction or any Security granted.
- 7.1.9. the discontinuation of all or part of the Client's business or the threat of such an event.
- 7.1.10. issuance of an order by a court to dissolve the Client or adoption of a resolution (decision) by an authorized body of the Client to dissolve the Client or to transfer the enterprise abroad.
- 7.1.11. the emergence of circumstances that could, in the Bank's opinion, have a material adverse effect on the Client's business or situation (financial or otherwise), in particular on the Bank's ability to exercise its rights under the Transaction or any Security provided.
- 7.1.12. making false or misleading statements contained in these Regulations.
- 7.1.13. the failure of the Client to provide Security for the performance of its obligations under the Transaction as agreed between the Parties or the occurrence of a factual or legal event causing the partial or total invalidity, loss, reduction or deterioration of the legal conditions of the Security provided by the Client, including in particular:
 - a) disclosure of legal defects in relation to the assets used as a Security;
 - b) seizure by the enforcement authority of assets used as a Security;
 - c) nullity of the Security;
 - d) the Client's failure to perform any obligation where such failure causes or is likely to cause the loss or diminution of the Security;
 - e) loss of validity or enforceability of the Security as a consequence of a merger or acquisition of the Client or the acquisition by another entity of the Client's underlying assets, including in particular its business or a material part thereof.
- 7.1.14. the absence of a Client's Settlement Account maintained by the Bank (except where the Bank has given its consent for the Client's Settlement Account not to be a bank account maintained by the Bank).
- 7.1.15. the absence of a Client's Securities Account maintained by the Bank (except where the Bank has given its consent for the Client's Securities Account

- not to be a securities account maintained by the Bank).
- 7.2 From the moment a Transaction is concluded until its full settlement under these Regulations, the Client is obliged to inform the Bank immediately of decisions and facts affecting the Client's legal and financial situation, in particular, of the occurrence of the events referred to in Clause 7.1.
- 7.3 In case of an Event of Default, the Bank may, at its discretion and choice, exercise the powers referred to in Clauses 7.5 to 7.13 subject to the fulfilment of the conditions provided for the exercise of such powers. Failure by the Bank to exercise one of the powers referred to above shall not affect the Bank's ability to exercise any other of those powers.
- 7.4 The Bank may waive the exercise of its rights referred to in Clause 7.3 if the Client establishes Security or additional Security in favour of the Bank, in the form and on the terms agreed with the Bank, in particular by establishing the blockade referred to in Clause 4.
- 7.5 Where the event referred to in Clause 7.1.1. a) above arises on the part of the Client, but the Client makes an overdue payment before the Bank has exercised the right referred to in Clause 7.6, such event shall not constitute an Event of Default and the Client shall pay to the Bank Late Payment Interest from the date on which the payment was to be made (including that date) until the date of payment (excluding that date).
- 7.6 Upon the occurrence of an Event of Default referred to in Clause 7.1.1. a) or 7.1.1. b) above, the Bank may, without sending the Notice of Default referred to in Clause 7.9 below, within 1 Business Day, from the date of the occurrence of such Event of Default, withdraw from the Transaction affected by such Event of Default or any part of such Transaction to the extent resulting from the proportion of the unpaid or undelivered Treasury Securities to the total amount of cash or number of Treasury Securities to be paid or delivered. Withdrawal from the whole or part of the Transaction shall be done by delivering to the Client, by e-mail or in another agreed manner, a notice of the exercise of the Bank's right to withdraw from the Transaction due to the occurrence of an Event of Default indicated in such notice, indicating whether the Bank is withdrawing from the Transaction in whole or in part (the "**Withdrawal Notice**"). A Transaction or part thereof from which the Bank has withdrawn shall be deemed not to have been concluded.
- 7.7 If an Event of Default referred to in Clause 7.1.1. a) above arises on the part of the Client within the period referred to in Clause 7.6 above and the Bank does not exercise the rights referred to in Clause 7.6, the Bank shall have the following right which can be exercised immediately, irrespective of sending any notices, but no later than within 2 Business Days of the date on which the Event of Default occurs:
- (i) to debit the Client's Settlement Account with an amount equivalent to the Transaction Value; and
 - (ii) to transfer ownership of the Treasury Securities that are the subject of such Transaction to the Client by transferring them to the Client's Securities Account.
- Insofar as the debiting referred to in sub-paragraph (i) above is not sufficient to satisfy the Bank's debt claim arising from the transfer of the Treasury Securities referred to in sub-paragraph (ii) above to the Client, such Treasury Securities shall be subject to a blockade in favour of the Bank. Such blocking shall serve as security for the repayment by the Client of the Bank's debt claims arising from the transfer of ownership of the Treasury Securities referred to in paragraph (ii) above to the Client.
- 7.8 If, in respect of a Transaction, the event referred to in Clause 7.1.1. a) arises on the part of the Client within the period referred to in Clause 7.6 above and the Bank does not exercise the rights referred to in Clause 7.6 and Clause 7.7, the Bank may refrain from transferring to the Client the Treasury Securities that are the subject of the Transaction and the Client authorises the Bank to sell the Treasury Securities and to credit the amount received from the sale of such Treasury Securities against the Bank's debt claim against the Client for payment of the Transaction Value. If the Bank exercises the above authority, the Bank shall apply due diligence to sell such Treasury Securities within 10 Business Days of the occurrence of the event referred to in Clause 7.1.1.a) above at the highest price available. In the event that the price obtained by the Bank as a result of the sale of the Treasury Securities is lower than the Bank's debt claim against the Client for payment of the Transaction Value, the Client authorises the Bank to debit the Client's Settlement Account with an amount equivalent to such difference.
- 7.9 Upon the occurrence of any Event of Default on the part of the Client, the Bank may, during the pendency of such Event of Default, serve on the Client a notice of default specifying the type of Event of Default which has occurred and the date on which it occurred ("**Notice of Default**").
- 7.10 From the date on which the Notice of Default is served on the Client, if the Event of Default identified in the Notice continues, the Bank shall be entitled to take the following actions in relation to the Client:
- a) to refrain from fulfilling in respect of the Client any monetary obligations arising from the Transactions concluded;
 - b) to refrain from transferring to the Client the Treasury Securities that are the subject of the Transaction.
- 7.11 Upon the Bank's request, the Client shall pay all documented costs incurred by the Bank in connection with the Transactions entered into, resulting from the occurrence of an Event of Default.
- 7.12 The consideration relating to the reimbursement of the documented costs referred to in Clause 7.11 above, shall be paid by the Client to the Bank within 3 Business Days from the date of receipt by the Client of a written request for payment together with documents confirming the costs incurred by the Bank referred to in Clause 7.11 above.
- 7.13 In the event that the Client is required to pay the costs referred to in Clause 7.11 above, the Bank shall debit the Client's Settlement Account, as indicated by the Client, with the amount of such costs.
- 7.14 The provisions of Clause 7 shall not limit the Parties' rights to claim damages under the provisions of the Civil Code.
- 8. FORCE MAJEURE**
- 8.1 The Parties agree that, for the purposes of these Regulations, the following events causing the consequent impossibility of performance (Articles 475 and 495 of the Civil Code) shall be deemed Force Majeure by the Parties:
- a) an extraordinary, external event that the Parties could not have foreseen, avoided or prevented, making it impossible for both Parties or either Party to carry out any Transaction entered into

- under the Regulations for a period of at least 3 calendar days,
- b) an external event, consisting of an amendment of the law or a change in a binding interpretation thereof, causing the Transaction concluded on the basis of the Regulations to become invalid by virtue of law, or the execution of the Transaction would cause the Party to be in breach of the applicable law.
- 8.2 For the avoidance of doubt, the date of the Force Majeure Event shall be deemed to be the date of the occurrence of the event with the proviso, however, that if, respectively, the effects of the event indicated in Clause 8.1. a) or the effects of the event constituting an Event of Default cease to exist before the expiry of three calendar days, such event shall not be treated as a Force Majeure Event or an Event of Default, respectively. A Party that is late in making a payment to the other Party as a result of such event shall additionally be liable to pay interest for each day of delay in an amount equal to the Funding Costs.
 - 8.3 From the time of the conclusion of a Transaction until its full settlement under these Regulations, the Affected Party shall immediately inform the other Party in writing of the fact that a Force Majeure event has occurred, indicating its nature and the Affected Transactions. The Affected Party is obliged to document the fact that a Force Majeure event has occurred, unless it is generally known.
 - 8.4 The failure of the Affected Party to perform its obligation under an Affected Transaction due to the occurrence of a Force Majeure event shall not be treated as an Event of Default, except that the other Party shall be entitled to refrain from performing its mutual obligation under such Affected Transaction.
 - 8.5 A Party that, following the occurrence of a Force Majeure event, has fulfilled an obligation under an Affected Transaction for the benefit of an Affected Party shall be entitled to claim reimbursement of that obligation and the Funding Costs of the amount of the obligation from the date on which the obligation was fulfilled (that date included) until the date of reimbursement (that date excluded).
 - 8.6 In the event of a Force Majeure event, the Parties shall enter into negotiations to agree new terms and conditions of the Affected Transactions so that they are no longer Affected Transactions or to enter into new Transactions to replace the Affected Transactions. If, within 7 Business Days from the date of the Force Majeure Event, the Parties do not agree new terms for the Affected Transactions or do not enter into new Transactions to replace the Affected Transactions, the Affected Transactions shall lapse with effect from the date of the Force Majeure Event and shall be settled in accordance with the principles set out in Clause 9.29.
9. **EARLY SETTLEMENT OF TRANSACTIONS**
 - 9.1 The provisions of this Clause 9 shall only apply to Transactions:
 - a) the object of which is the purchase or sale of Treasury Securities and whose Settlement Date is later than 2 Business Days after the Transaction Date, if the Bank agrees to carry out such Transaction,
 - b) BSB Transactions and SBB Transactions.
 - 9.2 The provisions of this Clause 9 shall not apply to Transactions involving the purchase by the Client of Treasury Securities purchased by the Bank at Tender on

the Client's order for resale to the Client. The above exemption shall not apply if the Settlement Date is later than 3 Business Days from the date of the Tender and the Event of Default or Force Majeure occurred after the Bank purchased Treasury Securities at the Tender in accordance with the Client's order.

- 9.3 To the extent that these Regulations apply to the Transactions referred to in Clause 9.1, Article 85 of the Bankruptcy and Reorganisation Law shall apply.
- 9.4 The provisions of this Clause 9 shall not preclude you from electing the powers set out in Clause 7 of these Regulations.
- 9.5 For the purposes of Clause 9, the following terms should be understood as follows:
 - 9.5.1. **Calculation Agent** - Bank;
 - 9.5.2. **Early Transaction Settlement Date** - the date on which an Early Transaction Settlement occurs;
 - 9.5.3. **Amount Due** - the amount that either Party is obliged to pay if the Affected Transactions expire or are terminated as a result of a Force Majeure event,
 - 9.5.4. **Early Transaction Settlement Amount** - the amount that one Party is obliged to pay to the other Party in the event of early settlement of a Transaction pursuant to Clause 9.6.
 - 9.5.5. **Present Value of Liabilities** - in relation to each Party, the aggregate value of the matured and unmatured liabilities under the Transaction as at the Early Transaction Termination Date,
 - 9.5.6. **Early Transaction Settlement** - the settlement of all Transactions entered into under the Regulations;
 - 9.5.7. **Notice of Early Transaction Settlement** - a notice of early settlement of Transactions as defined in Clause 9.7.

Early Transaction Settlement

- 9.6 In circumstances where, after the expiry of two Business Days from the date of service of a Notice of Default under Clause 7.9, the Event of Default identified in such notice continues, the Non-Defaulting Party shall be entitled to:
 - (a) early Settlement of Transactions entered into under these Regulations. The Early Transaction Settlement Date shall be the date of delivery of the Notice of Early Transaction Settlement to the Defaulting Party; and
 - (b) demand from the Defaulting Party the Early Transaction Settlement Amount calculated in accordance with the principles set out in Clauses 9.16 to 9.25.
- 9.7 In order to exercise the right referred to in Clause 9.6, the Non-Defaulting Party shall, no later than 30 Business Days after the expiry of the time limit referred to in Clause 9.6, serve on the Defaulting Party a notice of exercise of such right in relation to the occurrence of an Event of Default as indicated in the Notice of Default ("Notice of Early Transaction Settlement").
- 9.8 In the event of an Early Transaction Settlement caused by the occurrence of an Event of Default, the obligations of the Parties under the individual Transactions shall, as of the Early Transaction Settlement Date be replaced by an obligation to determine and pay the Early Transaction Settlement Amount referred to in Clause 9.9 and shall be cancelled at that time.
- 9.9 In case of Early Transaction Settlement caused by an Event of Default, the Parties shall settle among themselves in such a manner that the Present Value of Liabilities expressed in PLN of the Defaulting Party shall be reduced by the Present Value of Liabilities expressed

in PLN of the Non-Defaulting Party. The absolute value of the difference resulting from that calculation shall constitute the Early Transaction Settlement Amount and shall be paid by the Party whose Present Value of Liabilities expressed in PLN was higher.

- 9.10 If the Present Values of the Parties' Liabilities are expressed in currencies other than PLN, they shall be converted into PLN for the purposes of the calculation referred to in Clause 9.9 at the exchange rate indicated in the most recent table for non-cash settlements published on the Early Transaction Termination Date, in accordance with the Regulations Concerning FX Spot Transactions.
- 9.11 The Early Transaction Settlement Amount shall be transferred by the Party obliged to pay it within 1 Business Day from the date of delivery by the Calculation Agent of the result of the calculation, in accordance with Clause 9.17. In addition, the Defaulting Party obliged to pay the Early Transaction Settlement Amount shall be obliged to pay Late Payment Interest, for the period from the Early Transaction Settlement Date (that date included) until the date of payment of the obligation (that date excluded).
- 9.12 In the event that the Client is the Party obliged to pay the Early Transaction Settlement Amount, the Bank shall, no earlier than on the second Business Day after the day on which the Calculation Agent delivers the result of the calculation pursuant to Clause 9.17, debit the Client's Settlement Account with the Early Transaction Settlement Amount. In the event that the Client's Settlement Account is not a Settlement Account maintained by the Bank, the provision of Clause 6.4 above shall apply.

Rules for calculating the Present Value of Liabilities of the Parties at the Early Transaction Settlement Date for BSB Transactions and SBB Transactions

- 9.13 In the event of Early Transaction Settlement, the calculation of the Present Value of Liabilities arising from BSB Transactions or SBB Transactions entered into up to the Early Transaction Settlement Date shall be made by the Calculation Agent based on the principles set out in the following paragraphs.
- 9.14 It is assumed that the Settlement Date for the Second Part of each BSB Transaction or SBB Transaction entered into prior to the Early Transaction Settlement Date occurred on the Early Transaction Settlement Date.
- 9.15 The Calculation Agent shall calculate, as at the Early Transaction Settlement Date, the Present Value of Liabilities of the Parties for BSB Transactions or SBB Transactions, i.e. for each such Transaction an amount representing the sum of the following amounts:
- 9.15.1. value of the Equivalent Securities, calculated in accordance with Clauses 9.26 to 9.27;
- 9.15.2. Transaction Value for the Second Part of BSB Transactions or SBB Transactions (calculated as at the Early Transaction Settlement Date).

Mode of calculation of the Early Transaction Settlement Amount

- 9.16 All activities related to the calculation of the Early Transaction Settlement Amount are performed by the Calculation Agent.
- 9.17 The Calculation Agent shall be obliged to deliver the result of the calculation referred to in Clause 9.16 to the

Parties no later than 2 Business Days after the Early Transaction Settlement Date.

- 9.18 Not later than 4:00 p.m. on the Business Day following the date of delivery of the result of the calculation referred to in Clause 9.16, pursuant to Clause 9.17, upon the written request of either Party made by 10:00 a.m. on that Business Day, the Calculation Agent shall deliver to the Parties (i) the itemised sub-amounts comprising the Early Transaction Settlement Amount relating to each Transaction; and (ii) the data used by it to calculate the Settlement Amount, as documented by printouts from information or transaction systems.
- 9.19 The submission of a request by a Party pursuant to Clause 9.18 above shall not affect the Party's obligation to pay the Early Transaction Settlement Amount pursuant to Clause 9.11.
- 9.20 The Party to whom the information referred to in Clause 9.18 has been delivered shall have the right, no later than 4:00 p.m. on the Business Day following the day on which it was delivered by the Calculation Agent, to submit objections to the Calculation Agent regarding the calculation of the Early Transaction Settlement Amount.
- 9.21 The submission of an objection by a Party pursuant to Clause 9.20 above shall not affect the Party's obligation to pay the Early Transaction Settlement Amount pursuant to Clause 9.11.
- 9.22 The Calculation Agent is obliged to respond in writing to objections received from a Party no later than on the next Business Day following the day of receipt by 4:00 p.m.
- 9.23 If the Calculation Agent takes on board the objections of a Party, the Calculation Agent shall send to the Party a new calculation of the Early Transaction Settlement Amount together with the letter referred to in Clause 9.22.
- 9.24 In the event that the Calculation Agent does not take on board the objections of a Party, the calculation referred to in Clause 9.16 shall prevail.
- 9.25 If the Calculation Agent takes on board a Party's objections, the Party that has obtained from the other Party an amount greater than the amount due in accordance with Clause 9.23 shall, within 7 Business Days, refund the difference between the amount obtained and the amount due, to the other Party.

Valuation principles

- 9.26 In the case of Treasury Securities to be transferred to the Defaulting Party, the value of the Treasury Securities will be determined based on the following principles:
- 9.26.1. if, between the date on which an Event of Default occurs and the Early Transaction Settlement Date, the Non-Defaulting Party has sold Treasury Securities, the value of the Treasury Securities shall be the net proceeds of sale (net of all reasonable costs, fees and expenses incurred, in connection therewith);
- 9.26.2. if such sale does not occur prior to the Early Transaction Settlement Date, the value of the Treasury Securities shall be the transaction price of such Treasury Securities in any market, whether regulated or unregulated, selected by the Calculation Agent, on the Early Transaction Settlement Date (less any reasonable costs, fees and expenses incurred, in connection therewith).
- 9.27 In the case of Treasury Securities to be transferred by the Defaulting Party, the value of the Treasury Securities will be determined based on the following principles:

- 9.27.1. if, between the date on which an Event of Default occurs and the Early Transaction Settlement Date, the Non-Defaulting Party has purchased Treasury Securities, the value of the Treasury Securities shall be the cost of acquiring them (together with all reasonable costs, fees and expenses incurred, in connection therewith);
- 9.27.2. if such purchase does not occur prior to the Early Transaction Settlement Date, the value of the Treasury Securities shall be an amount equal to the potential cost of acquiring them on the Early Transaction Settlement Date at the best market price offered, together with all reasonable costs, fees and expenses that would have been incurred in connection therewith.
- 9.28 If either the transaction price referred to in Clause 9.26.2 or the best market price referred to in Clause 9.27.2 cannot be determined, the basis for determining the value of the Treasury Securities shall be the average of the prices indicated in the bids received within 3 days of the Calculation Agent requesting the three first-class Financial Institutions to submit bids to buy (for Clause 9.26.2) or to sell (for Clause 9.27.2) the Treasury Securities concerned. If, within the period referred to in the preceding sentence, the Bank does not receive any offer as referred to in the preceding sentence, the Bank shall determine the value of the Treasury Securities on the basis of another market-recognised method for determining the market value of the securities, appropriate to the circumstances.

Settlement due to Force Majeure

- 9.29 The Parties shall settle between themselves the Amount Due in respect of the Affected Transactions which have expired or have been terminated, assuming for the determination of the Amount Due the value of the liabilities as at the 14th day from the date of the Force Majeure event as if such liabilities had not expired, whereby the obligation to pay the Amount Due so determined shall be unconditional and independent of any circumstances pertaining to the Parties other than those specified in the Regulations, including the existence or non-existence of any fault of the Party obliged to pay such Amount Due.
- 9.30 In determining the Amount Due, Clauses 9.9, 9.11, 9.12 and 9.16 to 9.25 shall apply mutatis mutandis, with the reference to the Early Transaction Settlement Date being a reference to the Amount Due, the reference to the Defaulting Party and the Non-Defaulting Party being a reference to the Affected Party and the Non-Affected Party respectively and the reference to the Early Transaction Settlement Date being a reference to the day 14 days after the date of the Force Majeure Event.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 The Client represents and warrants to the Bank that as at the date of the Transaction:
 - 10.1.1. all consents of the Client's authorities required by law [and the Client's Memorandum and Articles of Association / Articles of Association] have been given in connection with the conclusion of the Transaction and the performance of the Client's obligations thereunder;
 - 10.1.2. no consent or authorisation from any state authority or other third party is required for the conclusion, legality, and performance of the

- Transaction by the Client, other than those that have been duly obtained and remain in force;
- 10.1.3. the Transactions entered into shall constitute valid and binding obligations of the Client, enforceable against the Client in accordance with their respective provisions, and shall constitute direct and unconditional (except that in respect of Contingent Transactions, upon the satisfaction of all conditions of the Contingent Transaction) obligations of the Client, which shall be treated no less favourably than any other present and future unsecured obligations of the Client, except for those whose claims are privileged under mandatory provisions of law;
- 10.1.4. the conclusion and execution of the Transaction is not contrary to (a) the provisions of its constitutional documents and the agreements to which it is a party or to which it is subject and (b) the provisions of law, administrative decisions, rulings of courts or other governmental authorities that affect the Customer or any part of its assets;
- 10.1.5. (a) the Client has not filed a declaration of commencement of resolution programme; (b) the Client is not insolvent; (c) the Client has not filed a bankruptcy petition or such a petition has not been filed against the Client; (d) no proceedings for recognition of foreign insolvency proceedings have been initiated against the Client; (e) the Client is not entered in the register of insolvent debtors within the meaning of Article 55 of the Act of 20 August 1997 on the National Court Register;
- 10.1.6. The Client, due to financial difficulties, has not entered into negotiations with one or more creditors in order to write off payments, refinance or restructure its monetary obligations, in particular through a significant change in the terms and conditions of contracts that would affect the Client's cash flow structure or through the Client obtaining a loan or credit facility;
- 10.1.7. The client is neither in arrears with the payment of any obligations nor have any claims been made against the client for the payment of obligations, arising from concluded credit or loan agreements, debt instrument issuance agreements or other financial instruments, which cause or could cause a material financial burden on the Client;
- 10.1.8. that it is not in arrears with the payment of any taxes, social security charges or any other charges of a similar nature and that it is not aware of any claim for payment of such charges;
- 10.1.9. there are no legal, administrative or other proceedings pending which could affect the proper implementation of the provisions of the Transaction, nor, to the best of the Client's knowledge, are there any grounds which could give rise to such proceedings;
- 10.1.10. no event constituting an Event of Default has occurred, nor has an event occurred which, with the passage of time or the fulfilment of any condition, could constitute an Event of Default;
- 10.1.11. any and all information provided to the Bank by the Client in connection with the Transactions, and all documents provided to the Bank in connection with the Transactions, are true, complete and correctly reflect the legal or financial situation of the Client, and the Client is not aware of any other material circumstances that have not been disclosed to the Bank, the disclosure of which could have an adverse

- effect on the Bank's decision to enter into a Transaction with the Client;
- 10.1.12. upon the transfer of the Treasury Securities to the Bank, the Client shall have full and unrestricted authority to effect such transfer and, upon such transfer, the Bank shall receive all rights, title and entitlements relating to such Treasury Securities, free and clear of all encumbrances, claims and rights of third parties.
- 10.2 The Client represents and warrants to the Bank that by entering into any Transaction:
- 10.2.1. has read and accepted these Regulations and is aware of the risks involved in concluding Transactions,
- 10.2.2. acts on its own account and makes its own independent decisions as to the entry into and execution of the Transaction and as to whether the Transaction entered into is suitable for it, based on its own understanding and analysis and the advice of its advisers as it sees fit,
- 10.2.3. acknowledges that the Bank does not provide advice in relation to the Transactions, nor does it provide any investment advice or recommendation to enter into a Transaction; any information or explanation provided by the Bank regarding the terms of a Transaction does not constitute investment advice or a recommendation to enter into a Transaction,
- 10.2.4. before concluding a Transaction, will consider, without relying on the information provided by the Bank, all the risks associated with it, in particular market, legal, tax and accounting risks, as well as potential losses that may arise from the Transactions concluded;
- 10.2.5. acknowledges that the Bank shall not be liable for the Client's losses caused by changes in market factors, in particular those related to changes in exchange rates, interest rates, and prices of Treasury Securities. Such changes, in the opinion of the Parties, do not constitute Force Majeure or an extraordinary change in relations or events causing the consequent impossibility of performing obligations under the Transaction and the Parties are fully aware of the impact of such changes on their obligations,
- 10.2.6. has not received any guarantee or assurance from the Bank as to the expected results of the Transaction,
- 10.2.7. reviewed the terms of issue and the economic and financial situation of the issuer of the Treasury Securities.
- 10.3 The Client declares that it is aware of the risks arising from the conclusion of the Transaction, in particular:
- a. counterparty risk consisting in the threat that one of the Parties to the Transaction shall fail to perform its obligations under the Transaction;
- b. issuer credit risk, consisting in the threat that the issuer may fail to meet its obligations under the Treasury Securities issued, and therefore the possibility of losing some or all of the money invested by the Client. In particular, it should be noted that:
- The Bank shall not be liable to the Clients for the timeliness and manner in which the issuer performs the monetary benefits of the Treasury Securities.
 - In servicing holders of Treasury Securities, the Bank is not obliged to monitor the issuer's ability to service the benefits of the Treasury Securities.
 - At no time does the Bank, in undertaking the service of holders of Treasury Securities, make any representation, actual or implied, as to the adequacy or completeness of the information disclosed to Clients by the issuer in connection with the issue of Treasury Securities.
- c. accounting risk associated with inadequate record-keeping by the Client (or, for example, the lack of an appropriate standard), which may result in an overstatement or understatement of the actual results and size of the executed Transaction.
- d. operational risk consisting in the possibility that a failure of internal system, human error or mistakes in administration having a direct or indirect impact on the date, amount or manner of settling the executed Transaction will occur,
- e. regulatory risk arising from possible regulatory changes adversely affecting entities involved in or related to the Transaction, in the form of changes in legislation, as well as sanctions and restrictions by regulatory and supervisory authorities, including tax legislation.
- f. market risk resulting from either adverse changes in the prices of the underlying instrument or the absence of market liquidity. The value of respective Transaction Parameters is defined as at the conclusion of the Transaction (on the Transaction Date); during the term thereof the parameters of market environment may change.
- 10.4 The Client agrees that the representations and warranties in Clauses 10.1 to 10.3 above shall be deemed to be repeated by the Client on the date of each Transaction.
- 10.5 The Client agrees to do the following from the date the Transaction is entered into under these Regulations until it is fully settled:
- 10.5.1 take all steps to ensure that the Bank can exercise its rights under the Transactions and the Collateral;
- 10.5.2 obtain and promptly deliver to the Bank upon request certified true copies of any corporate consents, consents or approvals of administrative authorities or consents of third parties as may be required to ensure the legality and validity of the Transactions and the Securities and for the Bank to exercise its powers and shall comply with their provisions;
- 10.5.3 at the request of ING Bank, the Client will provide the Bank with such information about the business and financial standing of the Client and such other information as the Bank may reasonably require and shall, at the Bank's request, make available to the Bank for inspection at a time specified by the Bank with due notice any of its accounting records for the purpose of inspecting the Client's situation;
- 10.5.4 promptly, but no later than [5] Business Days after receipt of such request from the Bank, shall inform the Bank, to the extent specified by the Bank, of the conclusion of agreements with another bank or investment firm relating to transactions involving forward financial transactions or the sale of securities with an obligation to repurchase them or the conclusion of such transactions;
- 10.5.5 in the event of termination of the bank account agreement with another bank, under which the Client's Settlement Account is maintained, shall, within 10 Business Days of such termination, conclude with the Bank, or with such other bank

as the Bank may agree, a new bank account agreement under which the Settlement Account shall be maintained.

- 10.6 The Client: (i) agrees that the Bank may communicate and disclose any information concerning the Client and the Transactions entered into between the Bank and the Client, as well as any matters related thereto, to its Affiliates;¹ in the case of the Bank, the Affiliates are identified on the website: <http://www.ingbank.pl/dokumenty-rf/lista-spolek-zaleznych>, provided that such communication and disclosure is for risk management, relationship management or administrative purposes; and (ii) irrevocably waives, to the extent possible, its rights that would prevent such disclosure of information concerning the Client or any transaction entered into with the Bank.

11. COMPLAINTS

- 11.1 Client complaints relating to the Regulations or Transactions, to the extent other than those indicated in Clauses 5.3 and 9.18-9.25 above, will be dealt with in accordance with the Bank's general client complaints procedure.
- 11.2 Complaints as referred to in Clause 11.1 above may be made verbally or in writing, by mail, phone, Internet and online banking systems offered by the Bank, to the following contact details of the Bank:

Telephone: 0800 163 012 - Toll free phone
(032) 357 00 62

Internet, via www.ing.pl - contact
- make a complaint

P.O.: ING Bank Śląski S.A.
Headquarters

ul. Sokolska 34
Skr. Pocz. 137
40-086 Katowice

- 11.3 The Bank will inform the Client of the outcome of the complaint referred to in Clause 11.1 above within 30 days of receipt of the complaint by phone and in writing, electronically, or in any other form agreed with the Client.

12. AMENDMENTS TO THE REGULATIONS

- 12.1 The Bank reserves the right to amend these Regulations.
- 12.2 The Bank shall inform the Client of any amendments to the Regulations and shall make the amended Regulations available for the Client, especially by posting them on the Bank website: www.ing.pl
- 12.3 If, as a result of a change in the law or a change in other circumstances, the need arises to amend the contents of the Information, the Bank will inform the Client of the amendments to the Information and make the

Information with the amendments available to the Client, in particular by posting it on the Bank's website www.ing.pl.

- 12.4 Should the Client not submit a written statement stating that it does not accept the amendments specified in Clauses 12.2 and 12.3 within 14 days after it was informed about the said amendments, the amended Regulations shall be deemed as approved and binding for the Client as of the 15th day after the Client was informed about the amendments introduced in line with Clause 12.2.

- 12.5 If the Client does not accept amendments to the Regulations, the Bank will be allowed to refuse further conclusion of Transaction with the Client.

13. FINAL PROVISIONS

- 13.1 The Client and the Bank agree to disclose all information relating to the Transactions concluded to the parent entities, within the meaning of the Act on Public Offering, of the Bank and the Client respectively.

- 13.2 The Bank has the right to offset the amounts due to the Client resulting from the Transaction, against the amounts due or undue to the Bank from the Client, including in particular amounts due under bank account agreements between the Bank and the Client, and also within the scope in which such assets are subject to a blockade pursuant to Clauses 4.2 and 4.3. The offset should be done by means of Bank's declaration provided to the Client. The offset should be done by means of Bank's declaration provided to the Client.

- 13.3 The Bank is authorised to provide access to the data collected in the Interbank Economic Information Bank Register to the business intelligence agencies operating under the Act of 14 February 2003 on Provision of Commercial Information (Journal of Laws No. 50, item 424, as amended) to the extent and under the conditions specified in the said Act. The Bank is entitled to transfer the data referred to above when all the following conditions are met:

- a. Default has occurred;
- b. the total amount owed to the Bank is at least PLN 500;
- c. receivables have been due and payable for at least 60 days;
- d. at least a month has passed since the date on which the Bank sent, by registered mail, to the mailing address specified by the Client, and if not specified – to the address of the Client's registered office, the call for payment, including the Bank's admonition of the intention to convey the data, including the company name and the head office address, where the Bank will convey the data.

- 13.4 The Bank is authorised to provide the institutions referred to in Article 105(4) of the Banking Law Act of 29 August 1997 (Journal of Laws of 2002, No. 72, item 665, as amended) with information constituting banking secrecy to the extent indicated in the aforementioned provision.

- 13.5 The Bank may provide the Client with investment advice of a general nature on investing in financial instruments, either by telephone, electronically, in writing or in person.

- 13.6 These Regulations and the Transactions entered into hereunder shall be governed by and construed in accordance with the laws of the Republic of Poland.

- 13.7 Disputes arising in connection with the implementation of the provisions of these Regulations shall be resolved by the Court of Arbitration at the Polish Bank Association. The Court shall resolve the dispute pursuant to its regulations, in the panel of three arbiters.

¹ Affiliate means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity controlling, directly or indirectly, that person or any entity directly or indirectly under common control with that person. Whereby "control" means (i) the direct or indirect ownership of more than 50% of the shares, voting rights or similar ownership rights of a person or (ii) the contractual right, exercisable by voting rights or otherwise, to directly or indirectly appoint or revoke a majority of the members of the management board or supervisory board or to issue instructions concerning the policies of a person which are binding on the members of the management board or supervisory board of such a person.

- 13.8 The Bank charges fees in accordance with the Custody Services Agreement for keeping records of the Treasury Securities in the Client's Securities Account and for settlement operations relating to the Treasury Securities.
- 13.9 The benchmark interest rates on the basis of which the monetary obligations of the Parties are determined are indicated on the website of the National Bank of Poland: www.nbp.pl.
- 13.10 All letters relating to the enforcement of these Regulations shall be delivered to the addresses given in accordance with Clauses 2.5 to 2.8 above.
- 13.11 Service will be deemed to be effective:
- a. if delivered in person, on the day of delivery or attempted delivery,
 - b. in the case of sending by registered post, on the day the letter is delivered or attempted to be delivered.
- 13.12 Deliveries received on a day other than a Business Day or after 5:00 p.m. shall be deemed to have been received on the next Business Day, unless the Bank confirms to the Client that the delivery was received on the day it was received.
- 13.13 The Client's tax status will be determined on the basis of documents held by the Bank. If the Client fails to provide documents up to date as at the date on which the tax liability arises, then the Bank shall not be liable for the erroneous determination of the Client's status and the resulting consequences.
- 13.14 The Client is obliged to immediately provide the Bank with information on changes in data which affect the possibility of treating the Client as a professional client within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments.
- 13.15 In matters not covered by these Regulations, the relevant provisions of the Bank's Regulations and applicable laws shall apply.