

BD /ZW/145/2022

Warsaw, 21 October 2022

KDPW Participants

Dear Sirs,

Please be kindly informed that on November 5 and December 1, 2022 amendments to the KDPW Detailed Rules of Operation will come into force, following the approval of Resolution No. 958/2022 of the KDPW Management Board of 21 October 2022. The aforementioned Resolution is available to view on the KDPW website in the "Rules" tab.

At the same time, we would like to inform you that Resolution No. 959/2022 of the KDPW Management Board of 21 October 2022, relating to amendments to the Rules on Access to the KDPW Information Technology Systems ("Access Rules"), was published in the same place and that following amendments to the KDPW Detailed Rules of Operation, the Access Rules shall become a binding regulation for issuers and direct participants from November 5, 2022.

The amendments introduced to the KDPW Detailed Rules of Operation are mainly related to the implementation of two-factor authentication for access to the Service Portal: <https://online.kdpw.pl> and relate to the following applications: General Meetings, Payment of Benefits, Identification of Shareholders, Statutory Authorities - Voting and Registration of issues, which are all made available to issuers or direct participants.

The amendments to the Access Rules relate in particular to the implementation of Two Factor Authentication for access to the Service Portal at <https://online.kdpw.pl>.

Following the implementation of the additional authentication factor, access to the applications on the Service Portal will require two-factor authentication for each system log-in (the so-called MFA model - multifactor authentication).

The introduction of a mandatory additional authentication component will provide an added security layer to ensure that anyone attempting to access the application is who they claim to be and have all the necessary attributes to confirm this. Verification is currently performed on the basis of a password to access the account, which is a so-called knowledge attribute. In order to increase the level of security, a second authentication factor will be introduced, which will be based on the so-called attribute of possession. This means that as part of the authentication process, users will be required to prove that they have access to a trusted and associated device.

A trusted device should use the following:

- a mobile application (KDPW Group Authenticator), available for download from authorised app stores: Google Play (Android), or the App Store (iOS - Apple), which, following installation by the user, will be associated with the relevant access account (user's digital identity),

or

- a trusted web browser on the user's own computer, which the user will designate as a trusted browser when logging in (following confirmation via the mobile application). The use of a trusted browser for log-in (after it has been designated as trusted) will be automatically verified during the log-in process as an additional authentication factor to the indicated user account.

Managing the list of trusted devices assigned to a given access account will be possible at the account management level, using the dedicated application available here: <https://identity.kdpw.pl>. This application will enable both the removal of devices from the trusted devices list, as well as verification of all authentication operations carried out via a given device.

The introduced amendments include:

1. Amendments related to the transfer of regulatory provisions on access to applications and the rules for authentication of the access account, to the Access Regulations:
  - the addition of § 1b - 1d, which collect in one place within the KDPW Detailed Rules the general provisions on access by participants to internet applications and the means of accessing these applications (in connection with these amendments, § 3c, § 118, § 190ca subparas 2-5 are repealed),
  - at the same time, § 1c subpara. 1 is introduced, on the basis of which the detailed requirements applicable until now in the KDPW Detailed Rules relating to provisions for opening an access account, authentication for an access account (including the new requirement for the use of multi-factor authentication) and the provisions for obtaining access and authorisation to the applications, are transferred to the level of the Access Rules, uniformly applicable for all KDPW services available through the Service Portal,
  - individual provisions of the KDPW Detailed Rules referring to specific applications are also integrated by referencing their names, in accordance with the application catalog specified in § 1b subpara. 1.
2. The introduction of the possibility for a participant to provide KDPW with documents in the form of copies certified in accordance with the rules of representation of the entity submitting the document, by certifying them also in writing, and not only, as previously, in the form of a scan certified with a qualified electronic signature (§ 1 subpara. 3 ).
3. Changes to certain deadlines for the processing of corporate events (§§ 121, 125, 132, 134). The changes are aimed at shortening the deadlines between the various stages of specific operations, in particular between the record date for determining entitled persons and the payment date. KDPW notified participants in advance of these amendments as part of informal contacts with participants; they correspond to the standards that apply in other depository systems. These changes will enter into force on December 1, 2022.
4. The addition of provisions relating to the redemption of bonds after the maturity date. The amendments are aimed at indicating the procedures according to which such redemptions are performed by referencing the relevant provisions of the Bonds Act relating to the redemption of bonds, performed following the maturity date (§ 134 subpara. 16).
5. The repeal of § 142, resulting in particular from the harmonisation of the rules for determining the income tax withholding agent for payments resulting from cash entitlements from securities.

6. The repeal of the provisions of § 164. The repeal is the result of the fact that at present, KDPW does not require the submission of a declaration on the successful completion of the issue subscription.
7. The introduction of the requirement to provide KDPW, in connection with the payment to the issuer of funds corresponding to the payments for shares of a new issue, of a copy of the notary deed containing a statement on the indication of the amount of the share capital listed in the articles of association, if the issuer's Management Board has provided such a statement. This is a document that allows for the verification of the size of the issue and therefore the amount of payments collected for shares (§ 168 subpara. 1).
8. Amendments to the provisions of § 218 subpara. 3, on specifying the deadline for the termination of the agreement for registration of shares, and therefore harmonising the 14-day deadline in which the termination of the agreement takes place with the date specified in the Act on Public Offerings, calculated on the basis of calendar days.
9. The introduction of a requirement to block on the securities account shares that are to be withdrawn from the depository in connection with the redemption of own shares acquired by the issuer for redemption (§ 222). This amendment will make it possible to standardise the procedures related to the withdrawal of securities from the depository.
10. The introduction of a requirement for the issuer to provide KDPW with proof of redemption of bonds, if due to their partial redemption performed without KDPW acting as intermediary in the payment of funds, their nominal value is reduced. As a result of the current lack of such a requirement, KDPW does not have any formal mechanism for verifying whether the issuer has actually paid out funds, and therefore whether the nominal value of securities may be reduced in the depository system (§ 225 subpara. 3).

Yours faithfully,

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Director, Corporate Affairs Department