

**Information  
on categorization of Clients  
in accordance with MIFID  
for Clients of mBank S.A.**



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## I. General Information

The information on categorization of Clients in accordance with MIFID has been prepared for Clients of mBank S.A. who are:

- 1/ sole traders,
- 2/ legal persons,
- 3/ organisational units without legal personality having legal capacity under law.

Due to the fact that the provisions of the EU directives on financial instruments markets (hereinafter referred to as **MIFID**) which are aimed to strengthen the security of Clients, who invest in financial instruments or use other services connected with trading in financial instruments and increasing the transparency of operation of the investment firms, such as mBank S.A. were implemented to the Polish legal system by way of the following provisions:

- 1/ the Act on Trading in Financial Instruments of 29 July 2005,
- 2/ the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment companies and banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks,

mBank S.A. (hereinafter referred to as the "Bank") is obliged to introduce categorization of the Clients for whom it performs activities related to trading in financial instruments within the meaning of the Act on Trading in Financial Instruments of 29 July 2005.

Consequently, each Client has been categorized as:

- 1/ a Professional Client, or
- 2/ a Retail Client, or
- 3/ a Professional Client, being an Eligible Counterparty in terms of provision of the following services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account.

The aim of the aforesaid categorization is to provide you with appropriate level of protection and adjust the scope of information provided on investment products and services or other services related with trading in financial instruments rendered by mBank S.A. to individual needs of every Client.

Category of Clients	Professional Client being an Eligible Counterparty	Professional Client	Retail Client
Scope of protection arising from MIFID	The lowest level of protection arising from MIFID	The medium level of protection arising from MIFID	The highest level of protection arising from MIFID

In accordance with the policy implemented by mBank S.A., the Bank does not diversify the level of protection either in the case of particular types of services provided by mBank S.A., related with trading in financial instruments, rendered **to the same retail Client or Professional Client of the Bank**, or in the case of particular financial instruments or transactions undertaken **by this Client** with the Bank (except for Professional Clients being Eligible Counterparties within the provision of services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account – **in this case mBank S.A. diversifies the level of protection in the extent to which a Professional Client acts as an Eligible Counterparty and the extent to which a Professional Client is not an Eligible Counterparty**).

## II. Professional Client

A Professional Client is a Client who has the experience, knowledge and expertise to make his own investment decisions or decisions concerning other services connected with trading in financial instruments, and properly assess the risks they involve.

The level of protection offered by MIFID to Professional Clients is presented in detail in Appendix No. 1 to this document entitled "**Rules for treating Professional Clients in the scope of services provided by mBank S.A. in terms of trading in financial instruments**". Professional Clients should familiarize themselves with these rules.

Professional Clients are obliged to notify mBank S.A. of any changes in the data which may impact the possibility of treating him as a Professional Client.

A **Professional Client** may file a written request with mBank S.A. to treat him as a **Retail Client**. If mBank S.A. agrees to the request, in accordance with the policy implemented, such a Professional Client will be treated as a Retail Client in the full extent of activities performed by the Bank in terms of trading in financial instruments (the Client is provided with a higher level of protection guaranteed by MIFID; this takes place also in the case when the Professional Client asks for treatment as a Retail Client with respect to certain types of services, transactions or financial instruments). **Template request for treatment of a Professional Client as a Retail Client** is presented in Appendix No. 2 to this document.

**A Professional Client, being a local administration unit or an entrepreneur meeting at least two out of the requirements set out in Article 3 point 39b letter k of the Act on Trading in Financial Instruments of 29 July 2005**<sup>1</sup>, may file a written consent with mBank S.A. for treatment of Professional Clients as an **Eligible Counterparty**, within the provision of services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account. Upon receiving the consent, mBank S.A. will treat the Professional Client as an Eligible Counterparty within the provision of services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account. An Eligible Counterparty is treated as a Professional Client within providing services by mBank S.A. connected with trading in financial instruments other than specifically indicated in the previous sentence (i.e. in this scope he is eligible for a higher security level than an Eligible Counterparty). **Template approval for treating a Professional Client (being a local administration unit or an entrepreneur referred to in Article 3 point 39b letter k of the Act on Trading in Financial Instruments) as an Eligible Counterparty** is presented in Appendix No. 3 to this document.

## III. Retail Client

A Retail Client means a Client who is not a Professional Client within the meaning of the Act on Trading in Financial Instruments of 29 July 2005, and is provided with the highest level of protection stipulated in MIFID.

<sup>1</sup> An entrepreneur, referred to in Article 3 point 39b letter k of the Act on Trading in Financial Instruments, is an entrepreneur meeting at least two of the following requirements; whereas the amounts denominated in Euro are converted at the fixing rate of euro of the National Bank of Poland as at the date of drawing up financial statements of a given entrepreneur:

- balance sheet total: EUR 20,000,000 or more,
- net turnover: EUR 40,000,000 or more,
- own capital or own funds: EUR 2,000,000 or more.

The level of protection offered by MIFID to Retail Clients includes, in particular, the following obligations of the Bank:

- 1/ agreement on offering financial instruments, agreement on execution of orders to acquire or sell financial instruments, agreement on receipt and transmission of orders to acquire or sell financial instruments, entered into with Retail Clients in writing under pain of nullity,
- 2/ **prior to entering into an agreement on provision of services (governing the performance by mBank S.A. of activities related with trading in financial instruments) with a Retail Client, the Bank runs the adequacy test (which is to provide the Bank with basic information about the Client's knowledge and experience in the field of investments in financial instruments, necessary for the Bank to assess whether the underlying financial instrument or the service to be provided on the basis of the agreement entered into are suitable for a given Client, taking into account his individual situation),**
- 3/ **mBank S.A. warns that by the time mBank S.A. receives a completely filled out form of the adequacy test, it finds it impossible to assess whether a financial instrument or a service being the subject matter of an agreement concluded or to be concluded with mBank S.A. are suitable for the Client taking into account the Client's individual situation, in particular mBank S.A. finds it impossible to assess whether the Client has adequate knowledge and experience to conclude transactions regarding individual financial instruments,**
- 4/ mBank S.A. warns that derivative transactions pose a risk of considerable losses in the case of unfavourable changes in the prices of their underlying instruments,
- 5/ on the basis of the adequacy test filled out by the Client and forwarded to mBank S.A., mBank S.A. provides the Client with information, whether the financial instrument being the object of offered service or a service to be provided under the concluded agreement are appropriate for a given Client, taking into account his individual standing (informs the Client about an adequacy test),
- 6/ mBank S.A. notifies the Client each time an amendment in the adequacy test is made. Another adequacy test is made among others on the basis of the history of transactions made between the Client and mBank S.A. transactions concerning financial instruments or services, and its result is sent to the Client without the need for the Client to apply to mBank S.A. for conducting such a test,
- 7/ prior to entering into an agreement on provision of services (governing the performance by mBank S.A. of activities related with trading in financial instruments) with a Retail Client, the Bank provides the Client with detailed information on the Bank and the service to be provided on the basis of the agreement, using a durable medium or publishing the information on the Bank's website,
- 8/ the Bank presents Clients with a general description of the nature of financial instruments and the risk involved so that the Clients are able to make conscious investment decisions,
- 9/ prior to entering into an agreement on execution of orders or an agreement on receipt and transmission of orders with a Retail Client, the Bank provides the Client with information on the applicable order execution policy or policy for acting in accordance with the best interests of Clients respectively,
- 10/ when executing orders, the Bank is obliged to take all reasonable steps to obtain the best possible result for the Client taking into account the price of the financial instrument, costs associated with executing the order, time of concluding the transaction and likelihood of concluding the transaction and its settlement, order size, its nature or any other aspects that have a major impact on execution of the order,
- 11/ the Bank executes orders of Retail Clients promptly upon their receipt, in a chronological order, unless the Client instructs otherwise, or the order nature or market conditions suggest otherwise, or if such sequence is prejudicial to the interests of Clients,
- 12/ when executing orders, the Bank notifies Retail Clients forthwith of any relevant circumstances making it impossible to execute their orders properly,
- 13/ When executing orders to acquire or sell financial instruments, or to safe-keep and register financial instruments for Retail Clients, the Bank is obliged to provide the Clients with regular reports on the service provided with frequency and in the scope specified explicitly by the law.

**Retail Clients** have the right to file a written request with the Bank for treatment of a **Retail Client** as a **Professional Client**. If mBank S.A. agrees to the request, in accordance with the policy implemented, such a Retail Client will be treated as a Professional Client in the full range of activities performed by the Bank in terms of trading in financial instruments, provided that it arises from the request that the Retail Client requests to be treated as a Professional Client in such a (full) range (then, the Client is provided with a lower level of protection guaranteed by MIFID compared to that offered to a Retail Client). If a Retail Client requests for treatment as a Professional Client with respect to certain types of services, transactions or financial instruments, mBank S.A. will disagree due to the policy implemented). **Template request for treatment of a Retail Client as a Professional Client** is presented in Appendix No. 4 to this document.

Professional Clients should familiarise themselves with the "Rules for treating Professional Clients in the scope of services provided by mBank S.A. in terms of trading in financial instruments", presented in Appendix No. 1 to this document.

Should you have any doubts about the fact that your company has been classified by mBank S.A. as a **Retail Client**, despite the fact that it meets the criteria of a **Professional Client** laid down in Article 3 point 39b letters a-m of the Act on Trading in Financial Instruments of 29 July 2005, in particular, when your company meets at least two of the following requirements<sup>2</sup>:

- 1/ balance sheet total: EUR 20,000,000 or more,
- 2/ net turnover: EUR 40,000,000 or more,
- 3/ own capital or own funds: EUR 2,000,000 or more,

mBank S.A. kindly requests that you to apply for re-classification and recognition of your company as a **Professional Client**. **Template application for re-classification of a Retail Client as a Professional Client** is presented in Appendix No. 5 to this document.

#### **IV. A Professional Client, being an Eligible Counterparty in terms of provision of the following services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account.**

An Eligible Counterparty is a type of Professional Client who is provided with the lowest level of protection guaranteed under MIDIF within the provision of services by mBank S.A. consisting in **execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account**. An Eligible Counterparty is treated as a **Professional Client** within providing by mBank S.A. activities connected with trading financial instruments other than specifically indicated in the previous sentence (i.e. in this scope he is eligible for a higher security level than an Eligible Counterparty).

Within the provision of services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account, an Eligible Counterparty is **not provided with the level of protection offered to a Professional Client** (described below).

A Professional Client is a Client who has the experience, knowledge and expertise to make his own investment decisions or decisions concerning other services connected with trading in financial instruments, and properly assess the risks they involve.

The level of protection offered under MIFID to Professional Clients is presented in detail in Appendix No. 1 to this document entitled "Rules for treating Professional Clients in the scope of services provided by mBank S.A. in terms of trading in financial instruments". Professional Clients should familiarize themselves with these rules.

Professional Clients are obliged to notify mBank S.A. of any changes in the data which may impact the possibility of treating him as a Professional Client.

<sup>2</sup> The amounts denominated in euro are converted at the fixing rate of euro of the National Bank of Poland as at the date of drawing up financial statements of a given entrepreneur.

**A Professional Client being an Eligible Counterparty, within the provision of services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account**, may file a request with mBank S.A. in writing for treatment as:

- 1/ a **Retail Client**, or
- 2/ a **Professional Client**.

If mBank S.A. agrees to the request, in accordance with the policy implemented, such a Client will be treated as a Retail Client or a Professional Client in the full range of activities performed by the Bank in terms of trading in financial instruments (the Client is provided with a higher level of protection compared to that guaranteed to an Eligible Counterparty; this takes place also in the case when an Eligible Counterparty asks for treatment as a Retail Client or a Professional Client with respect to certain types of services, transactions or financial instruments). By approving the request, the Bank agrees to treat an Eligible Counterparty as a Professional Client, unless it arises from the request that the entity requests for treatment as a Retail Client.

**Template request for treatment of a Professional Client being an Eligible Counterparty as a Retail Client** is presented in Appendix No. 6 to this document.

**Template request for treatment of a Professional Client being an Eligible Counterparty as a Professional Client** is presented in Appendix No. 7 to this document.

## **V. Additional Information**

Any MIDIF-related correspondence **signed in accordance with rules of Client representation** should be addressed to the corporate branch of mBank S.A. servicing your company, with **“MIFID” annotation**.

Should you have any questions or doubts about Client categorization under MIFID, do not hesitate to contact the employees of mBank S.A. corporate branches.

The scope of protection granted to a Professional Client by MIFID is as follows:

- 1/ agreement on offering financial instruments, agreement on execution of orders to acquire or sell financial instruments, agreement on receipt and transmission of orders to acquire or sell financial instruments, entered into with Professional Clients should be concluded in writing,
- 2/ prior to entering into an agreement on provision of services (governing the performance by mBank S.A. of activities related with trading in financial instruments), the Bank is not obliged to run the adequacy test in the case of a Client who is not a Retail Client (which is to provide the Bank with basic information about the Client's knowledge and experience in the field of investments in financial instruments, necessary for the Bank to assess whether the underlying financial instrument or the service to be provided on the basis of the agreement entered into are suitable for a given Client, taking into account his individual situation), however, the Bank is authorised to assume that a Professional Client has the necessary knowledge about investing in the scope of financial instruments and investment experience,
- 3/ the Bank presents Professional Clients with a general description of the nature of financial instruments and the risks these instruments involves so that the Clients are able to take conscious investment decisions,
- 4/ prior to entering into an agreement on provision of services (governing the performance by mBank S.A. of activities related with trading in financial instruments) in the case of a Professional Client, the Bank is not obliged to provide the Client with detailed information on the Bank and the service to be provided on the basis of the agreement, using a durable medium or publishing the information on the website of this investment company,
- 5/ prior to entering into an agreement on execution of orders or agreement on receipt and transmission of orders with the a Professional Client, the Bank is not obliged to provide the Client with information on the applicable order execution policy or policy for acting in accordance with the best interests of Clients respectively,
- 6/ when executing orders, the Bank is obliged to take all reasonable steps to obtain the best possible result for the Professional Client upon exercising the order, taking into account the price of the financial instrument, costs associated with executing the order, time of concluding the transaction and likelihood of concluding the transaction and its settlement, order size, its nature or any other aspects that have a major impact on execution of the order, while the Professional Client may specify any factors that should be taken into account when executing his orders,
- 7/ the Bank executes orders submitted by Professional Clients promptly upon their receipt, in the order of their receipt, unless the Client instructs otherwise, or the order nature or market conditions suggest otherwise, or if such sequence is prejudicial to the interests of Clients,
- 8/ when executing orders, the Bank is not obliged to notify Professional Client forthwith of any relevant circumstances making it impossible to execute his/her orders properly,
- 9/ When executing orders to acquire or sell financial instruments, or to safe-keep and register financial instruments for Professional Clients, the Bank is obliged to provide the Clients with regular reports on the service provided with frequency and in the scope specified explicitly by the law (with some possibility of modification of that scope by both parties).

The Bank informs that the aforesaid enumeration of rules for treating Professional Clients in the scope of performed by mBank S.A. activities related to trading in financial instruments was based on the following provisions:

- 1/ the Act on Trading in Financial Instruments of 29 July 2005,
  - 2/ the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment companies and banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks,
- and is not an exhaustive enumeration.

....., 20.....(date)

Client's name: .....

Client's address: .....

mBank S.A.  
Corporate Branch .....

.....  
„MIFID”

Since our company has been classified as a **Professional Client**, pursuant to Article 3a(2) of the Act on Trading in Financial Instruments of 29 July 2005, we hereby apply for treating our company as a **Retail Client** in the full extent of activities performed by mBank S.A. in terms of trading in financial instruments within the meaning of the Act on Trading in Financial Instruments of 29 July 2005.

.....  
on behalf of the Client<sup>1</sup>

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**Confirmation of treatment of  
a Professional Client as a Retail Client by mBank S.A.<sup>2</sup>**

On ..... 20... mBank S.A. confirms that .....

.....

will be treated as a **Retail Client**.

.....  
on behalf of mBank S.A.

<sup>1</sup> In accordance with the rules for representing the Client

<sup>2</sup> To be filled out by mBank S.A., then a confirmation is delivered to the Client.

....., 20.....(date)

Client's name: .....

Client's address: .....

mBank S.A.  
Corporate Branch .....

.....  
„MIFID”

Since our company has been classified as a **Professional Client**, pursuant to Article 7 (4) of the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment companies and banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks we grant our consent to being treated as an **Eligible Counterparty in terms of provision of the following services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account.**

In order to justify the aforementioned approval we hereby attach the **last annual financial statements** which confirm that the prerequisites specified in Article 3 point 39b letter k of the Act on Trading in Financial Instruments of 29 July 2005 are met. We acknowledge that our approval which does not include the annual financial statements will not be accepted by mBank S.A.<sup>1</sup>

.....  
on behalf of the Client<sup>2</sup>

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### Confirmation of treatment of a Professional Client as an Eligible Counterparty by mBank S.A.<sup>3</sup>

On ..... 20... mBank S.A. confirms that a Professional Client (being a local administration unit or an entrepreneur, referred to in Article 3 point 39b letter k of the Act on Trading in Financial Instruments of 29 July 2005.

.....  
will be treated as an **Eligible Counterparty in terms of provision of the following services by mBank S.A. consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account.**

.....  
on behalf of mBank S.A.

<sup>1</sup> Please cross out in the case when the entity submitting the approval is a local administration unit.

<sup>2</sup> In accordance with the rules for representing the Client

<sup>3</sup> To be filled out by mBank S.A., then a confirmation is delivered to the Client.





....., 20.....(date)

Client's name: .....

Client's address: .....

mBank S.A.  
Corporate Branch .....  
.....  
.....  
„MIFID”

Since our company has been classified as a **Retail Client** despite the fact that in our opinion it meets the requirements of **Article 3 point 39b letter ....**<sup>1</sup> (please enter the relevant letter from b to m) of the Act on Trading in Financial Instruments of 29 July 2005 we hereby apply for a reclassification and considering our company as a **Professional Client** in the full extent of activities performed by mBank S.A. in terms of trading in financial instruments (within the meaning of the act).

In order to justify the aforementioned application we hereby attach the **last annual financial statements or other documents which confirm that the prerequisites specified in Article 3 point 39b are met**. We acknowledge that the application submitted by us which does not include the annual financial statements or other documents will not be considered by mBank S.A.

We state that we have received and became acquainted with the “Rules of treating Professional Clients in the scope of activities performed by mBank S.A. related to trading in financial instruments”. We state that we know the rules of treating Professional Clients by mBank S.A. and the results of treating our company as a Professional Client.

In the case of treating our company as a Professional Client, we undertake to notify mBank S.A. of any changes in the data which may impact the possibility of treating us as a Professional Client.

.....  
on behalf of the Client<sup>2</sup>

### Confirmation of reclassification of a Retail Client as a Professional Client performed by mBank S.A.<sup>3</sup>

On ..... 20... mBank S.A. confirms that .....

.....  
has been considered as a **Professional Client**.

.....  
on behalf of mBank S.A.

1 Article 3 item 39b) of the Act on Trading in Financial Instruments of 29 July 2005: “Whenever the act refers to a Professional Client - it shall mean an entity for whom at least one of the services referred to in Article 69(2) or (4) is or will be provided, who has experience and knowledge allowing for taking the right investment decisions, as well as to correctly assessing risk related to these decisions, who is:

- a) (...),
- b) an investment firm,
- c) an insurance company,
- d) an investment fund or an association of investment funds within the meaning of the Act on Investment Funds dated 27 May 2004,
- e) pension fund or an association within the meaning of the act dated 28 August 1997 on establishment and organisation of pension funds,
- f) a commodity brokerage house,
- g) an entity, referred to in the Article 70(1).13,
- h) a financial institution other than those indicated in letters a-g
- i) an institutional investor other than that referred to in letters a-h, conducting regulated business activity on the financial market,
- j) an entity conducting business activity outside the Republic of Poland tantamount to the operation conducted by the entities listed in letters a-i,
- k) an entrepreneur meeting at least two of the below requirements, whereas the equivalent of the amounts in EUR is calculated according to the fixing rate of euro of the National Bank of Poland as at the day of generating the financial statements by a given entrepreneur:
  - balance sheet total is at least EUR 20,000,000,
  - net turnover is at least EUR 40,000,000,
  - the share capital or own fund of this entrepreneur is at least EUR 2,000,000,
- l) a government administration or local government administration unit, public body that manages public debt, central bank, World Bank, International Currency Fund, European Central Bank, European Investment Bank, or other international organisation playing a similar role,
- m) another institutional investor, who's main scope of activity is investing in financial instruments, including entities engaged in securitisation of assets or concluding other type of financial transactions,
- n) (...)”

2 In accordance with the rules for representing the Client

3 To be filled out by mBank S.A., then a confirmation is delivered to the Client.

....., 20.....(date)

Client's name: .....

Client's address: .....

mBank S.A.  
Corporate Branch .....

.....  
„MIFID”

Since our company has been classified as a Professional Client, being an Eligible Counterparty within provision of service by mBank S.A. of executing orders, accepting and forwarding orders or as part of purchasing or disposing of financial instruments for one's own account, pursuant to Article 7 (2) of the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment companies and banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks we hereby apply for treating our company as a **Retail Client** in the full extent of activities performed by mBank S.A. in terms of trading in financial instruments within the meaning of the Act on Trading in Financial Instruments dated 29 July 2005.

.....  
on behalf of the Client<sup>1</sup>

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**Confirmation of treatment of a Professional Client, being an Eligible Counterparty  
as a Retail Client by mBank S.A.<sup>2</sup>**

On ..... 20... mBank S.A. confirms that .....

..... will be treated as a **Retail Client**.

.....  
on behalf of mBank S.A.

<sup>1</sup> In accordance with the rules for representing the Client

<sup>2</sup> To be filled out by mBank S.A., then a confirmation is delivered to the Client.

....., 20.....(date)

Client's name: .....

Client's address: .....

mBank S.A.  
Corporate Branch .....

.....

.....

„MIFID”

Owing to the fact that our company has been classified as a Professional Client, being an Eligible Counterparty within mBank S.A. provision of service consisting in execution of orders, receipt and transmission of orders, or acquisition or sale of financial instruments on own account, pursuant to Article 7 (2) of the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment companies and banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks we hereby apply for treating our company as a **Professional Client** in the full extent of activities performed by the mBank S.A. in terms of trading in financial instruments within the meaning of the Act on Trading in Financial Instruments, and custodian banks of 29 July 2005.

We state that we have received and became acquainted with the “Rules of treating Professional Clients in the scope of activities performed by mBank S.A. related to trading in financial instruments”. We state that we know the rules of treating Professional Clients by mBank S.A. and the results of treating our company as a Professional Client.

In the case of treating our company as a Professional Client, we undertake to notify mBank S.A. of any changes in the data which may impact the possibility of treating us as a Professional Client.

.....  
on behalf of the Client<sup>1</sup>

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### Confirmation of treatment of a Professional Client being an Eligible Counterparty as a Professional Client by mBank S.A.<sup>2</sup>

On ..... 20... mBank S.A. confirms that .....

.....

will be treated as a **Professional Client**.

.....  
on behalf of mBank S.A.

<sup>1</sup> In accordance with the rules for representing the Client  
<sup>2</sup> To be filled out by mBank S.A., then a confirmation is delivered to the Client.

Information prepared on the basis of Article 10 of the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment firms, banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks.

#### **I. Contact data of the Bank:**

mBank Spółka Akcyjna  
ul. Senatorska 18, 00-950 Warszawa  
tel.: (22) 829-00-00, fax: (22) 829-00-33  
[www.mbank.pl](http://www.mbank.pl)

#### **II. Name of mBank's dominant entity**

mBank has a strategic dominant entity. It is Commerzbank AG with its registered office in Frankfurt am Main (address D - 60311 Frankfurt am Main, Kaiserplatz, Germany) with many years of capital exposure to mBank.

#### **III. Languages of communication with mBank**

The official language in relations with Clients at mBank is Polish. All the information communicated to Clients is in Polish, and the documents signed with Clients are also in this language, unless otherwise agreed by the Client and the Bank.

#### **IV. Ways of communication between mBank and the Client**

Ways of communication are chosen by the parties in agreements on provision of services (whose subject matter is performance by mBank of the activities related to trading in financial instruments) concluded between the Client and mBank.

Orders placed by Clients under the agreement on receipt and transmission of orders to acquire or sell financial instruments, and agreement on execution of orders to acquire or sell financial instruments may be submitted by Clients directly at the outlets of mBank whose list is available at [www.mbank.pl](http://www.mbank.pl) or by phone while observing the rules of Client identification, applicable at mBank.

#### **V. Permission to conduct operation by mBank (including brokerage activity)**

mBank represents that:

- 1/ it was established on the basis of Resolution No. 99 of the Council of Ministers of 20 June 1986 on the establishment of Bank Rozwoju Eksportu,
- 2/ it holds a permission of the Securities and Exchange Commission (present name: the Polish Financial Supervision Authority) of 30 June 2005 and of the Polish Financial Supervision Authority of 20 March 2012 to conduct brokerage activity,
- 3/ it holds a permission of the Securities and Exchange Commission of 23 November 1995 to provide custody services, to operate securities accounts, to register ownership of securities and changes to the ownership,
- 4/ under the decision of the Polish Financial Supervision Authority of 30 January 2007, it was entered in the list of agents of the investment company – BRE Wealth Management S.A. (present name: mWealth Management S.A.),
- 5/ the authority supervising mBank with respect to the operation referred to in points 1-4 is the Polish Financial Supervision Authority, pl. Powstańców Warszawy 1, 00-950 Warszawa.

#### **VI. Reports on provision of services (concerning performance by mBank of the activities related to trading in financial instruments)**

The rules, procedure and dates of delivering reports on provision of services are specified by the parties in the agreements on provision of services (whose subject matter is performance by mBank of the activities related to trading in financial instruments) concluded between Client and mBank or regulations concerning those services.

In the case of acceptance and transfer of orders concerning investment funds participation units to acquire or redeem participation units, they are forwarded directly by relevant investment fund.

#### **VII. Indication of basic rules of protection of Client's assets**

mBank protects the assets of its Clients:

- 1/ by effecting withdrawals of funds solely to the hands of Clients or persons authorised by Clients in the agreements on provision of services (whose subject matter is performance by mBank of the activities related to trading in financial instruments) concluded between the Client and mBank, and
- 2/ by applying the rules of identification of Clients and the persons authorised by Clients provided for in those agreements.  
Description of actions taken to ensure protection of Client's assets is specified in agreements on provision of services concluded with Clients or regulations concerning those services.

Moreover, the assets of Clients at mBank are protected on the basis of the regulations on the Bank Guarantee Fund and the regulation on the system of compensation created by Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository of Securities).

#### **Protection under the regulations on the Bank Guarantee Fund**

1. mBank is a participant of the statutory system for guaranteeing funds stipulated in the Bank Guarantee Fund Act dated 14 December 1994. The Bank Guarantee Fund ("BFG") covers deposits (in any currency) made at mBank by the following depositors: individuals, legal persons, organisational units without legal personality provided they have legal capacity, school savings funds and workers' mutual assistance and loan funds, being a party to a personal bank account agreement or having a liability towards mBank resulting from banking activities (confirmed by documents issued for a given person by mBank or personal deposit certificates, referred to in Article 9(1) of the Act on Trading in Financial Instruments dated 29 July 2005) and persons referred to in Article 55(1) and Article 56(1) of the Banking Law Act, subject to Article 26q of the Bank Guarantee Fund Act unless their liability towards the Bank became due and payable prior to the date of meeting the guarantee condition (within the meaning of the Bank Guarantee Fund Act).
2. In the case when mBank maintains one account for several entities (joint account), each of these entities is a depositor - within the limits set in the account agreement, and in the case when there are no contractual provisions or provisions in this scope - in equal parts.

3. If mBank maintains the account for a civil partnership, general partnership, unlimited liability partnership, limited partnership or a limited joint-stock partnership, this company is the depositor.
4. Guaranteed funds are subject to mandatory guarantee scheme from the day they are transferred to the Bank account no later than on the day preceding the date of meeting the guarantee condition, and in the case of receivables resulting from banking activities, provided that the activity was performed prior to the date of meeting the BGF guarantee condition - up to the amount (along with interest accrued by the date of meeting the guarantee condition in line with the interest rate specified in the agreement regardless of its maturity date) in PLN equivalent of EUR 100,000 - in 100%. Depositor does not lose the right to pursue his claims against the bank in the part exceeding the amount of the guaranteed cash consideration.
5. The fixing rate of the National Bank of Poland as at the day when the guarantee condition is met is the conversion rate from EUR to PLN.
6. The PLN equivalent of EUR 100,000 sets the maximum level of depositor's claims to the BGF, regardless of the amount of funds and number of accounts held or the number of receivables he is entitled to at the Bank.
7. Claims in respect of guarantees are subject to limitation after 5 years from the day of meeting the guarantee condition.

#### **Protection resulting from the regulation on the obligatory system of compensation created by Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository of Securities)**

1. As a custodian bank and a bank conducting brokerage activity, mBank is a member of the obligatory system of compensation created by Krajowy Depozyt Papierów Wartościowych S.A. under the Act on Trading in Financial Instruments of 29 July 2005 (Act on Trading).
2. The aim of the system of compensation with reference to the Clients of custodian banks is to compensate the Clients, up to the amount specified in the Act on Trading, for the value of lost financial instruments (being the subject matter of trading on the organised market and registered in the securities accounts), held by the Clients in custodian banks (including (taking into account) exclusions and limitations specified in the law) in the case of:
  - 1/ declaration of bankruptcy of a custodian bank, or
  - 2/ legally binding dismissal of the petition for bankruptcy due to the fact that the assets of the custodian bank are not enough to satisfy the costs of proceedings, or
  - 3/ finding by the Polish Financial Supervision Authority that the custodian bank is not able to, due to the reasons closely linked to financial standing, perform its obligations resulting from investors' claims and their performance is not possible in the near future.
3. The aim of the system of compensation with reference to the Clients of banks conducting brokerage activity is to guarantee payment of funds to the Clients, up to the amount set out in the Act on Trading, and to compensate the Clients, up to the amount specified in the Act on Trading, for the value of lost financial instruments, accumulated by the Clients in banks running a brokerage activity, for services rendered to them, as referred to in Article 69 (2) and (4).1 of the Act on Trading (including (taking into account) exclusions and limitations specified in the law) in the case of:
  - 1/ declaring bankruptcy by a bank conducting brokerage activity, or
  - 2/ legally binding dismissal of the petition for bankruptcy as the assets of the bank conducting brokerage activity are not enough to satisfy the costs of proceedings, or
  - 3/ finding by the Polish Financial Supervision Authority that a bank conducting brokerage activity is not able to, due to the reasons closely linked to financial standing, perform its obligations resulting from investors' claims and their performance is not possible in the near future.
4. The compensation system secures the payment of Clients' funds, referred to in points 2 or 3, reduced by the receivables of the custodian bank or a bank conducting brokerage activity from the Client on account of provided on account of services, as at the date of occurrence of one of the events forming the basis for payment of compensation (one of the events referred to in (2)(1)-(3) or (3)(1)-(3), up to the PLN equivalent of EUR 3,000 – in 100% of the funds subject to the compensation system and 90% of the surplus over the amount while the upper limit of the funds covered by the compensation system is the PLN equivalent of EUR 22,000.
5. To calculate the EUR values, referred to in (4), in PLN the fixing rate of the National Bank of Poland is applied, in accordance with the announced foreign exchange table of the day of occurrence of the circumstances forming the basis for payment of compensation.
6. The amounts, referred to in (4), specify the maximum amount of Clients' claims, regardless of that in what amount and in how many bank accounts he held financial instruments or the number of claims under which he is entitled to receivables in a given custodian bank or a bank conducting brokerage activity.
7. The compensation claims are prescribed upon 5 years from the day of occurrence of the circumstances forming the basis to pay compensation.

#### **VIII. Rules of providing services (concerning performance by mBank of the activities related to trading in financial instruments)**

Detailed rules of providing services are specified in the agreements on provision of services concluded with Clients or regulations concerning those services.

#### **IX. The rules of filing by Clients and handling by mBank complaints made in connection with provided by mBank services (concerning performance by mBank of the activities related to trading in financial instruments)**

1. In connection with the services provided by mBank, the Client has the right to file a complaint with mBank.
2. A complaint should be made in writing at the registered office of mBank, sent at the address of mBank or filed in other form agreed on with mBank.
3. A complaint should contain the forename and surname or name of the Client, his address of residence or registered office, number of bank account of the Client with mBank (provided the Client holds such an account) and a concise justification for the reason for filing a complaint, as well as unequivocal specification of the Client's claim.
4. The detailed rules of filing and handling complaints of Clients are specified in the agreements on provision of services concluded with Clients or regulations concerning those services.

#### **X. Procedure for avoiding conflicts of interest**

The procedures applicable at mBank allow for avoiding conflicts of interest, as well as their efficient management in the case when they arise, in a manner that guarantees protection of interest of mBank's Clients. They are specified in the Policy of Managing Conflict of Interest at mBank S.A., hereinafter referred to as the "Policy".

What is a conflict of interest?

The conflict of interest means that mBank knows of circumstances that may lead to occurrence of a conflict between the interest of the Bank, a person related to the Bank and the Bank's obligation to operate diligently, taking into account the interest of the Bank's Client, as well as the circumstances known to the Bank which may lead to occurrence of conflict between the interest of several Clients of mBank.

The conflict of interest may occur in the relations between:

- 1/ mBank or other entity of mBank Capital Group and the Client,
- 2/ Client and an employee of mBank or another person related to mBank,
- 3/ mBank and an employee of mBank or another person related to mBank,
- 4/ mBank's Clients.

The Policy, adopted at mBank, specifies the rules which the employees of mBank observe in the case of identification of a potential or real conflict of interest in order to avoid or manage accordingly the conflict that arouse and to ensure that, as a result of the conflict, there will be no breach of interests of mBank's Client. The main principle of the Policy adopted at mBank states that the Client's interest takes precedence over the interest of the Bank and its employees, which aims at protection of the Clients' interests and guarantees their equal treatment.

Pursuant to the adopted Policy in the case when it will not be possible to prevent an identified conflict of interest, mBank will promptly inform the Client to whom the incident refers of the fact in order to obtain his/her permission for further execution of ordered services.

In order to guarantee correct implementation of the Policy at mBank, activities aiming at the following have been undertaken:

- 1/ introduction of information barriers - "Chinese walls" among particular organisational units of the Bank in order to guarantee confidentiality of information,
- 2/ introduction of rules limiting the use, by employees, of information about the Clients and transactions concluded by them exclusively to cases when it is necessary for proper execution of tasks related to services provided by mBank (on the basis of need-to-know principle).

Activities taken aim at guaranteeing that information on the Clients is used within the structures of mBank, as well as mBank Capital Group only in the scope necessary to provide services or meet requirements of the law.

Appropriate measures will be taken against mBank employees breaching provisions of the Policy.

Examples of acting pursuant to the Policy:

#### Example No. 1

X enterprise is serviced at the Bank by Mr Z., Account Manager. The Account Manager's wife has just lost her job. The President of X enterprise finds out about that and proposes Mr. Z that s/he employs Mr. Z's wife under favourable remuneration conditions. The Account Manager acts pursuant to the Policy rules and refuses politely his Client. Employment of a relative of the Client's Account Manager in the enterprise serviced by him on the behalf of the Bank would raise justified suspicion that the Account Manager will treat this Client more favourably than other Clients of the Bank. In such a way one of the basic principles of the conflict of interest management - equal treatment of the Bank's Clients - would be breached.

#### Example No. 2

The Bank's employees are forbidden to participate in supervisory boards and management boards of companies being the Bank's Clients. In justified cases, the Management Board of the Bank may grant consent to such a participation. The Bank's employees are not allowed to participate in the process of provision of services for the benefit of the Bank's Clients whose interests may be in conflict of interest of the Bank's Client where the Bank's employee holds a supervisory or managerial position, and they are not allowed to supervise this process. The principle is that a Client's Account Manager is not allowed to sit on boards of the company being his Clients.

The aforesaid ban is due to the fact that the Client in whose authorities the Bank employee participates may be treated on preferential terms compared to other Clients.

The full content of the Policy of the Management of conflicts of interests at mBank S.A. is available on the websites of mBank ([www.mbank.pl](http://www.mbank.pl)). At the request of the Client, his Account Manager may provide the Client with the said policy in a paper form at mBank's outlets.

### **XI. Costs and charges related to services (concerning performance of activities related to trading in financial instruments by mBank)**

1. All the fees and commissions paid by the Clients to mBank are stipulated in agreements on provision of services (concerning the Bank's activities related to trading in financial instruments) concluded with the Clients or in the rules of these services. These agreements or rules may redirect to the Tariff of Banking Fees and Commissions of mBank for SME and Corporates.
2. In the case when the price of the service or its part is expressed in a foreign currency, agreements on the service provision concluded with the Client or rules on these services stipulate foreign currency, exchange costs and rules for exchange rates adopted by mBank. These agreements or rules may include a list of other amounts not payable to mBank or through the agency of mBank.
3. Agreements on provision of services concluded with Clients or rules on these services include information on the possibility of occurrence of other costs than the service costs, including taxes on transactions concluded due to given financial instrument or service which may be imposed on the Client, which are not payable to mBank, nor through its agency.

Information prepared on the basis of Article 14 of the Regulation of the Minister of Finance dated 24 September 2012 on the procedure applied by the investment firms, banks referred to in Article 70 (2) of the Act on Trading in Financial Instruments, and custodian banks.

### **Safekeeping and registering securities**

mBank uses services of clearing houses both on the domestic and foreign markets when safekeeping and registering Clients' securities.

Securities admitted to organised trading in Poland are registered by mBank in securities accounts and collective accounts maintained in terms of the deposit system organised by Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") in which mBank participates directly.

Assets registered within the deposit system organised by the KDPW are registered:

- 1) in individual securities accounts maintained on behalf of and for particular Clients or
- 2) in collective accounts, which may only be maintained for: legal persons or other organisational units with a registered office outside Poland, which perform tasks of central registration of securities and are subject to supervision of the relevant body supervising financial institutions in EU member state or EEA or an equivalent state within the meaning of provisions on counteracting money laundering ("Equivalent State"), foreign investment companies which do not conduct a brokerage activity on the territory of Poland, authorised to conduct business operations in the scope of registering financial instruments in the country in which they are registered, foreign investment companies conducting brokerage operation on the territory of Poland without opening a branch, authorised to conduct business operation in the scope of registration of financial instruments in the country in which they are registered, foreign legal persons with a registered office in an Equivalent State authorised to conduct a brokerage activity in the scope of registering financial instruments in the country in which they are registered which do not conduct brokerage activity on the territory of Poland and foreign banks with a registered office in an Equivalent State authorised to conduct business activity in the scope of registering financial instruments in the country in which they are registered by KDPW participants.

The balances in securities accounts and in collective accounts reflect the balances of collective deposit accounts maintained with the KDPW for particular KDPW participants. The collective deposit accounts maintained with KDPW do not allow for identification of persons or entities entitled to particular securities registered in such accounts. Such identification is made at the level of securities accounts maintained with KDPW participants. Pursuant to the provisions of the Act on Trading, in the case of securities accounts, the owner of securities is always the holder of the securities account in which the securities have been registered. That is different in the case of a collective account - the holder of a collective account is not considered entitled to the securities registered in this account. Person indicated to mBank by the Account Holder is entitled to the securities registered in the collective account, in the number of securities arising from the indication.



Securities registered in a collective account are not registered by mBank in individual securities accounts.

Securities held by mBank's Clients are registered in the deposit system separately from the securities held by the Bank. mBank has at its disposal securities registered in the securities accounts maintained by it on behalf of and for the mBank's Client within the scope and on terms stipulated in the agreement concluded with the Client. In the case of collective accounts, disposal of securities held by a person entitled to securities registered in such an account may take place only in the scope and on the terms stipulated in the agreement concluded with the collective account holder.

mBank may not have at its disposal securities registered in the securities accounts and securities registered in collective accounts on own account or on the account of the third party for other purposes and in other manner than stipulated in the provisions of law and in the agreement concluded with the Client and only upon the approval of the Client or the person entitled to securities registered in the collective account respectively whereas the approval is not required, provided that the Bank holds securities to establish collateral as a result of executing the order of the Client or the collective account holder.

T-bills and monetary bills are registered by mBank as part of a system of accounts and deposit accounts for T-bills and monetary bills (under SKARBNET4 system), maintained by the National Bank of Poland, in which mBank is a direct participant ("System").

Assets registered in the System owned by the Bank's Clients are registered in individual accounts for bills maintained with the Bank (opened on behalf of and for particular Clients) or in collective accounts for T-bills. The balances in individual accounts for bills and in collective accounts for T-bills reflect the balances of collective deposit accounts maintained in the System for particular System participants. Collective deposit accounts maintained in the System do not allow for identification of persons or entities entitled to particular securities registered in such accounts. Such identification is made at the level of individual accounts for bills maintained by the System participants. The holder of the securities registered in individual account for bills is always the holder of this account. That is different in the case of a collective account for T-bills - the holder of a collective account for T-bills is not entitled to the securities registered in this account. Person indicated to mBank by the Account Holder is entitled to the securities registered in the collective account for T-bills, in the number of securities arising from the indication.

Securities registered in a collective account for T-bills are not registered by mBank in the individual accounts for bills.

Securities registered in the System held by the Bank's Clients are separated from the securities held by the Bank. mBank has at its disposal securities kept in the System for the Bank's Clients within the scope and on terms stipulated in the law and agreement concluded with the Client and only upon the approval of the Client, whereas the approval of the Client is not required, provided that the Bank holds securities for the purpose of establishing collateral as a result of executing an order of the Client.

Domestic securities not admitted to organized trading and being tangible assets are kept by mBank for particular Clients. The holder of securities is entitled to the securities kept by mBank. Assets kept at the Bank and held by the Bank's Clients are separated from the assets owned by the Bank.

The Bank has at its disposal securities kept by mBank for the Bank's Clients within the scope and on terms stipulated in the law and in the agreement concluded with the Client and only upon the approval of the Client, whereas the approval of the Client is not required, provided that the Bank holds securities for the purpose of establishing collateral as a result of executing an order of the Client.

Domestic securities not admitted to organised trading not being tangible assets are registered by mBank in the Register maintained by the Bank, provided that these securities are not registered in the depository of securities under an agreement between their issuer and the KDPW (in such a case they are registered in the securities accounts and collective accounts on the terms and conditions described above).

mBank opens registers of securities under the name and for particular Clients. Assets registered at mBank owned by its Clients are separated from the assets owned by mBank.

mBank has at its disposal securities registered in the Register maintained by mBank for its Clients within the scope and on terms stipulated in the law and in the agreement concluded with the Client and only upon the approval of the Client, whereas the approval of the Client is not required, provided that the Bank holds securities for the purpose of establishing collateral as a result of executing an order of the Client.

Foreign securities (not admitted to organised trading in Poland) are registered by a foreign depository and clearing house - Clearstream Banking Luxembourg (CBL) or Euroclear.

Financial instruments registered for the Clients in CBL are registered in the collective account. mBank opens registers of securities for particular Clients. Pursuant to the provisions on beneficial ownership applicable on the territory of Luxembourg and Belgium, the owner of securities is always the holder of the securities register maintained by mBank.

Assets owned by mBank's Clients registered by CBL/Euroclear are separated from the assets owned by the Bank.

mBank has at its disposal securities registered by CBL/Euroclear within the scope and on terms stipulated by the law and in the agreement concluded with the Client and only upon the approval of the Client, whereas the approval of the Client is not required, provided that the Bank holds securities for the purpose of establishing collateral as a result of executing an order of the Client.

Pursuant to the Rules on provision of custody services by mBank S.A., appended to the Agreement on provision of custody services, in the case when the Client fails to provide funds for transaction settlement, the Bank may satisfy its claims using the financial instruments deposited in the accounts and registers of a given Client. In the case when the Client does not make the payment within the 3 days following the transaction settlement date, mBank is entitled to sell the securities in question at the price ensuring the highest probability of the order execution. The amount obtained from the sale of securities is due to the Bank, yet the surplus between the amount gained from the sale of securities and the amount of unpaid purchase transaction and transaction costs is due to the Client (the surplus is credited to the Client's bank account). The above provisions will not be applied in the case when the Client has concluded an agreement with the Bank stipulating other procedure in the case the Client does not make a payment. The Client is obliged to repay the costs incurred by mBank, increased by the statutory interest accrued from the settlement date of the purchase transaction unpaid by the Client until the date the Client settles his liabilities towards the Bank in whole.

mBank monitors on a daily basis securities kept and registered for Clients in order to protect the Client's assets and the rights held by persons authorised under securities registered in collective accounts. mBank controls on a daily basis the balance of securities kept in line with the entries in the securities accounts, collective accounts, deposit accounts and securities registers against the balance of securities registered in accounts maintained with the KDPW, NBP and CBL/ Euroclear respectively.

mBank may entrust keeping of securities to another entity, in particular in the case of foreign securities. In such a case, mBank will be responsible towards the Client on general terms, and the consequences of insolvency of an entity being entrusted, will be regulated by the law applicable to this entity. mBank, pursuant to implemented internal rules will undertake and continue cooperation exclusively with entities which guarantee the protection of the Client's rights to securities entrusted with such an entity.