

**Detailed Rules of Operation  
of Krajowy Depozyt Papierów Wartościowych (KDPW)**

Part One

**General Provisions**

**§ 1**

1. The definitions and deadlines used in the Detailed Rules of KDPW are consistent with those used in the Rules of Krajowy Depozyt Papierów Wartościowych, referred to hereinafter as the KDPW Rules.
2. Unless other provisions, or the KDPW Rules, state otherwise, the deadlines, referred to in the Detailed Rules of KDPW, shall be determined according to the provisions of § 9 of the KDPW Rules.
3. Unless the KDPW Rules or further provisions shall provide otherwise, and in particular do not require the submission of a specific document or declaration in writing to KDPW, official documents and other documents to be attached to the application for the conclusion, amendment or termination of the participation agreement, or to the application for conclusion or termination of the agreement for the registration of securities in the depository, or to an application for the performance of a specific corporate action on securities, with the exception of the securities issue letter, annexes to this letter, documents updating the data contained in the form, referred to in § 65 section 5 of the KDPW Rules, as well as other documents containing the participant's or the entity's seeking participation own declarations submitted to KDPW, may be submitted to KDPW in the form of copies of the original versions of these documents or their authenticated copies duly certified in accordance with the rules of representation of the entity submitting the document to KDPW, including scans bearing qualified electronic signatures.
4. Unless the KDPW Rules or further provisions provide otherwise, the provisions of subpara. 3 shall also apply to other documents, including official documents, which are submitted by participants to KDPW in connection with their participation in the depository system.
5. The requirement to certify that the scan is a true copy of the source document in the manner referred to in subpara. 3 shall not apply to:
  - 1 / a prospectus or other memorandum document submitted in accordance with the provisions of § 2 subpara. 1 point 5,
  - 2 / copies of resolutions adopted by the relevant governing bodies of the Warsaw Stock Exchange S.A. or BondSpot S.A.
6. Scans of documents should be sent to the e-mail address indicated on the KDPW website in the "Contact" section, as the relevant address used for submitting documents to KDPW in electronic form. KDPW shall reserve the right not to receive correspondence addressed to any other e-mail address, even if such an address was created in the domain of the KDPW website.
7. Whenever the KDPW Rules or KDPW Detailed Rules of Operation require the submission of an excerpt or an extract from the relevant court or official register to KDPW, this requirement shall not apply to an extract from the National Court Register. However, in the event of any difficulties with obtaining uninterrupted access to information contained in the National Court Register via a generally accessible IT network, KDPW may request the participant or entity applying for participation to provide an up-to-date excerpt from the National Court Register or a computer printout, referred to in § 5 subpara. 8 point 1 of the KDPW Rules, and make it conditional on the performance of activities requiring the delivery of this extract.

**§ 1a**

KDPW hereby declares that it holds the status of a large enterprise within the definition described in the Law on Combating excessively late payments in commercial transactions of 8 March 2013 (i.e. Dz. U. (Journal of Laws) of 2021 item 424).

**§ 1b**

1. KDPW shall make available to participants the following web-based applications for electronic communication:
  - 1/ Issue Registration - to the extent of the submission by the issue agent on behalf of issuers of the applications referred to in § 65 subpara. 3 of the KDPW Rules;
  - 2/ Benefits Payment - to the extent of the processing of obligations arising from securities;
  - 3/ General Meetings - to the extent of the processing of general meetings;
  - 4/ Shareholder Identification - to the extent of the submission and processing of requests for the disclosure of the identification of shareholders of companies and the determination of the number of shares held by them as at a given date;
  - 5/ Board – Voting - to the extent of the processing of votes held at or outside meetings of issuers' management or supervisory bodies.
2. Direct participants with the participation type of issue agent shall be required to have access to the Issue Registration application.
3. Subject to subpara. 4, the following shall be required to have access to the Benefits Payment application:
  - 1/ issuers of securities registered in the depository, having their registered office in the territory of the Republic of Poland;
  - 2/ direct participants with the participation type of paying agent.
4. The obligation referred to in subpara. 3 shall not apply to:
  - 1/ the State Treasury;
  - 2/ the National Bank of Poland;
  - 3/ issuers of bonds, covered bonds or investment certificates registered in the depository who have not concluded an agreement with KDPW for the registration of other securities and who have granted to a participant with the participation type of paying agent the power of attorney referred to in § 33b subpara. 2 of the KDPW Rules, provided that an agreement obliging a participant with the participation type of paying agent to act for and represent the issuer in its relations with KDPW has been concluded and remains in force between such participants to the extent allowed under the provisions of Title Four.
5. The following shall be required to have access to the General Meetings application:
  - 1/ issuers of shares registered in the depository, having their registered office in the territory of the Republic of Poland,
  - 2/ listed companies having their registered office outside the territory of the Republic of Poland for which KDPW acts as the home depository.
6. A direct participant which has provided KDPW with a communication containing a list referred to in § 142 subpara. 1 of the KDPW Rules or a notification referred to in § 142b subpara. 1, 2 or 3 of the KDPW Rules may also have access to the General Meetings application, to the extent that it acts as a proxy for an authorised person named in that list or notification.
7. The following may have access to the Shareholder Identification application:
  - 1/ issuers which are listed companies;
  - 2/ issuers which are companies having their registered office in the territory of the Republic of Poland which do not have the status of a public company;
  - 3/ direct participants, for the purposes of submitting requests for disclosure of information referred to in Article 328<sup>13</sup> § 1 point (1)-(4) and § 2 of the Commercial Companies Code and receiving such information in respect of shares recorded in the securities account maintained for the participant in KDPW, and for the purposes of submitting instructions referred to in § 142f subpara. 2 of the KDPW Rules to KDPW.
8. Issuers of shares registered in the depository, having their registered office in the territory of the Republic of Poland, may have access to the Board – Voting application.
9. Access to the applications referred to in subpara. 1 shall be through the U2A interfaces of these applications available on the Service Portal <https://online.kdpw.pl>.

**§ 1c**

1. The rules of getting access to the applications referred to in § 1b subpara. 1 by a person authorised by a participant to act on behalf of the participant and, if the participant is an issue agent or a paying agent, also on behalf of the issuers it represents, the rules for opening an access account by such person and the rules for authentication are set out in the Rules of Access to the IT Systems of Krajowy Depozyt Papierów Wartościowych adopted by a resolution of the Management Board of Krajowy Depozyt Papierów Wartościowych.

2. A person referred to in subpara. 1 may get access to the applications referred to in § 1b subpara. 1 as:
  - 1/ a user – in the case of a person authorised to communicate directly with KDPW on behalf of a participant and, if the participant is an issue agent or a paying agent, also on behalf of the issuers it represents;
  - or
  - 2/ an administrator – in the case of a person authorised to grant other persons who apply for access to an application as a user the authorisation to communicate directly with KDPW on behalf of the participant and, if the participant is an issue agent or a paying agent, also on behalf of the issuers it represents, and to revoke such authorisations by granting or revoking, respectively, their access to the application.
3. When getting access to the Board - Voting application, the issuer shall authorise at least one person to act on its behalf in the application as an administrator.
4. Applications for access to the Board - Voting application on behalf of an issuer as an administrator shall only be accepted or rejected by KDPW, and applications for such access as a user shall only be accepted or rejected by a person authorised by the issuer to use the application as an administrator, subject to subpara. 5.
5. An application for access to the Board - Voting application on behalf of an issuer as a user, submitted by a person who is the only person authorised to use the application on its behalf as an administrator, shall be accepted or rejected by KDPW.
6. Access of a person authorised to use the Board - Voting application as an administrator may only be withdrawn by KDPW, and access of a person authorised to act as a user may only be withdrawn by a person authorised by the participant to act as an administrator or by KDPW.
7. The power of attorney referred to in § 33a subpara. 3 or § 33b subpara. 2 of the KDPW Rules shall enable the persons authorised by the participant with the participation type of issue agent or paying agent to act on its behalf to submit and receive, in relations with KDPW, declarations and information on behalf of the issuer-principal and it shall also include the right to appoint further proxies.

#### **§ 1d**

KDPW may make a technical interruption in the operation of the applications referred to in § 1b subpara. 1.

### **Part Two**

## **Administration of the securities depository**

### **Section 1**

#### **Registration of securities and securities data provision**

#### **§ 2**

1. An issuer shall include the following with the application for the conclusion of an agreement to register securities in the depository, submitted in written form:
  - 1/ a document or documents relating to the securities covered by the application, which shall be, respectively:
    - a/ a certified copy of the decision of the Polish Financial Supervision Authority (KNF) approving the prospectus or another relevant information document relating to the securities, or
    - b/ a certified copy of the decision of the competent authority in the home Member State of the issuer, within the meaning of Article 2(m) of Regulation (EU) 2917/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, approving the prospectus or another relevant information document relating to the securities, and a statement of the issuer confirming that the Polish Financial Supervision Authority (KNF) received from that authority the notification referred to in Article 25 or Article 26 of the Regulation, and stating that as a result the securities covered by the application may be subject to a public offering or may be admitted to trading in a regulated market in the territory of the Republic of Poland, or a document confirming those circumstances from the Polish Financial Supervision Authority or the Office of the Polish Financial Supervision Authority, or
    - c/ a statement of the issuer to the effect that the making of the public offering or applying for the securities to be admitted to trading in the regulated market does not require an application for approval of a prospectus or

another relevant information document; the said statement must specify a clear legal basis for non-application of those requirements, or

d/ a statement of the issuer to the effect that, rather than for the purposes of a public offering or an application for the securities to be admitted to trading in the regulated market, the application for a securities registration agreement is connected with the introduction of the securities to the alternative trading system or with the aim of registration of the securities on the basis of Article 5a subpara. 1 of the Law on trading in financial instruments, which in accordance with the legal provisions governing the issue of these securities referred to in this statement, are not in paper certificate form and may be registered in the depository,

2/ an official document confirming that the securities issue within the application has been registered in the relevant court or official register or, for issues that are not subject to registration, a declaration stating that the issue has been successfully concluded, or, in instances described in § 5 subpara. 1 or in § 6 subpara. 1 – the documents, which are described, accordingly, in § 5 subpara. 3 or in § 6 subpara. 1;

3/ for securities issued in paper certificate form, a declaration by an investment firm confirming that these securities are held in safekeeping in accordance with the provisions of Article 6 subpara. 1 of the Law on trading in financial instruments,

4/ for securities in dematerialised form which exist as an entry in the relevant registration system or register – a declaration from the entity managing this registration system or register confirming their management of this system, and the number of securities entered with legal finality into this registration system or register,

5/ a prospectus or another information document, which is required by law to be prepared and made publicly available in connection with a public offering or admission of securities to trading on the regulated market, or a statement of the issuer specifying a clear legal basis for non-application of the requirement to prepare and make available such documents; the prospectus or another document required by law shall be submitted in the language version appropriate for publication in the territory of the Republic of Poland, and they may be submitted in electronic form (.pdf format);

6/ a certified copy of the document representing the legal basis for the securities issue in question, or the declaration referred to in § 66 subpara. 4 of the KDPW Rules, if such a declaration can be submitted in place of such a document;

7/ for bonds other than bonds issued by the State Treasury or the National Bank of Poland, and for mortgage bonds or other types of debt securities – the terms and conditions of their issue, or another relevant document defining the rights and obligations of the issuer and persons with entitlements from these securities,

8/ the issue letter for the securities issue,

9/ a certified copy of the resolution adopted by the relevant company body of the issuer in connection with the registration of securities, to which the application relates, in the depository, or authorising the conclusion of an agreement for their registration in the depository, if the conclusion of such an agreement requires the adoption of a resolution in accordance with the applicable law;

10/ for securities issued under the legislation of a State other than the Republic of Poland – a legal opinion and a document referred to in § 66 subpara. 1 point 5 item a and b of the KDPW Rules; a legal opinion will not need to be provided if KDPW will perform the role of issuer CSD,

11/ in the case of securities subject to a cascade offering within the meaning of Article 15a of the Law on public offerings, which are to be registered in connection with a public offering – designation of the participants of the cascade offering and written declarations of such participants, certified by the issuer, concerning the following: commencement date of the public offering, and

number of shares of the issuer held by them and subject to the offering,

12/ for new issue shares – a declaration relating to the applicant's rights held in agricultural real estate, in order to establish whether the trading in the applicant's securities is subject to any restrictions described in the Agrarian Reform Act of 11 April 2003 (Dz. U. (Journal of Laws) of 2018, item 1405, as amended), as well as documents confirming that any obligations arising from this legislation have been fulfilled;

13/ in instances described in § 71 subpara. 2 or 3 of the KDPW Rules – documents confirming that the securities are fungible, accordingly, for securities of various issues admitted to the securities depository, or for securities admitted to the securities depository, or for securities previously assigned an id code, which would then be assigned to securities admitted to the securities depository.

1a. If it follows from the application for the conclusion of an agreement to register shares in the depository that the issuer established in the Republic of Poland applies for the conclusion of such agreement in order to fulfil the obligation referred to in Article 17 of the Act of 30 August 2019 amending the Commercial Companies Code and

certain other Acts (Dz. U. (Journal of Laws) of 2019, item 1798, as amended), then the issuer shall include the following with the application:

- 1/ an up-to-date certified copy of the entry in the business register,
- 2/ the up-to-date consolidated text of the issuer's articles of association, confirmed by the management board as the issuer's duly authorised representatives,
- 3/ certified copies of resolutions of the competent bodies of the issuer which form the legal basis of the issue of shares covered by the application or the legal basis of modifications to the number, type, nominal value or other characteristics of such shares,
- 4/ a certified copy of the resolution of the general meeting concerning the registration of the shares of the issuer in the depository – if the conclusion of an agreement to register the shares in the depository requires such resolution,
- 5/ the issue letter for the shares.

1b. The provisions of subpara. 1a point 2 – 5 shall apply accordingly to an application for the conclusion of an agreement to register subscription warrants in the depository submitted before 1 March 2021 if it follows from the application that the conclusion of such agreement is not connected with the making of a public offering of the subscription warrants or applying for the subscription warrants to be admitted to trading in the regulated market or to be introduced to an alternative trading system.

## 2. *Repealed*

3. The requirement to provide a declaration, described in subpara. 1 point 1 item c, shall not apply in instances where the issuer of the securities to which the application relates is the State Treasury or the National Bank of Poland.

4. In instances where the securities registration agreement relates to securities of a new issue, which may not be issued prior to the collateralisation described in the terms and conditions of their issue – the issuer shall provide the relevant official documents confirming the collateral has been established, and if the establishment cannot be confirmed on the basis of these documents – a declaration by the issuer indicating the date the collateral has been established.

5. In instances where following the conclusion of an agreement for the registration of securities, however, before their registration, the information document referred to in subpara. 1 point 5 submitted to KDPW has been supplemented, the issuer shall inform KDPW of this fact without delay and provide such supplement. If the supplement requires approval, the issuer shall also deliver a certified copy of the decision of the Polish Financial Supervision Authority or another competent authority approving such supplement.

6. The requirement to submit the documents, described in subpara. 1 points 1 and 11, shall not apply to applications submitted in writing for concluding an agreement for registration in the depository, of:

- 1/ bonds issued in accordance with the provisions of the Bond Act of 15 January 2015 (Dz. U. (Journal of Laws) 2020, item. 1208, as amended), or
- 2/ mortgage bonds issued in accordance with the Law on Mortgage bonds and mortgage banks of 29 August 1997 (Dz. U. (Journal of Laws) 2020, item 415, as amended) or
- 3/ investment certificates issued by close-end investments funds.

7. The requirement to attach the documents referred to in subpara. 1 points 1, 5 and 11 shall also not apply to the application for the conclusion of an agreement for the registration of shares or subscription warrants in the depository, submitted by an issuer established in the territory of the Republic of Poland, which is a public company, or a company which is not a public company, whose general meeting has adopted a resolution pursuant to which the shares or subscription warrants issued by the issuer shall be subject to registration in the depository.

## § 3

1. The issue letter for a securities issue shall include in particular the following information:

- 1/ an indication of the securities issuing entity, as well as the participant performing the role of lead manager, or the role of registration agent, or the entity participating in the offering of the securities;
- 2/ the type, kind and series of securities;
- 3/ the nominal value and number of securities being issued and, for debt securities which are to be registered according to their value – the total nominal value of securities and the relevant unit nominal value of the instrument;
- 4/ the securities issue price;

5/ where appropriate, the number of the technical entity account managed for the participant performing the role of registration agent or the number of the entity account on which the securities should be registered, managed for the participant performing the role of lead manager, or potentially managed for another participant;

6/ for securities that are to be registered in the depository via an operational link to another CSD – an indication of the CSD performing the role of issuer CSD for these securities.

2. In instances where the application involves the registration of shares issued by a company taking over another, which are to be allocated to shareholders of the public company that is subject to division by means of separation, and the takeover is carried out without the lowering of authorised capital, the issue letter shall in addition indicate the reference date, within the meaning of § 226. In such instances, the issue letter shall also be signed by the company subject to the division.

3. For securities that are not in paper certificate form, whose rights were created at the moment they were entered in the relevant registration system, the role of lead manager or registration agent should be performed by the direct participant managing the registration system of these securities.

4. In order to enable the registration of securities, the participant who is to perform the role of registration agent shall take actions necessary to open a technical entity account in KDPW.

5. Securities shall be transferred from a technical entity account opened in KDPW for the participant performing the role of registration agent on the basis of matching settlement instructions sent to the depository system by that participant and by a direct participant onto whose account the securities are to be transferred.

### **§ 3a**

1. An application for the conclusion of a securities registration agreement, described in § 65 subpara. 3 of the KDPW Rules may only be submitted after the issuer has obtained the participation type of Issuer in the depository system.

2. An application for the conclusion of a securities registration agreement, described in § 65 subpara. 3 of the KDPW Rules may only relate to securities of one specific series, or issue, meeting the requirements of fungibility. Securities admitted to the depository on the basis of such an application shall be assigned a separate id code.

3. Registered investment certificates of a given issue, not paid in full, which intend to be distributed to various investment fund participants, should be admitted to the depository on the basis of separate applications for the conclusion of a securities registration agreement, described in § 65 subpara.3 of the KDPW Rules.

4. An issuer in the form of a close-end investment fund shall be obliged to ensure that a block of registered investment certificates of a given issue, not paid in full, held by specific members of the fund, have been assigned in the depository system with separate id codes. Such investment certificates cannot be assigned a common id code before they have been fully paid-for.

5. The ability of an issuer in the form of a close-end investment fund to identify registered investment certificates of a given issue, not paid in full, held by specific members of the fund, shall require that issuer to take the following appropriate action to ensure:

1/ assigning a separate id code to that portion of the block of registered investment certificates of a given issue, not paid in full, held by a specific member of the fund, which are to be distributed to another person prior to their transfer.

2/ assigning separate id codes to that portion of the block of registered investment certificates of a given issue, not paid in full, held by a specific member of the fund, which are to be distributed to various persons prior to their transfer.

### **§ 3b**

The registration form, described in § 65 subpara.5 of the KDPW Rules, shall include in particular the following information:

1) LEI codes identifying the issue agent and the issuer;

2) information relating to securities, including:

a) with respect to bonds or mortgage bonds:

- indicating the type of security,

- the type and series or other distinguishing feature of the securities,



- the number of securities, unit nominal value and the currency in which it is expressed,
  - the securities issue price and the currency in which it is expressed,
  - the date of the issue of registered debt securities,
  - indicating whether registered debt securities were part of a public offering,
  - day D, on which the balance is used to determine the persons entitled to receive payments from the redemption of securities and used to determine the redemption date (day W),
  - days D, on which the balance is used to determine the persons entitled to receive interest payments from securities, and used to determine the payment date for these interest payments (days W),
  - information describing the principles of early redemption of securities, if the terms and conditions of their issue permit the possibility of early redemption
  - indicating the interest rate,
  - describing the type of collateral – in instances where the terms and conditions of the issue permit the securities entitlement to be collateralised and the issuer has posted this collateral;
- 3) for investment certificates:
- determining the LEI code of any subfund, with which investment certificates are associated,
  - the type and series or other distinguishing feature of the investment certificate,
  - the number of investment certificates,
  - the investment certificate issue price and the currency in which it is expressed,
  - the LEI code of the investment fund company, which manages the fund or the subfund issuing the certificates,
  - a description of the principles of the investment fund policy of the fund or subfund,
  - information describing the principles for payment of income from funds or subfunds with which the investment certificates are associated,
  - the date of the launch of the liquidation of the fund or subfund, with which the investment certificates are associated.

**§ 3c**  
***Repealed***

**§ 4**

The registration of securities in the depository assigned a code, which was previously used to identify other securities issued by the same issuer, may take place not earlier than on the day when the securities admitted to the depository and the remaining securities identified by that code, obtain for practical purposes parity in trading.

**§ 4a**

1. Shares of a given issue which are not paid up in full and have been or will be allotted to different persons shall be registered in the depository under different codes.
2. The issuer shall ensure that blocks of shares of a given issue which are not paid up in full and are held by different shareholders are marked with different codes until such time that they are paid up in full.
3. To ensure that blocks of shares of a given issue which are not paid up in full, are held by different shareholders and are registered in the depository, may be identified, the issuer shall take measures to ensure that:
  - 1/ that part of a block of shares of a given issue which are not paid up in full and are held by a given shareholder which is to be transferred to a different person are marked with a different code before such transfer,
  - 2/ those parts of a block of shares of a given issue which are not paid up in full and are held by a given shareholder which are to be transferred to different persons are marked with different codes before such transfer.

**§ 5**

1. The registration of securities may take place following the settlement by KDPW of transactions concluded in an offering of newly issued securities, resulting in the registration of these securities on the registration accounts of participants.
2. The registration referred to in subpara. 1 may only be performed in relation to securities whose issue does not require any entry in the appropriate court or administrative register, and for which no minimal issue threshold has been determined, which needs to be reached for the issue to be confirmed.
3. The securities registration process in the manner referred to in subpara. 1 shall require the issuer to attach to

the application for the registration agreement in addition the following:

1/ a power-of-attorney document for the direct participant which is a party to the agreement signed with KDPW, referred to in § 5 subpara. 1 of the KDPW Rules, and taking part in the securities issuance, authorising that participant and persons acting in its name to issue and deliver to KDPW, in the name of the issuer, registration certificates authorising and obligating KDPW to initiate activities aimed at the registration of these securities,

2/ a document containing:

a/ an irrevocable and unconditional authorisation of the issuer for KDPW to register securities in accordance with the content of the registration documents, referred to in point 1, as well as:

b/ a declaration by the issuer stating that each time a registration certificate, referred to in point 1, is delivered to KDPW, it shall at the same time be considered to be confirmation by the issuer that:

- the securities issue defined in the certificate has been successfully completed, that the securities have been paid for and that the issuer has performed the allocation of the securities, or
- if the settlement referred to in subpara. 1 also relates to cash payments - that the provisions of the previous bullet point have been satisfied at the moment of the registration of the securities indicated in that certificate.

4. Where securities are to be registered in the manner referred to in subpara. 1, the issue letter shall indicate the maximum number of securities issued as well as the deadline or deadlines when the registration documents, referred to in subpara. 3 point 1, may be sent to the depository system.

5. The power of attorney and the authorisation, referred to in subpara. 3 points 1 and 2, shall be provided for an unlimited period or for a limited period not shorter than the date of the last deadline indicated in the issue letter and referred to in subpara. 4. The power of attorney may be revoked effectively with respect to KDPW at the end of the second day following the day a written declaration from the issuer in this matter was delivered to KDPW. The submission of such a declaration shall result in the termination of the authorisation, referred to in subpara. 3 point 2, granted to KDPW, which shall take place at the end of the second day following the day of its submission.

6. The settlement described in subpara. 1, shall be performed on the basis of correct (matched), within the meaning of § 29 subpara. 1, settlement orders sent to the depository system by the participant indicated in the terms of the power of attorney referred to in subpara. 3 point 1 and, as appropriate, by direct participants on whose accounts securities are to be registered.

## § 6

1. If the registration of securities issues of a given type are to take place according to the principles referred to in § 73 subpara. 1 of the KDPW Rules, the issuer shall attach to the application for the registration agreement in addition the following:

1/ a power of attorney for the direct participant taking part in a securities issuance, authorising that participant and persons acting on the participant's behalf to issue and deliver to KDPW, in the name of the issuer, registration certificates authorising and obligating KDPW to initiate activities aimed at the registration of these securities;

2/ a document containing:

a/ an irrevocable and unconditional power of attorney from the issuer for KDPW to register securities in accordance with the content of the registration certificates referred to in point 1, as well as

b/ a declaration by the issuer stating that each time a registration certificate, referred to in point 1, is delivered to KDPW, it shall at the same time be considered to be confirmation by the issuer that:

- the issue of the number of securities described in that certificate has been successfully completed, that the securities have been paid for and that the issuer has performed the allocation of the securities, or
- if the settlement referred to in subpara. 1 also relates to cash payments - that the provisions of the previous bullet point have been satisfied at the moment of the registration of the securities indicated in that certificate.

2. Where securities are to be registered in the manner referred to in subpara. 1, the issue letter shall indicate the maximum number of securities issued as well as the deadline when the registration documents, referred to in subpara. 1 point 1, may be sent to the depository system.

3. The power of attorney and the authorisation, referred to in subpara. 1 points 1 and 2, shall be provided for an unlimited period or for a limited period not shorter than the date of the last deadline indicated in the issue letter and referred to in subpara. 2. The power of attorney may be revoked effectively with respect to KDPW at the end of the second day following the day a written declaration from the issuer in this matter was delivered to KDPW. The submission of such a declaration shall result in the termination of the authorisation, referred to in subpara. 1 point 2, granted to KDPW, which shall take place at the end of the second day following the day of its



submission.

4. Securities shall be registered on the basis of settlement orders that are correct (matched) within the meaning of § 29 subpara. 1, introduced into the depository system by the participant indicated in the terms of the power of attorney referred to in subpara. 1 point 1, and, as appropriate, by direct participants on whose accounts these securities are to be registered.

5. If there is a reduction of the number of securities registered with a given code number following the performance of rights incorporated in these securities, which takes place according to the principles referred to in § 73 subpara. 1 of the KDPW Rules, the issuer shall provide to KDPW the following:

1/ a power of attorney for the direct participant taking part in the operation authorising that participant and persons acting on the participant's behalf, to issue and deliver to KDPW, in the name of the issuer, registration certificates authorising and obligating KDPW to initiate activities aimed at the reduction of the number of securities registered with a given code number;

2/ a document containing:

a/ an irrevocable and unconditional authorisation from the issuer for KDPW to withdraw securities from the depository in accordance with the content of the registration certificates referred to in point 1, as well as

b/ a declaration by the issuer stating that each time a registration certificate, referred to in point 1, is delivered to KDPW, it shall at the same time be considered to be confirmation by the issuer that the rights arising from the securities indicated in the certificate have been performed in full – or, if the withdrawal operation is to take place at the same time as a cash payment - that the performance of these rights shall take place at the moment that this payment is completed.

6. The provisions of subpara. 3 and 4 shall apply accordingly to the withdrawal of securities from the depository according to the principles described in § 73 subpara. 1 of the KDPW Rules, as well as to the power of attorney and authorisation, referred to in subpara. 5, points 1 and 2.

## § 7

1. Treasury bills shall be registered in the depository system on the basis of a settlement order introduced to the depository system by a direct participant, on whose registration account the Treasury bills are to be registered, as well as on the basis of an order accepting the settlement order sent by KDPW.

2. KDPW shall introduce an accepting order, described in subpara. 1, to the depository system on receipt of confirmation from the National Bank of Poland of documents confirming the registration of the Treasury bills on the technical account managed for KDPW by the National Bank of Poland as part of the Securities Register system.

3. In order to deregister the Treasury bills from the technical account of the direct participant, this participant shall introduce to the depository system a settlement order for their transfer out of the depository system. On the basis of such an order, the Treasury bills indicated in that order shall be blocked for the purpose of their retransfer.

Having received confirmation of the transfer of the Treasury bills from the technical account managed for KDPW in the National Bank of Poland, within the Securities Register system, KDPW shall send to the depository system a settlement instruction sent by a direct participant.

4. The settlement instruction relating to the transfer of the Treasury bills out of the depository system, described in the first sentence of subpara. 3, as well as the settlement instruction sent by the direct participant according to the provisions of subpara. 1, in order to register the Treasury bills onto the registration account managed for that direct participant, shall include all the necessary details that will need to be sent to the National Bank of Poland, in order to process all the transfers derived from those orders within the Securities Register system managed by the National Bank of Poland.

## § 8

1. If a register kept for the securities referred to in the application for the conclusion of a registration agreement, listing the entitled persons referred to in Article 4 subpara. 2 or 2a of the Law on trading in financial instruments, then the securities shall be registered on the registration account of the participant with the participation type of lead manager.

2. The provisions of subpara. 1 shall not apply to, accordingly:

1) securities entered in the register of entitled investors, described in Art. 6 subpara. 1 or in Art. 6a of the Law

on Trading in securities;

2) securities entered in the register of persons entitled from securities, described in Art. 7a subpara. 4 point 4 of the Law on Trading in securities.

2a. It is permitted to introduce the securities, referred to in subpara. 1 and subpara. 2 point 1 to the depository through a special registration account opened in KDPW for a participant performing the responsibilities of registration intermediary for them, provided that responsibilities may only be performed by an entity managing the relevant register for these securities, referred to in subpara. 1 or in subpara. 2, point 1.

3. Until they have been released by the issuer, Treasury bonds and bonds underwritten or guaranteed by the State Treasury, offered for sale at auctions organised by the National Bank of Poland, shall be registered on an account created for the issuer of those bonds, provided that the settlement of the primary market is to be performed by KDPW.

### § 9

1. In those instances where a registration agreement concerns shares issued for the purpose of the conditional increase in a company's authorised capital, the issuer shall include together with the application for the conclusion of this agreement, an official document confirming the registration of the conditional increase in the company's authorised capital in the corporate register, instead of the document referred to in § 2 subpara. 1 point 2.

2. Subject to the provisions of subpara. 3, the shares referred to in subpara. 1 shall be registered each time on registration accounts managed in KDPW pursuant to the procedures under § 73 subpara. 1 of the KDPW Rules if they are allocated in return for convertible bonds, preference bonds or subscription warrants which are registered in a securities depository.

3. Shares referred to in subpara. 1 that are not allocated in return for other securities or that are allocated in return for securities which are not registered in a securities depository or not all the conditions are fulfilled to apply the procedures under § 73 subpara. 1 of the KDPW Rules, shall be registered each time in the depository system within three days of the receipt by KDPW of an application of the issuer in this matter, as well as an annex provided at the time of the conclusion of the agreement for the registration of the issue letter for those shares. If, however, shares covered by such application are to be registered with a code which has been issued to shares already registered in the depository, they shall not be registered before all shares to be assigned such code have been assigned the same status in trading. The information on each registration of such shares shall be provided in the form of a message of KDPW.

4. The agreement for the registration of the shares referred to in subpara. 1 may be concluded at the same time as the agreement for the registration of convertible bonds, preference bonds, or subscription warrants that give rights to those shares, on condition that the issuer shall submit together the required documents necessary to conclude both of these agreements.

### § 9a

1. A direct participant holding the participation type of issue agent for bonds, mortgage bonds or investment certificates introduced to the central depository on the basis of an application, described in § 65 subpara. 3 of the KDPW Rules, submitted by that participant, shall immediately on receipt from KDPW of the registration certificate confirming the registration of these securities on the registration accounts managed for that participant, holding the participation type of lead manager, shall perform the reconciliation of these securities registered on these accounts.

2. In the event of the confirmation that the number of bonds, mortgage bonds, or investment certificates registered on the registration accounts, described in subpara. 1, is incorrect, the direct participant with the participation type of issuer agent shall without delay, however, not later than on the next business day following the date of their registration in the central depository, shall notify KDPW of this in writing, indicating at the same time in this notification whether the error is the result of the incorrect recording of data by that participant in the registration application, described in § 65 subpara.5 of the KDPW Rules, and shall take the measures described, respectively in subparas. 3 or 4.

3. In instances where the direct participant with the participation type of issuer agent shall confirm that the

agreement entered into by that participant with KDPW to register bonds, mortgage bonds and investment certificates has incorrectly provided a smaller number than the actual number of these securities issued and recorded in the registration system of entitled persons, described in Article 7a, subpara. 4 point 4 of the Law on Trading in financial instruments, managed by that participant, then the participant shall submit a new application to KDPW for the conclusion of a registration agreement, described in § 65 subpara.3 of the KDPW Rules, relating to the outstanding number of those securities.

4. In instances where the direct participant with the participant type of issuer agent shall confirm that the agreement entered into by that participant with KDPW to register bonds, mortgage bonds and investment certificates has incorrectly provided a greater number than the actual number of these securities issued and recorded in the registration system of entitled persons, described in Article 7a, subpara. 4 point 4 of the Law on Trading in financial instruments, managed by that participant, then, together with the notification, described in subpara. 2, the participant shall submit a written application to KDPW on behalf of the issuer for the amendment of the registration agreement, for the purpose of correcting the number of the securities to which the agreement relates. Following the amendment of the agreement, KDPW shall deregister the excess number of securities from the registration accounts managed for the participant with the participant type of lead manager.

5. The direct participant with the participant type of issue agent shall be obliged to refrain from sending settlement instructions to the depository system relating to the transfer of bonds, mortgage bonds or investment certificates, from the registration accounts managed for that participant within the participant status of lead manager, onto other registration accounts managed in KDPW for that participant, or for other direct participants, prior to performing the reconciliation of the number of these securities in accordance with subpara. 1, and if necessary, prior to performing the correction of their number in accordance with the provisions of subparas. 2-4.

6. The provisions of subparas. 1, 2 and 4 shall apply accordingly to the correction by the participant with the participant type of issue agent of data errors other than errors relating to the number of securities, submitted by that participant in the form, described in § 65 subpara.5 of the KDPW Rules, subject to the provisions that in such instances, the notification, described in subpara. 2 and the application, described in subpara 4., should be submitted to KDPW not later than within 2 days from the date of the registration in the depository system of the securities, which the correction relates to.

#### **§ 9b**

1. In instances where, in accordance with § 75 subpara.2 of the KDPW Rules, the issuer shall submit an annex to the issuer letter in connection with the amendment of data relating to securities assigned with a given code, that issuer shall then be obliged to submit together with that annex documents that enable the effectiveness of the amendments to be determined.

2. In instances where, in accordance with the provisions of § 75 subpara.2 of the KDPW Rules, the issuer shall submit to KDPW a document updating data on bonds, mortgage bonds or investment certificates admitted to the central depository on the basis of the application, described in § 65 subpara.3 of the KDPW Rules, that issuer shall be obliged to submit at the same time a document that will enable the effectiveness of these amendments to be determined in instances where:

1/ amendment of the data requires any changes whatsoever to the manner in which these securities shall be registered in the central depository, or

2/ amendment of the data relates to the redemption date of these securities, or the ability to perform early redemption, or

3/ amendment of the data relates to the calculation of day D, according to the balance used to determine those persons with the right to receive entitlements from the redemption of these securities, or

4/ amendment of the data relates to the payment itself, or scope of payments arising from these securities.

3. The provisions of subparas. 1 and 2 shall be without prejudice to the provisions of Part Four or Part Five herein.

## **Section 2 Securities registration**

**Chapter 1**  
**General provisions applicable to direct participants**  
**managing securities accounts or omnibus securities accounts**

**§ 10**

1. Participants shall keep securities registers using IT systems.
2. Participants shall determine and prepare internal registration procedures that define the detailed rules and principles for registering securities operations in their records. Internal registration procedures used by a participant need to adhere to the provisions of the document referred to in § 29 subpara. 1 item 1 of the KDPW Rules, including in particular to the internal structure of registration accounts.

**§ 11**

1. Participants shall keep their registers up to date. Operations that introduce and update securities balances on securities accounts or omnibus securities accounts, performed on the basis of documents confirming the registration of these operations in KDPW need to be registered in the records managed by participants on the day that these operations have been registered in KDPW.
2. Record entries made in the registration systems of participants on securities accounts and omnibus securities accounts, following the settlement of transactions on the basis of settlement orders described in § 96 of the KDPW Rules, shall be required to reflect at least the purchase and sale of securities arising from transactions covered by this order, in accordance with information relating to each transaction included in the report issued with the settlement confirmation of that order, described in § 22 subpara. 2.
3. Once the accounting day has been closed, records shall remain unchanged and any corrections may only be introduced on a later accounting day.
4. At the end of every accounting day, the balances on securities accounts managed by participants need to correspond to the balances on entity accounts managed for those participants by KDPW.
5. On the last accounting day of every month, a participant shall prepare a list of individual balances for securities accounts and omnibus securities accounts managed by that participant.
6. Securities registration performed by participants shall ensure that balances on securities accounts and omnibus securities accounts managed by those participants may be consolidated to the level of the corresponding entity accounts managed for those participants in KDPW. Information on balances on accounts managed by the participant consolidated in this manner shall be prepared and sent by participants to KDPW without undue delay following the close of each accounting day, not later however than 10.30 a.m. on the following accounting day, in the form of a daily report.
7. In its daily report, a participant shall also provide information described in § 55 subpara 1 point 1 of the KDPW Rules, on the lack of reconciliation between the balances on entity accounts managed in KDPW with balances on the corresponding securities and omnibus securities accounts, where the balance on the entity accounts in KDPW is smaller than the balance on the corresponding securities and omnibus securities accounts managed by the participant.

**§ 12**

The document referred to in § 29 subpara. 1 point 1 of the KDPW Rules delivered by the participant to KDPW shall in particular contain the following:

- 1) an internal structure of registration accounts, on the basis of which the participant manages the securities register, containing the classification and description of these accounts,
- 2) a description of the rules and methods applied by the participant for managing the register, or at least for making entries in securities accounts or omnibus securities accounts,
- 3) a description of the manner in which errors are to be corrected where there is a discrepancy between the balances of securities accounts or omnibus securities accounts managed by the participant and the balances of entity accounts managed for that participant by KDPW, and in particular errors caused by the sale of securities in circumstances referred to in § 110 subpara. 1,
- 4) a description of the principles for generating daily reports, referred to in § 11 subpara. 6, as well as other reports generated by the participant on the basis of the securities register kept by the participant.

**§ 13**

Reports prepared on the basis of implementing regulations issued for the Law on trading in financial instruments, defining reporting obligations within the scope of trading in securities issued by the State Treasury, shall be in electronic form by direct participants to KDPW pursuant to the provisions of the agreements referred to in § 5 subpara. 1 of the KDPW Rules.

#### **§ 14**

1. Participants managing securities accounts, or omnibus securities accounts, shall submit to KDPW, prior to the fifth day of each calendar month, information on the number of securities accounts and omnibus securities accounts managed by them, valid on the last day of the previous calendar month.
2. The information described in subpara. 1, shall not include entries in the register managed by a participant with the participant type of lead manager.

### **Chapter 2**

#### **Registration accounts managed in KDPW**

#### **§ 15**

1. Registration accounts managed for direct participants in KDPW shall have the following attributes:
  - 1/ institution code – a designation of the participant for a given type of activity in the financial instruments market, defined according to the classification described in § 24 subpara. 1-6 of the KDPW Rules;
  - 2/ designation of the securities ownership type which allows in particular to determine whether securities are owned by the participant or owned by the participant's clients;
  - 3/ participation type code of the participant;
  - 4/ designation of the relation between the participant and an entity represented by the participant in settlement in the case of participation status type of representative;
  - 5/ designation of account type indicating its use;
  - 6/ client segregation type which allows to determine whether the account is used to register securities which are owned by a group of clients or by an individual client;
  - 7/ designation of a feature of a client or group of clients indicating their tax residence or tax status, or defining their classification according to other criteria, where applicable for the purpose of separate registration of securities, referred to in § 58 subpara. 2 point 2, 3 and 5 of the KDPW Rules;
  - 8/ portfolio code – designation of a group of securities separated due to specific needs of the participant;
  - 9/ designation of assets status, indicating whether the participant is free or limited in disposing of specific securities, or indicating that a specific account is a technical account for the depository account, omnibus securities account or securities account managed in KDPW, while entries in this technical account are exclusively of a technical nature;
  - 10/ designation indicating permission, or lack of permission – in the event of absence of approval in the settlement order – to perform partial transaction settlement using a given account,
  - 11/ securities code number.
2. Assigning a registration account with the attribute, described in subpara. 1 point 10, indicating lack of permission to perform partial transaction settlement, shall not exclude the possibility of performing the partial settlement of a specific transaction using this account, on condition that the participant being the holder of this account has given consent to do so in the settlement order related to this transaction, or on condition that this account is to be credited as a result of this settlement and the performance of the settlement does not require the participant sending a settlement order.
3. The principles of assigning alphanumerical characters to the attributes referred to in subpara. 1 point 1-10 are presented in Appendix 1.

#### **§ 16**

1. An entity account shall be opened on the basis of a relevant message sent to the depository system by a direct participant, defining all attributes of the account to be opened.
2. An entity account shall be closed on the basis of a relevant message sent to the depository system by a direct participant. The date of closing an entity account indicated in the participant's message shall not be earlier than the day following the day of entry of the message to the depository system.
3. An entity account shall be closed on the following conditions:

- a) there are no securities registered on the account on the day when the account is to be closed;
- and
- b) no settlement instructions have been entered to the depository system until the day when the account is to be closed indicating the account as the account for settlement to be made after that day or suspended settlement not executed by that day (inclusive).

#### **§ 17**

1. The number of an entity account managed by KDPW for a participant shall include the institution code and the entity account identifier assigned by KDPW.
2. In the message referred to in § 16 subpara. 1., the participant may indicate the identifier to be assigned to an opened entity account.

### **Chapter 3 Registration entries**

#### **§ 18**

1. A registration entry made in the securities register managed in KDPW shall contain:
  - 1/ the date of the operation,
  - 2/ the accounting entry date,
  - 3/ the number of securities involved in the operation and, where securities are registered by value, then their total nominal value,
  - 4/ the operation identifier,
  - 5/ a description of the operation, allowing for the identification of the document the entry is based on,
  - 6/ the number of the account the securities were registered out of,
  - 7/ the entry number,
  - 8/ the identification number of the person making the entry.
2. A registration entry made in the securities register managed by direct participants shall contain at least:
  - 1/ the accounting registration date,
  - 2/ the number of securities involved in the operation and, for securities which are registered by value, the number of securities involved in the operation or their total nominal value equal to one relevant unit nominal value of the instrument or its multiple,
  - 3/ the operation identifier, including at least the designation of operation type, and if so required under Appendix 2, the market code and trading mode,
  - 4/ a description of the operation, allowing for the identification of the document the entry is based on,
  - 5/ the identification number of the person making the entry.
3. Registration entries shall be made on the basis of registration certificates listed in Appendix 4.
4. The provisions of subpara. 2 and 3 shall not apply to entries made in a securities registration system managed outside the territory of the Republic of Poland by a direct participant being a holder of an omnibus securities account managed in KDPW.

#### **§ 19**

1. Operation identifiers denote securities transactions or corporate actions, for the purpose of their processing in the depository system.
2. Operation identifiers are included in registration certificates which form the basis of registration entries.
3. Operations identifiers are listed in Appendix 2.
4. Operation identifiers include the designation of operation type, and, if so required under Appendix 2, the market code and trading mode.

#### **§ 20**

1. If a registration entry is made on an account managed by KDPW on the basis of an instruction to change the securities status which requires approval, the instruction shall be introduced into the depository system by the direct participant for which the account is managed and shall be approved by the direct participant which has been or will be, pursuant to the instruction, the beneficiary to limitation of the free disposal of the securities



indicated in the instruction by the participant which issued the instruction.

2. If permitted by the KDPW Rules, the KDPW Detailed Rules of Operation, or agreements signed between a direct participant and KDPW, then KDPW or an entity which is not a participant may also be authorised to approve an instruction to change the securities status.

3. The acceptance of an asset status change instruction shall take place following the introduction to the depository system of a technical instruction (acceptance instruction), which should explicitly indicate the asset status change instruction, to which the acceptance relates. The agreements, referred to in subpara. 2, may provide for other methods of accepting asset status change instructions by an entity that is not a participant.

#### **§ 21**

Statements from a registration account shall be issued to direct participants without delay following the registration of any operation on that account. In addition, at the end of the accounting day, KDPW shall provide participants summary statements for a given accounting date. Summary statements for a given accounting date shall be provided on the accounting date until 9.00 p.m. and in special cases, following prior notification of participants, after 9.00 p.m.

#### **§ 22**

1. On the date of the transaction settlement in the depository system, direct participants shall make entries on securities accounts or omnibus securities account managed by them on the basis of registration account statements, summary statements for a given accounting date or information on the status of a settlement order confirming that settlement has been executed on the basis of the order, subject to the provisions of subpara. 2 and 3.

2. In the event that a transaction is settled on the basis of a settlement order described in § 96 of the KDPW Rules, KDPW shall in addition provide the direct participant, being the counterparty to the settlement, a separate report indicating each settled transaction in order to enable the correct allocation of purchased and sold securities on the securities accounts and omnibus securities accounts managed by that participant. This report may form the basis for entries made by the participant on these accounts.

3. In instances referred to in § 43, a direct participant shall not record securities on securities accounts or omnibus securities accounts until the securities are transferred in the depository system from the default account onto the entity account or accounts managed under the participation status type appropriate for the settlement.

4. If, for technical reasons, the entries referred to in subpara. 1 cannot be made on the aforementioned date, the direct participant shall notify KDPW of this and make the entries on the soonest possible date.

5. Should any discrepancy occur between the balances in the registration accounts kept in KDPW for a direct participant and the balances on the corresponding securities accounts or omnibus securities accounts managed by the participant, the participant shall immediately take appropriate action to eliminate this discrepancy.

### **Chapter 4**

#### **Rules on archiving documents by participants managing securities accounts or omnibus securities accounts.**

##### **Security of data generated in the course of registering securities**

#### **§ 23**

The registration certificates that form the basis for making entries in securities accounts or omnibus securities accounts managed by a direct participant, as well as the lists of individual account balances referred to in § 11 subpara. 5 should be archived and retained by participants in accordance with regulations issued on the basis of the Law on trading in financial instruments, which define procedures for generating, making permanent records, transferring, retaining and securing in electronic media documents relating to activities regulated by the Law or which define the terms and conditions of procedures for investment firms, banks, described in Article 70 subpara. 2 of that Law, and custodian banks for a period of at least five years, and should the relevant legal provisions require that they be retained longer, then for the period indicated in those provisions.

**§ 24**

1. The method for making permanent records and for archiving registration certificates sent as electronic files should ensure that the original versions of those certificates can be retrieved and at the same time prevent them from being lost. The original version of a registration certificate shall mean the form given to it by the issuer of the registration certificate.
2. The content of documents referred to in § 23 may be transferred onto electronic media ensuring the permanence of recorded data. This method of data storage may be used on condition that the equipment allowing for the retrieval of the contents of stored documents without delay is available to the participant.

**§ 25**

A direct participant managing a securities account or omnibus securities accounts should implement security procedures and arrangements to secure against unauthorised access to data contained in the securities registration system maintained by that participant and ensure business continuity or the recovery without delay of business operations.

**§ 26**

1. The procedures and arrangements, referred to in § 25, are defined in the document referred to in § 29 subpara. 1 point 2 of the KDPW Rules, submitted to KDPW by the participant.
2. The document referred to in § 29 subpara. 1 point 2 of the KDPW Rules should specify in particular:
  - 1) the technical facilities and organisational measures used to protect the documents referred to in § 23 against damage, unauthorised alterations, and loss of confidentiality;
  - 2) the technical facilities and organisational measures used to protect the computer system and data bases against damage and unauthorised access;
  - 3) the procedure for ensuring the continuity of operations, comprising technical facilities and organisational measures used in order to maintain operational functions and to restore the necessary elements of the securities registration system, ensuring that activities related to securities registration can be resumed in the event of system failure, force majeure or loss of documents and data for other reasons, as well as ensuring the ability of connecting without delay to the computer system in KDPW's business recovery site;
3. The procedure referred to in subpara. 2 point 3 should specifically ensure that the participant secures historic data in an appropriate manner, makes back-up copies of data bases daily, and prepares and archives a back-up copy of the user system.

## Part Three

**The Securities Settlement System****Section 1****Settlement orders and matching rules****§ 27**

1. Subject to the provisions of subpara. 2 and 3, and of § 28 subpara. 1, a settlement order should at least contain the following:
  - 1/ the order (instruction) identifier and indication of the order (instruction) function,
  - 2/ the type of settlement order (instruction),
  - 3/ the transaction date,
  - 4/ the transaction intended settlement date,
  - 5/ the code number of the securities designated for settlement,
  - 6/ the number of securities designated for settlement, subject to subpara. 4, and where such securities are registered by value by KDPW – their nominal value equal to one relevant unit nominal value of the instrument or its multiple,
  - 7/ the transaction amount and the currency code of the settlement,
  - 8/ the institution codes of the settlement counterparties,
  - 9/ the operation identifier,
  - 10/ an indicator of the place of clearing for transactions subject to settlement.

2. A settlement order relating to transactions executed on a trading system, sent by a participant with the participation type described in § 24 subpara. 5, point 1 or 2 of the KDPW Rules, should in addition contain an indication of the parties to the transaction, irrespective of the accepted manner in which that entity will clear the transaction.
3. The settlement of transactions to which the counterparty as a result of novation, referred to in Article 45h subpara. 2 of the Law on Trading in financial instruments, is a participant with the participation type of central counterparty, described in § 24 subpara. 5, point 1, shall take place using the securities account managed by KDPW for such a participant.
4. Where a settlement order is for debt securities which are registered by value by KDPW, the participant or another entity authorised to introduce the order into the depository system may indicate in the order the total nominal value of such securities instead of their number.
5. For bonds whose nominal value is subject to indexation, their total nominal value may be specified in the settlement order only using the original nominal value of such bonds without indexation.
6. A settlement order, whose execution in the depository system exclusively involves the transfer of securities onto a securities account, or omnibus securities account managed in KDPW, or the transfer securities from such accounts, introduced to the depository system by a participant being the holder of such an account, or by an entity acting on the basis of consent provided by such a participant, described in § 87 subpara. 2 of the KDPW Rules, should also indicate the value of the transaction, which shall be understood to mean the value of the cash payment, or non-cash payment related to the securities transfer, which was, or is expected to be executed without KDPW acting as intermediary, including in particular the securities purchase price. Information on transaction values is collected by KDPW for purposes related to anti-money laundering and anti-terrorism financing obligations.

#### § 28

1. If a settlement order introduced into the depository system does not contain:
  - 1/ the identifier of the entity account on which the registration entry is to be made – this means that the entry shall be made in the default account;
  - 2/ *Repealed*
  - 3/ *Repealed*
  - 4/ *Repealed*
  - 5/ the system in which settlement is to be performed – this means:
    - a/ for an order for a transaction, which can be executed only in the multi-batch system or only in the real-time settlement system – that the system relevant for the settlement of the transaction has been indicated;
    - b/ for an order for a transaction, which can be executed either in the multi-batch system or in the real-time settlement system:
      - if the settlement operation involves cash payments – this means that the multi-batch system is indicated;
      - if the settlement operation is free of payment – this means that the real-time settlement system is indicated;
  - 6/ consent, or lack of consent to perform the partial settlement of a transaction covered by that order – this shall mean that:
    - a/ consent has been given to perform the partial settlement of this transaction if:
      - the order relates to a transaction whose partial settlement is permitted, and
      - the registration account which will be debited following this settlement is an account to which the participant has designated the attribute, described in § 15 subpara. 1 point 10, indicating that the partial settlement of transactions is permitted using this account,
    - b/ lack of consent to perform the settlement of this transaction – in remaining cases.
2. On receipt of a settlement order referred to in subpara. 1, KDPW shall be authorised to complete that order pursuant to subpara. 1 point 1, 5 or 6, respectively.
3. The provisions of subpara. 2 shall apply accordingly in instances where a settlement order introduced into the depository system does not indicate the number of the bank account which should be used to settle the cash payment. In such instances, the settlement order shall be completed with the relevant number of a bank account managed in the settlement bank indicated by the participant pursuant to § 27 subpara. 1 point 8 of the KDPW Rules subject to the provisions of § 82 subpara. 5 and 7 of the KDPW Rules.

#### § 29

1. Subject to the provisions of subpara. 2-4, § 38 subpara. 5, § 63 subpara. 1 and 2, and § 67 subpara. 1, settlement instructions shall be deemed to be correct (matched) if they contain the appropriate correct (matched) information relating to:

- 1/ the type of settlement order (instruction),
- 2/ the operation identifier,
- 3/ the securities code number,
- 4/ the number or the total nominal value of securities; for debt securities which are registered by KDPW by value, settlement orders also match where the total nominal value of debt securities marked with a given code specified in one order is equal to their number specified in the other order times the nominal value of a security marked with that code;
- 5/ the date of the transaction,
- 6/ the intended settlement date,
- 7/ the settlement system,
- 8/ the institution codes of the settlement parties and the numbers of entity accounts on which settlement is to take place;
- 9/ the transaction amount and the currency code of the settlement if settlement is to include cash payment, subject to the provisions of § 90 subpara. 1 of the KDPW Rules,
- 10/ the joint identifier assigned by the settlement parties if it is indicated by either of them,
- 11/ the joint identifier of the participant's client assigned by the settlement counterparties, if this is indicated by each of the parties.

2. Settlement instructions relating to operations referred to in § 2 item 1a of Annex 2 shall also be deemed to be matched in instances where one of these instructions shall indicate the market code assigned to this operation and the second instruction does not indicate any market code.

3. Settlement instructions shall also be deemed to match in instances where only one of them shows the participant's client indicator. In such instances, it shall be understood to mean that the participant has consented for the participant's client identifier indicated by the settlement counterparty to apply.

4. Settlement instructions shall be deemed to match in instances where there is conformity in at least one client indicator specified in them; however, in instances where such an indicator is the client's securities account number, the settlement orders shall be deemed to match only in instances where they contain correct information relating to the number of that account.

### **§ 30**

Codes of settlement order (instruction) types, settlement systems, cash settlement modes, as well as other codes used in the depository system, are presented in Appendix 3.

### **§ 31**

A direct participant delivering securities may introduce into the depository system a standing order authorising KDPW to issue and introduce into the depository system, on behalf of such a participant, settlement orders which are executed exclusively by means of the transfer of securities from registration accounts managed for that participant on a daily, weekly, or monthly basis.

### **§ 32**

1. A direct participant may withdraw their consent for the performance of partial settlement of a transaction with respect to a settlement order introduced to the depository system, and may conversely provide their consent following the introduction of a settlement order to the depository system that does not contain such consent.

2. To make the change, described in subpara. 1, shall require the introduction to the depository system by the participant of a technical instruction indicating explicitly the settlement order to which the change relates, not later than:

- 1/ with respect to settlement orders that do not contain instructions to perform settlement of the cash payment – up until the moment of the settlement operation indicated in those orders,
- 2/ with respect to all remaining settlement orders – up until the moment that the instruction, described in § 82 subpara.6 of the KDPW Rules is sent to the payment bank; if, however, this instruction has not as yet been realised, then the technical instruction introduced later for the purpose of making the change shall be deemed

effective.

3. A direct participant may change the system in which settlement is to take place, indicated in the settlement order introduced to the depository system.

4. To make the change, described in subpara. 3, shall require the introduction to the depository system by the participant of a technical instruction indicating explicitly the settlement order to which the change relates, not later than the moment of matching by KDPW of this settlement order with the settlement order introduced to the depository system by the direct participant being the settlement counterparty.

### § 33

1. Direct participants shall submit a request, described in § 93 subpara. 1 or 2 of the KDPW Rules, by introducing a technical instruction into the depository system indicating explicitly the settlement order which is not intended to be sent for settlement execution, or shall consist of indicating in the contents of that participant's settlement order that it is to be withheld ("put on hold") from settlement execution.

#### 2. *Repealed*

3. Withholding ("putting on hold") from settlement execution of a settlement order introduced to the depository system by a direct participant, shall consist of the settlement order being assigned in this system the status of "hold", which results in the withholding from settlement execution of this order in this system and if the settlement counterparty has introduced its settlement order into the system – this shall result in this order being in addition withheld from settlement. This status shall be maintained until it is changed by the participant, until the settlement order to which the status relates is cancelled, or until it is removed from the depository system following expiry.

4. Changing the "hold" status of a settlement order, which was previously assigned with this status, for the purpose of sending for settlement execution the settlement order introduced by a direct participant into the depository system, requires that participant to send a technical instruction indicating explicitly that settlement order. Following the sending by the participant of this technical instruction, the status "hold", assigned to the settlement order indicated in that instruction, is cancelled and the order is sent for settlement execution, on condition that the participant being the counterparty to the settlement has introduced to the depository system a matching order relating to execution of settlement and has not withheld settlement execution.

5. Assigning the "hold" status to a settlement order, following the participant withholding it from settlement execution, as well as changing of this status, shall not require this order to be matched again with the settlement order introduced into the depository system by the participant being the counterparty to the settlement.

### § 33a

1. An amendment or addition to a settlement order introduced to the depository system, within a scope other than described in § 32 subpara. 1 and 3, and in § 33 subpara. 1 and 4 (enrichment) shall require the introduction to the depository system by the direct participant of a technical instruction indicating explicitly the settlement order subject to enrichment and the message fields which are to be subject to amendment or addition, while at the same time defining the new content of these fields.

2. A direct participant may enrich any settlement order, which indicates that participant as a settlement party.

3. After the matching of a settlement order introduced by a direct participant into the depository system with a settlement order introduced by the settlement counterparty into that system, that participant may enrich the order only with respect to data which was not data used for the matching of these orders.

4. Orders concerning the settlement of a transaction concluded in a trading system may only be enriched by completing those order fields which were not completed by the entity which introduced the order into the depository system or, irrespective of completion by such an entity of the order, by indicating the number of the entity account appropriate for the settlement of the transaction related to this order.

5. If the settlement of a transaction, to which the settlement order relates is to be carried out in the multi-batch system, it may be enriched if the technical instruction referred to in subpara. 1 is introduced into the depository system not later than the opening time of the settlement session during which KDPW may perform this settlement. If, however, the settlement was not performed during that session, then a technical instruction introduced into the depository system after the session opening time may result in enrichment of the settlement order.

6. Subject to the provisions of § 102 subpara. 8 of the KDPW Rules, and subpara. 5, a settlement order may be enriched until the moment of settlement in the depository system performed on the basis of

that order.

#### § 34

1. Subject to the provisions of § 102 subpara. 8 of the KDPW Rules, in order to cancel a settlement order introduced to the depository system, a direct participant shall introduce into the depository system a cancelling instruction which should clearly indicate the order to be cancelled.
2. Cancelling instructions delivered by both settlement parties shall be deemed to be correct (matched) if the settlement orders to be cancelled indicated in them form the basis for the performance of the same settlement operation in the depository system.

### Section 2

#### General provisions relating to transaction settlement

#### § 35

Whenever the provisions of this Part refer to day T, this shall mean the transaction date. Days preceding or following day T shall be referred to, respectively, as T-n or T+n, where n is the number of days preceding or following day T.

#### § 36

1. Subject to the provisions of subpara. 3 and 4, settlement orders on the basis of which the settlement of transactions concluded on trading systems is performed in the depository system should be introduced into the depository system by 10.30 a.m. on the intended settlement date. Other registration certificates may be introduced into the depository system not later than the commencement of the settlement session on the intended settlement date where the settlement defined in those certificates may be carried out, and if settlement is to be carried out in the real-time settlement system – not later than before the completion of the settlement of operations of a given type in that system on the intended settlement date.

2. The timetable of the accounting day in the depository system shall include:

1/ indication of the opening time of each settlement session and the time of settlement in the real-time settlement system;

2/ indication of settlement session when individual types of operations are carried out, and

3/ indication of types of operations carried out in the real-time settlement system.

The information referred to in points 1-3 is presented in Appendix 2. The KDPW Management Board may decide in a resolution to change the timetable of the accounting day in the depository system on a given day or days including also the determination of a different number of settlement sessions on such a day or days.

3. Settlement orders which relate to transactions executed on the regulated market or in the alternative trading system, for which settlement date T+0 has been indicated, may be introduced into the depository system on the day indicated in such orders as the intended settlement date, not later than the opening time of the last settlement session during which this type of settlement is performed.

4. The recording of registration certificates in the depository system by participants, as well as the matching of settlement orders introduced to the system, shall take place from 6.00 a.m. to 9.00 p.m. on business days except Saturdays. The KDPW Management Board may decide in a resolution to change the time of the introduction of registration certificates into the depository system or of the matching of orders in the depository system on a given day or days.

#### § 37

1. Subject to the provisions of subpara. 2-4, the settlement of transactions concluded in organised trading shall take place in the multi-batch system while the settlement of other transactions shall take place in the settlement system indicated in matched settlement orders introduced into the depository system by the settlement parties.

2. *Repealed*

3. The settlement of transactions concluded in secondary trading on the electronic market of Treasury securities operated by BondSpot S.A. – Treasury BondSpot Poland shall only take place in the multi-batch system.

4. The settlement of transactions concluded during a sale auction of Treasury bonds organised pursuant to the



provisions of the Regulation of the Minister of Finance on the terms and conditions for issuing Treasury bonds offered at auctions, or as part of an additional sale of Treasury bonds organised in accordance with provisions, in connection with such an auction, as well as the settlement of transactions concluded as part of sale auctions organised by the National Bank of Poland for bonds underwritten or guaranteed by the State Treasury, shall only take place in the real-time settlement system.

5. The settlement systems relevant for types of transactions are presented in Appendix 2.

### § 38

1. A direct participant may make the settlement of two or more transactions (component transactions), in which the participant is a counterparty, mutually conditional by indicating in the settlement orders of these transactions that the settlement of one component transaction shall take place before, simultaneously with, or after the settlement of another component transaction or other component transactions. In such instances, all component transactions shall make up one compound transaction in the meaning of the provisions herein.

2. The mutually conditional settlement of two or more component transactions may also be performed by KDPW\_CCP in settlement instructions, described in § 87 subpara. 1 point 3 of the KDPW Rules.

3. The mutually conditional settlement of two or more component transactions may only be performed where the settlement of non-cash entitlements under such transactions is to take place in the same registration account managed in KDPW.

4. In addition to the information referred to in § 27 subpara. 1, a settlement order of a component transaction shall include at least the following:

- 1/ the identifier of the compound transaction,
- 2/ the type of the compound transaction,
- 3/ the number of the component transaction,
- 4/ the total number of component transactions which make up the compound transaction,
- 5/ the relation with another component transaction.

5. Two direct participants may also make the settlement of two or more component transactions referred to in subpara. 1 mutually conditional. In such instances, the provisions of subpara. 3 shall not apply and the settlement orders of component transactions shall be deemed to be matched if, in addition to the information referred to in § 29 subpara. 2, they also contain the appropriate correct (matched) information including:

- 1/ the identifier of the compound transaction,
- 2/ the type of the compound transaction,
- 3/ the total number of component transactions which make up the compound transaction.

6. The settlement of component transactions which shall take place simultaneously as a result of these component transactions having been made mutually conditional may only take place in the multi-batch system.

7. If settlement orders for component transactions do not identify a matching sequence of their settlement, the transactions shall not be settled.

8. Component transactions shall not be subject to partial settlement.

9. The codes of the items referred to in subpara. 4 and 5 are presented in Appendix 3.

### § 38a

1. The settlement of mutually conditional instructions may also be performed following the introduction to the depository system of a settlement order, which in addition to the information referred to in § 27 subpara. 1, shall also indicate the relationship of the component transaction to which the settlement order relates, with another component transaction, and shall also indicate a settlement order identifier of the other component transaction. In such instances, the related settlement orders may only originate from the same direct participant.

2. If the order of the settlement of component transactions arising from their mutual conditionality performed in accordance with the provisions of subpara. 1, does not correspond to the relationship of the settlement dates of those transactions identified in the related settlement orders introduced to the depository system, KDPW shall perform their settlement in accordance with the order arising from their mutual conditionality and shall suspend the settlement of the component transaction, which should according to this order be executed later, until the moment of the settlement of the component transaction, which according to this order should be executed earlier.

3. If the settlement order containing the information, referred to in subpara. 1, shall indicate that the settlement of the component transaction is expected to take place following the settlement of another component transaction and the settlement of this other component transaction was performed more than 30 days earlier than the date of the introduction of this settlement order to the depository system, this order shall not be settled.
4. If the introduction to the depository system of a settlement order containing the information, referred to in subpara. 1, shall indicate that the settlement of the component transaction is expected to take place prior to the execution of another component transaction, KDPW shall perform the settlement of the component transaction to which this order relates, irrespective of whether at the moment of the initiation of this settlement, a settlement order was introduced to the depository system assigned with an identifier indicated in the first order.
5. The provisions of § 38 subpara.6, 8 and 9 shall apply accordingly to the settlement of mutually conditional instructions, referred to in subpara. 1.

#### **§ 39**

1. The settlement of transactions organised by the National Bank of Poland concluded as part of Treasury bond sale auctions, or sale auctions of bonds underwritten or guaranteed by the State Treasury, or as part of a supplementary sale of such bonds organised in connection with these auctions, where the parties to the transaction are auction participants who are not direct participants, shall take place on the basis of matching settlement orders introduced into the depository system by the National Bank of Poland and by the direct participant managing, respectively, the securities account for the auction participant who is a party to the transaction or the relevant omnibus securities account.
2. The settlement of transactions concluded as part of auctions for the exchange of Treasury bonds organised by the National Bank of Poland, underwritten or guaranteed by the State Treasury, shall take place according to the rules defined for linked transactions, subject to the provisions of subpara. 3. Settlement orders introduced into the depository system in order to settle these auctions should meet the conditions defined in § 38 subpara. 4.
3. In order to perform the settlement of a transaction for the cash purchase of bonds, carried out as part of an exchange auction, referred to in subpara. 2, the rules defined for linked transactions shall not apply. The settlement of such transactions shall take place in accordance with the rules governing the settlement of transactions, described in subpara. 1.
4. The provisions of subpara. 1 shall apply accordingly to the settlement of transactions concluded as part of the sale of additional Treasury bonds, organised in accordance with the relevant rules governing the sale auction of these bonds organised by the National Bank of Poland.

#### **§ 40**

1. The settlement related to the opening of a securities loan executed outside the systems described in Sections 6 and 7, as well as the settlement related to the closing of such a loan, shall be performed on the basis of matched settlement orders sent to the depository system by direct participants being settlement counterparties, containing the details of these transactions.
2. The settlement of the opening or closing of the securities loan executed outside the systems described in Sections 6 and 7, may be linked with the simultaneous crediting of the cash account of the direct participant indicated by the participant acting respectively on behalf of the securities lender or borrower, with the cash amount defined in the matched settlement orders sent for this purpose to the depository system.

#### **§ 41**

1. Subject to the provisions of subpara. 2-6, and § 42, transactions concluded on a trading system shall be settled on T+2.
2. Transactions:
  - 1/ concluded on the regulated market or in the alternative trading system outside of the regular trading session or outside of the standard trading system,
  - 2/ concluded as a public sale of securities on the regulated market or in the alternative trading system,
  - 3/ concluded on the basis of orders submitted in a public subscription for shares carried out by the operator of a regulated market,
  - 4/ concluded at an auction of State Treasury bonds, or as part of the sale of additional Treasury bonds organised in connection with their sale auction,
  - 5/ concluded at an auction of bonds organised by the National Bank of Poland and underwritten or guaranteed

by the State Treasury,

6/ conditional or unconditional sale or purchase of securities to or from a bank concluded by the National Bank of Poland in an open market operation,

7/ transfer of securities to a securities account operated by KDPW for the National Bank of Poland in order to secure a technical loan granted by the National Bank of Poland to another direct participant or in return by the National Bank of Poland of securities used to secure such loan which has been repaid,

8/ concluded outside of organised trading and subject to clearing by KDPW\_CCP,

shall be settled at a date set in the settlement order forming the basis of the settlement of the transaction, introduced into the depository system by the authorised entity.

2a. The settlement of a repo or a sell/buy-back transaction executed on the electronic Treasury securities market – Treasury BondSpot Poland, managed by BondSpot, shall be performed on the date indicated, respectively, in the settlement instruction sent to the depository system by KDPW\_CCP, or in the matched settlement instructions sent to the depository system by BondSpot S.A. and by the counterparties to the settlement of this transaction, depending on whether this transaction is subject to clearing performed by KDPW\_CCP; however, with respect to the opening transaction, the date cannot under any circumstances be longer than T+2.

3. Transactions concluded as part of a mandatory share buyout referred to in § 82 subpara. 1 of the Law on public offerings shall be settled on the day of the buyout indicated by the direct participant acting as intermediary for the entity performing the mandatory buyout and determined according to the relevant regulations.

3a. The settlement of a transaction involving the transfer of shares issued by a non-public company to that company as part of a mandatory share buyout, referred to in Article 418 of the Commercial Companies Code, shall be performed within the deadlines agreed between that company and KDPW.

4. Settlement performed on the basis of a settlement order introduced into the depository system by KDPW\_CCP for the exercise of American-type options, which are executed through the delivery of the underlying instrument that is a security registered in the depository system, shall take place within the deadline defined on the basis of this order.

5. Subject to the provisions of subpara. 6, transactions concluded outside organised trading other than the transactions referred to in subpara. 2, 3 and 4 shall be settled on the date specified in matching settlement orders forming the basis of the settlement of these transactions, sent to the depository system.

6. In instances where the transaction intended settlement date indicated in the matching settlement orders falls on a date which is prior to the introduction into the depository system of any of the orders, or when following the change in the “hold” status, settlement is to be executed after the intended settlement date indicated in the matched settlement orders (back dated), the settlement of the transaction shall take place, respectively, on the date that the last of these orders is introduced into the depository system, or on the date these orders have been sent for settlement execution following a change in the “hold” status, subject to the provisions of § 42 subpara. 1 and 2.

7. KDPW shall perform the settlement of transactions within the deadlines described in subpara. 1-6, on condition that the document or documents forming the basis for settlement were introduced into the depository system within the deadlines determined in accordance with the provisions of § 36 subpara. 1 and 3.

## § 42

1. Settlement may be performed on the basis of matching settlement instructions, of which at least one was sent to the depository system after the intended settlement date indicated therein. In such instances, it shall be implied that the settlement indicated in these instructions is to be performed on the date that the last of these instructions entered the depository system. If, however, the last of these instructions entered the depository system on a given accounting day after the deadline determined according to the provisions of § 36 subpara. 1, then this shall imply that settlement shall be performed on the following accounting day.

2. In instances where matched settlement instructions were not sent for settlement on the intended settlement date, where the direct participant being a counterparty to this settlement has submitted a request described in § 93 subpara. 1 or 2 of the KDPW Rules, it shall be implied that the settlement indicated in these instructions is to be performed on the date that these orders have been sent for execution following the change of the “hold” status, where the “hold” status resulted in the holding back of the execution of the instruction sent by that participant. If, however, the sending of these instructions for execution is not possible on a given accounting date owing to the expiry of the deadline determined according to the provisions of § 36 subpara. 1 or 4, then the third sentence of subpara. 1 shall apply accordingly.

**§ 43**

Where, as a result of settlement taking place in KDPW, a default account is credited with securities but it is not the appropriate account, the direct participant, for whom the account is managed shall ensure a transfer of the securities from the default account to the entity account or accounts managed for that participant under the participation status type appropriate for the settlement not later than by the end of the accounting day on which settlement was performed.

**§ 44**

1. Subject to the provisions of § 45, in order to carry out settlement, KDPW executes multilateral netting of cash liabilities and receivables of participants arising:

- 1/ from transactions settled in the multi-batch system;
- 2/ in respect of earnings referred to in § 49 subpara. 5 of the KDPW Rules,
- 3/ in respect of collateral of automatic securities loans, and
- 4/ in respect of collateral of negotiated securities loans.

**§ 45**

Payments arising from transactions subject to settlement in PLN shall be determined separately from payments arising from transactions subject to settlement in EUR.

**§ 46**

1. KDPW shall prepare cash settlement balances on the accounting date containing forecasts of the amounts of direct participants' cash debits and credits on that date, segregated according to individual settlement sessions and shall make them available to direct participants, as well as to their payment banks. The balances shall be made available once the documents referred to in § 36 subpara. 1 have been received, and next after the commencement of each subsequent settlement session held on that date.
2. After each settlement session, KDPW shall make available to direct participants and to their payment banks information of the actual amount of cash flows.
3. The information referred to in subpara. 1 and 2 shall not include cash debits and credits arising from transactions settled in the real-time settlement system. Information on the amounts of these debits and credits shall be made separately available to direct participants as well as to payment banks if these are direct participants as well.

**§ 47**

Messages containing queries on the status of documents introduced by a direct participant into the depository system or on the balance or balances on the participant's registration account or accounts shall be registered in the depository system within the dates and times referred to in § 36 subpara. 4.

**§ 48**

Once a settlement instruction has been introduced into the depository system, KDPW shall make information on the status of the instruction in the depository system available to the direct participants indicated in the certificate as parties to the settlement.

**§ 49**

1. Payment orders on the basis of which participants' cash accounts are credited or debited shall be prepared by KDPW according to the balance of cash debits and credits derived from settlement orders introduced into the depository system, subject to the provisions of subpara. 2.
2. In instances where the payment order includes payments performed as part of the partial settlement of transactions, the amount of the payment for each settled part shall be determined on the basis of the principles described, respectively, in § 102 subpara. 3 point 2 or § 102 subpara. 4 point 2 of the KDPW Rules.
3. The payment bank and a participant with the participation type of representative may indicate a debit limit referred to in § 84 subpara. 1 points 1 or 2 of the KDPW Rules which shall apply to debits performed during a given settlement session not later than the moment of the commencement of the settlement session.
4. The indication of the debit limit shall take place in the form of information sent electronically, defining the

limit and the scope of its application, however:

- 1/ in instances referred to in § 84 subpara. 1 point 1 of the KDPW Rules, this information shall be sent to KDPW in the form of a message whose format and structure meet KDPW defined standards that are indicated on its website in accordance with the requirements of § 8 subpara. 1 of the KDPW Rules, subject to the provisions of subpara. 5,
- 2/ in instances referred to in § 84 subpara. 1 point 2 of the KDPW Rules, this information shall be prepared in accordance with the template available on the KDPW website.
5. A payment bank which is not a direct participant may indicate a debit limit, referred to in § 84 subpara. 1 point 1 of the KDPW Rules, by sending KDPW a SWIFT MT299 message, defining this limit and the scope of its application.
6. In relation to debits arising from settlements taking place in the real-time settlement system, no debit limit referred to in § 84 subpara. 1 of the KDPW Rules may be indicated.

#### **§ 50**

1. KDPW shall perform settlement involving only the transfer of cash between the cash accounts of participants, or between the cash account of the participant and the bank account managed for KDPW in the settlement bank, on the basis of a payment instruction issued by KDPW.
2. Cash transfers performed by KDPW, described in subpara. 1, as well as their types are listed in Appendix no. 2.

#### **§ 51**

1. Not later than 15 minutes after the commencement of the settlement session on the transaction settlement date, the direct participant obliged to make a cash payment in that settlement session should hold the necessary funds in the participant's cash account to settle the transaction.
2. For transactions settled in the real-time settlement system, the participant obliged to make a cash payment should hold the necessary funds in the direct participant's cash account to settle the transaction not later than the moment when the settlement order relating to that transaction is introduced into the depository system, and if the settlement order has been introduced into that system before the intended settlement date of the transaction – not later than the start of the settlement of transactions of that type in the real-time settlement system on the day corresponding to that date, subject to the provisions of subpara. 3.
3. If a settlement order introduced into the depository system related to a transaction directed for settlement in the real-time settlement system indicates the moment when the settlement of the transaction should commence by specifying its date and time, the direct participant obliged to make a cash payment arising from the transaction should hold the necessary funds in the participant's cash account to settle this transaction before that moment.

#### **§ 52**

With respect to transactions secured by the clearing fund, the partial settlement of transactions shall take place to the extent that the settlement of the transaction cannot be performed using the securities obtained by means of a securities loan concluded as part of the automatic securities lending and borrowing system.

#### **§ 53**

1. If the settlement of a transaction in the real-time settlement system cannot be processed within the set time owing to a shortage of cash on the participant's cash account, this transaction shall be directed again for settlement in this system every 15 minutes from the first and each subsequent determining of a shortage until the transaction is settled or until the settlement order or orders relating to it are effectively withdrawn from the depository system by the settlement parties.
2. If the settlement of a transaction in the real-time settlement system cannot be processed within the set deadline, either partially or in full, owing to a shortage of balance on the relevant registration account, this transaction, whose portion has not yet been settled, shall be directed again for settlement in this system every time any record is made on this account and after the closing of each settlement session until the transaction is settled in full or until the settlement order or orders relating to it are effectively cancelled from the depository

system by the settlement parties.

3. If a transaction is sent for settlement in the real-time settlement system and its settlement is not performed on the specific date for any reason before the end of settlement in the real-time settlement system on that day, the transaction shall be directed for settlement to the multi-batch system, unless the provisions hereof provide otherwise or unless the settlement order or orders relating to this transaction indicate the real-time settlement system as the only system appropriate for the settlement of this transaction.

#### **§ 54**

1. If the settlement of a transaction could not be performed either partially or fully within the deadline arising from the provisions above as a result of a shortage on the participant's specific registration account or cash account, KDPW shall determine which transactions shall have their settlement suspended, and shall indicate the scope of the suspension.

2. For transactions directed for settlement in the multi-batch system, the occurrence of a shortage on the participant's registration account or cash account leading to a suspension of transaction settlement owing to a shortage of the necessary assets shall be determined on the basis of a balance at the time of commencement of a settlement session taking into consideration the effect of all operations to be settled during the session but not taking into consideration the effect of operations to be settled on that date but not in the session and after its commencement.

3. All settlement orders which, once executed, debit a securities holding account may be issued and introduced into the depository system up to the balance of that account, taking into consideration all outstanding securities liabilities.

4. If a participant intends to enable or to carry out, according to Article 7 subpara. 5 of the Law on trading in financial instruments, the sale of securities purchased as a result of transactions referred to in Article 7 subpara. 5 of the Law on trading in financial instruments before the purchased securities have been registered in the securities holding account used to register securities owned by that participant or its clients, the intended settlement date of such a sale transaction may not take place before the intended settlement date of the purchase transaction.

#### **§ 55**

1. KDPW shall identify transactions whose settlement is to be partially or fully suspended owing to a shortage of securities in the respective registration account kept for a direct participant aiming to limit the negative consequences of such suspension, subject to the provisions of subparas 2 and 2a. In particular, the number of securities included in transactions whose settlement is to be suspended should be as close as possible to the number of missing securities, and the suspension, to the extent possible, should apply to those transactions where the participant causing the suspension is also the settlement party representing the buy position.

2. The optimisation of the process of selecting the transactions whose settlement is to be suspended shall in each case follow the principles described in § 101 subpara. 1 of the KDPW Rules, and shall observe time limitations resulting from the timetable of the accounting day in the depository system.

2a. In order to identify transactions, whose settlement is to be suspended, KDPW shall apply the principle that the settlement of a transaction with an earlier intended settlement date has priority of execution over the settlement of a transaction with an earlier intended settlement date.

3. KDPW shall make information available to direct participants being a party to the partial or full suspension of transaction settlement owing to a shortage of securities on the relevant registration account, indicating those transactions. This information shall be made available, respectively, either in the form of a settlement order status message, or in the form of a separate report issued in connection with the suspension of settlement for transactions covered by the settlement order, described in § 96 of the KDPW Rules.

#### **§ 56**

KDPW shall identify transactions whose settlement is to be partially or fully suspended owing to a shortage on the participant's cash account by applying the principles indicated in § 101 of the KDPW Rules and in addition by applying the following principles:

- 1) the settlement of a transaction with an earlier intended settlement date has priority of execution over the settlement of a transaction with an earlier intended settlement date;
- 2) the value of transactions whose settlement is suspended should be as close as possible to the value that is



outstanding to perform settlement;

3) identifying the transactions whose settlement is suspended should take place in such a manner as to avoid any shortages on the registration accounts of other direct participants or on the cash accounts of other participants, as far as this is possible.

**§ 56a**

The settlement of transactions referred to in § 41 subpara. 2 point 6 shall not be suspended fully or partly if it cannot be executed in due time owing a shortage of coverage in the respective registration account or cash account of the participant. The provisions of the second sentence of § 100 subpara. 5 of the KDPW Rules shall apply to such transactions.

**§ 57**

Appendix 2 contains a list of transactions which may be eligible for partial settlement.

**§ 58**

*Repealed*

**§ 59**

*Repealed*

**Section 4**  
**Settlement of repo and sell/buy-back transactions**

**§ 60**

The provisions of § 62-§ 64 shall not apply to settlement performed as part of tri-party repo services and to settlement of transactions performed on the basis of settlement orders introduced into the depository system by KDPW\_CCP.

**§ 61**

1. A repurchase agreement is made up of an opening transaction and a closing transaction, referred to hereinafter collectively as a repo transaction.
2. An opening transaction concluded as part of a repurchase agreement is based on the transfer of ownership in securities assigned with a given code without these securities being blocked on the account of the buyer in return for payment of a given cash sum.
3. A closing transaction concluded as part of a repurchase agreement is based on the return transfer of ownership of the securities of the same amount and marked with the same code as securities forming part of the opening transaction in return for the payment of a given cash sum, subject to the provisions of § 64.

**§ 62**

1. Repo transactions shall be settled on the basis of matching settlement orders introduced into the depository system by direct participants being the settlement parties, subject to the provisions of § 87 subpara. 1 point 4 and 5 of the KDPW Rules.
2. An opening transaction and a closing transaction shall be settled on the basis of separate settlement orders concerning such transactions.

**§ 63**

1. Settlement orders sent to the depository system for the purpose of the settlement of an opening transaction shall be deemed to be correct (matched) when, in addition to the information referred to in § 29 subpara. 1, contain the appropriate correct (matched) information relating to the intended settlement date of the closing transaction, if they indicate this date.
2. Settlement orders sent to the depository system for the purpose of the settlement of an opening transaction, containing the relevant matching information, referred to in § 29 subpara. 1, shall also be deemed to be correct (matched) when only one of the orders indicates the intended settlement date of the closing transaction. In such instances, it shall be deemed that the participant which has issued the settlement order without such date agrees that the participant being the other settlement party indicates such date.
3. *Repealed*
4. *Repealed*

**§ 64**

1. Transfers of securities related to updates of the value of collateral established for a given repo agreement (marking-to-market) may be executed in the depository system in the period from the settlement date of the opening transaction to the settlement date of the closing transaction.
2. Marking-to-market transfers shall be executed at each time on the basis of matching settlement orders introduced into the depository system by direct participants being settlement parties and, in the case of repo transactions referred to in § 87 subpara. 1 point 5 of the KDPW Rules, by the National Bank of Poland.

**§ 65**

1. The provisions of § 60 - § 63 shall apply accordingly to the settlement of sell/buy-back transactions.
2. With respect to sell/buy-back transactions executed on the electronic Treasury securities market Treasury BondSpot Poland, managed by BondSpot S.A., settlement instructions that have been introduced to the depository system by direct participants, being parties to settlement, containing the appropriate correct (matched) information, referred to in § 29 subpara. 1, and not including the intended settlement date for the closing transaction, shall also be deemed matched with the settlement instruction introduced to the depository system by BondSpot S.A. where the last settlement instruction shall also indicate this date. In such instances,

BondSpot S.A. shall have acknowledged that the participants being counterparties to repo settlement have consented to indicate the intended settlement date of the closing transaction.

3. The provisions of subpara. 2 shall apply accordingly in instances where only one of the settlement instructions relating to a sell/buy-back transaction executed on the electronic Treasury securities market Treasury BondSpot Poland, managed by BondSpot S.A., that have been introduced to the depository system by direct participants, being parties to settlement, indicates the intended settlement date of the closing transaction, on condition that it corresponds to the intended settlement date of the closing transaction indicated in the settlement instruction introduced to the depository system by BondSpot S.A.

## **Section 5** **Tri-party repo**

### **§ 66**

1. Settlement related to the opening and closing of repo transactions, as well as the marking to market described in § 105 subpara.1 point 4 of the KDPW Rules, shall be performed on the basis of registration certificates and payment instructions issued by KDPW following receipt of matched tri-party repo settlement instructions sent to the depository system by direct participants being repo settlement parties, subject to the provisions of subpara. 2-4.

#### **2. *Repealed***

3. The settlement of the closing of a repo transaction shall take place on the date indicated in matching tri-party repo settlement instructions, described in subpara. 1, or on the date agreed according to the provisions of § 108 subpara. 4, § 108 subpara. 5 point 2 or § 110 subpara. 5 of the KDPW Rules, on the basis of registration certificates and payment instructions issued by KDPW, subject to the provisions of subpara. 4.

4. In instances where the tri-party repo settlement instructions did not specify a repo closing intended settlement date, then this settlement shall be performed on the date defined in matching settlement orders relating to the amendment of these instructions, sent to the depository system by direct participants being parties to the settlement of repo transactions not later than one day prior to this date.

5. The haircut rate shall equal 102%.

### **§ 67**

1. Tri-party repo settlement instructions shall be deemed to be correct (matched) if they contain the appropriate correct (matched) information relating to:

- 1) The repo opening intended settlement date,
- 2) The securities basket ID number, or ID code of the securities, which are to be transferred between the entity accounts of direct participants being settlement parties following a given repo transaction,
- 3) The number of the entity accounts, described in point 2,
- 4) The market code, if so required under Appendix 2,
- 5) The repo closing intended settlement date, if any of the settlement parties has specified this date,
- 6) Repo agreement price,
- 7) Repo rate.

2. The instructions referred to in § 66 subpara. 4, shall be considered matched if they contain the following matched features:

- 1) tri-party repo settlement instruction references,
- 2) information relating to tri-party repo order (instruction) type,
- 3) information relating to the repo closing intended settlement date.

### **§ 68**

1. On the basis of tri-party repo settlement instructions, described in § 66 subpara. 1, KDPW shall select the securities, which as part of the settlement of the opening of the repo transaction will be transferred between registration accounts managed for the direct participants being settlement parties, and shall issue registration

certificates and payment instructions on the basis of which the settlement of the opening of the repo transaction shall be performed.

2. The selection of the securities shall be performed on the basis of the provisions described in § 107 subpara. 1 of the KDPW Rules, from among securities recorded on specific registration accounts opened by a direct participant for the purpose of performing settlement as part of tri-party repo services.

3. It shall be implied that at the moment of the opening of the specific registration account, described in subpara. 2, a direct participant shall provide KDPW with a long-term power-of-attorney to enable KDPW to use the securities registered on that account for the purpose of settlement performed as part of the tri-party repo service in connection with tri-party repo settlement orders introduced to the depository system by that participant, including settlement related to securities substitution, described in § 108 subpara. 3, or securities replacement, described in § 73 subpara. 1. The scope of this power of attorney is determined on the basis of the balances on these accounts.

4. The registration certificates and payment instruction, described in subpara. 1, are issued by KDPW and include the haircut rate and the results of the securities selection process.

5. The registration certificates and the payment instruction, described in subpara. 1, shall be issued in such a manner as to ensure that their execution in the depository system is mutually conditional, within the meaning of the provisions of § 38 subpara. 1, and takes place simultaneously (WITH link type). They shall indicate a transaction date equal to the date of matching the tri-party repo settlement orders in the depository system.

#### § 69

1. The update of the price of the repo agreement shall be performed on the basis of the following principles:

$$WTR = [(R * C/D)+1] * WTO$$

where:

WTR – denotes the updated price of the updated repo agreement,

WTO – denotes the price of the repo agreement (the value of the cash payment made as part of the settlement of the opening of the repo transaction),

R – denotes the repo rate expressed as a percentage of annual interest,

C – denotes the number of calendar days between the date of the settlement of the opening of the repo transaction (counting inclusive of that date) and the date of the given update (counting inclusive of that date), except that for the purposes of the first update of the price of the repo agreement performed on the date of the settlement of the opening of the repo transaction, it shall be accepted that this number shall equal 1,

D – denotes the number of days in a year, i.e. 365.

2. On the date of the event described in § 110 subpara.1 of the KDPW Rules, KDPW shall perform the selection of the securities, which as part of the mark-to-market process, described in § 105 subpara.1 point 4 of the KDPW Rules, are to be transferred between registration accounts managed for the direct participants being settlement parties and shall issue registration certificates or a payment instruction on the basis of which the mark-to-market is carried out.

3. The selection of the securities is performed according to the provisions of § 110 subpara. 3 of the KDPW Rules, from among the securities recorded on specific registration accounts opened by a direct participant for the purpose of performing the settlement as part of tri-party repo services.

4. The registration certificates and the payment instructions on the basis of which the marking-to-market, described in § 105 subpara. 1 point 4 of the KDPW Rules is performed shall be issued by KDPW as applicable in the course of the update of the price of the repo agreement, while taking into account of the haircut rate, the results of the selection of the securities and the provisions of § 110 subparas. 3 and 4 of the KDPW Rules.

5. The registration certificates and the payment instructions, described in subpara 4, shall be sent for processing on the day following the date on which the settlement of the transaction is performed in KDPW after the date of the existence of the situation described § 110 subpara.1 of the KDPW Rules.

6. A direct participant who in accordance with the details of the registration certificate or the payment instruction, described in subpara. 4, shall be obliged to supplement or to be refunded the surplus amount of the paid-in market value of the transferred securities, should gather on specific registration accounts opened for the purpose of performing settlement as part of tri-party repo services, or on the participant's cash account the relevant assets to ensure the performance of the obligations on the settlement session on which for the first

time on a given date, marking to market shall be carried out, as described in § 105 subpara.1 point 4 of the KDPW Rules.

#### **§ 70**

1. The selection of the securities for the purpose of performing settlement of the closing of a repo transaction shall be performed on the basis of the provisions described in § 107 subpara. 2 of the KDPW Rules, from among securities recorded on specific registration accounts opened by a direct participant for the purpose of performing settlement as part of tri-party repo services.
2. The registration certificates and payment instructions, on the basis of which the settlement of the closing of a repo transaction is performed, are issued by KDPW while recognising the results of the securities selection process and the provisions of § 107 subpara.3 of the KDPW Rules.
3. The registration certificates and payment instructions, described in subpara. 2, are issued in such a manner to ensure that their execution in the depository system is mutually conditional, within the definition contained in the provisions of § 38 subpara.1 and takes place simultaneously (WITH link type).

#### **§ 71**

In the event that it shall not be possible simultaneously to perform all the settlements, which need to be performed on a given date with the involvement of the direct participant as part of tri-party repo services, owing to a shortage of cover on that participant's cash account, or on the specific registration accounts opened by that participant for the purpose of performing settlement as part of tri-party repo services, these settlements shall be performed on the basis of the following principles:

- 1/ as a first step, settlements related to the closing of the repo shall be performed,
- 2/ as a second step, the marking to market, described in § 105 subpara.1 point 4 of the KDPW Rules, shall be performed, § 108 subpara.3 of the KDPW Rules,
- 3/ as a final step, settlements related to the opening of the repo shall be performed, together with the securities replacement, described in § 73 subpara.1.

#### **§ 72**

1. Direct participants may amend tri-party repo settlement instructions sent to the depository system with respect to:
  - 1) the repo closing intended settlement date,
  - 2) the repo rate.
2. The amendment referred to in subpara. 1 shall require that both parties to the settlement of the repo transaction introduce into the depository system matching instructions relating to the amendment of tri-party repo settlement orders, one day prior to the repo closing intended settlement date at the latest, subject to the provisions of subpara. 4.
3. The instructions, described in subpara. 2, shall be considered matched if they contain the following matched features:
  - 1) amended tri-party repo settlement instruction references,
  - 2) information relating to tri-party repo order (instruction) type,
  - 3) information relating to the amended repo closing intended settlement date or amended repo rate.
4. If the matching instructions, described in subpara. 2, were introduced into the depository system prior to the commencement of the final settlement session taking place on a given date, the resulting amendments shall be introduced as part of the update of the price of the repo agreement performed on that date. Should these instructions be introduced later on the given date, KDPW shall not be obliged to introduce the resulting amendments as part of the update of the price of the repo agreement performed on that date.

#### **§ 73**

1. If a securities basket was indicated in the tri-party repo settlement instructions, where those securities are to be transferred between the registration accounts of the direct participants being settlement parties in

connection with a specific repo transaction, the participant who acted on behalf of the selling party in the settlement of the opening of the repo transaction may send an instruction for the replacement of securities assigned a given ID number, transferred as part of this settlement from that participant's registration account (replaced securities), with other securities belonging to the same securities basket.

2. The instruction described in subpara. 1 shall indicate the securities ID code of the securities being replaced.
3. On the basis of the instruction, described in subpara. 1, KDPW shall issue the relevant registration certificates and shall send them for processing at the next settlement session taking place on the date of the issue of that instruction.
4. The direct participant, who issued the instruction referred to in subpara.1, shall be obliged to ensure the availability on the specific registration accounts opened by that participant for the purpose of performing settlements as part of the tri-party repo service, of the necessary number of securities belonging to the same securities basket, with a total market value equal to at least the market value of the replaced securities.
5. The processing of the instruction, referred to in subpara. 1, shall take place with respect to the balance of the replaced securities, available on the specific registration accounts opened for the purpose of performing settlements as part of the tri-party repo service, indicated by the direct participant, who as part of the settlement of the opening of the repo transaction, acted on behalf of the purchasing party, and with respect to the balance of the securities belonging to the same securities basket, made available according to the provisions of subpara. 4 by the direct participant issuing the instruction.
6. Should it prove impossible to process the instruction, described in subpara.1, either fully or partially on the date that it is issued, this instruction shall not be processed after this date under any conditions.
7. The registration certificates, referred to in subpara.3, are issued in such a manner to ensure that their execution in the depository system is mutually conditional, within the definition contained in the provisions of § 38 subpara.1 and takes place simultaneously (WITH link type).
8. The provisions of subpara. 7 shall apply respectively to registration certificates issued by KDPW in order to perform the substitution of securities, described in § 108 subpara.3 of the KDPW Rules.

#### **§ 74**

1. The payment of compensation described in § 112 subpara. 1 of the KDPW Rules shall be performed on the basis of a payment instruction sent by KDPW.
2. The processing of the payment instruction shall take place at the next settlement session following the transfer of cash assets by the issuer, subject to the provisions of subpara. 3.
3. In instances where the issuer transfers the assets after the close of the last settlement session during which the settlement of tri-party repo transaction operations are processed, the payment instruction relating to the payment of compensation shall be sent for settlement on the following day.

## **Section 6**

### **Automatic securities lending and borrowing**

#### **§ 75**

Loans granted as part of the automatic securities lending and borrowing system organised by KDPW in co-operation with KDPW\_CCP shall be hereinafter referred to as automatic securities loans.

#### **§ 76**

1. Direct participants intending to take part in the securities lending and borrowing system as lenders shall grant KDPW permanent authorisation to perform operations on registration accounts created to carry out automatic lending transactions. The authorisation shall be granted when such accounts are opened.
2. KDPW shall make use of the authorisation granted to perform operations on accounts referred to in subpara. 1 up to the limit of the balances on those accounts.
3. A direct participant intending to take part in the automatic securities lending system as a borrower shall submit to KDPW a written declaration of accession to the system, in which it shall authorise KDPW to debit its depository or securities accounts to the extent necessary to return automatic securities loans borrowed by the participant and to collect collateral for such loans.
4. KDPW shall provide to KDPW\_CCP a list of entities participating in the automatic securities lending system as borrowers. In the declaration referred to in subpara. 3, the participant accepts the disclosure to KDPW\_CCP of information concerning the participant's participation in the automatic securities lending system.

#### **§ 77**

1. KDPW shall initiate procedures for acting as an intermediary in the conclusion of an automatic loan in the event of a shortage of securities necessary to settle the transaction, referred to in § 114 subpara. 1 of the KDPW Rules, has been determined in the registration account of the participant who has submitted a declaration of participation in the securities lending and borrowing system as a borrower in the last settlement session where it should be settled.
2. The shortage of securities which forms the basis for the initiation of procedures by KDPW for acting as an intermediary in the conclusion of an automatic loan shall be determined on the basis of balances on registration accounts at the time of commencement of that settlement session, taking into consideration the effect of all operations to be settled during the session but not taking into consideration the effect of operations to be settled on that date but not in the session and after its commencement.

#### **§ 78**

The lender shall be selected by choosing the registration account, referred to in § 76 subpara. 1, from which securities are to form part of the automatic loan until the balance on this account has been exhausted; then, another account shall be selected. Selection shall take place according to the following principles:

- 1) the smallest possible number of accounts shall be selected for one loan,
- 2) if the existing demand for securities may be satisfied in full by selecting any of a number of accounts, the account shall be selected at random.

#### **§ 79**

If a number of registration accounts with a shortage in the same securities have been identified and the complete elimination of this shortage by means of a securities loan is not possible, borrowers shall be selected according to the following principles:

- 1) the first participants to be selected are those for whom the failure to take out a loan would result in the suspension of settlement for transactions having the largest volume,
- 3) if the condition referred to in point 1 above is met by more than one participant at the same time and the complete elimination of such a shortage by means of a securities loan is not possible, the borrower shall be selected at random.

#### **§ 80**

1. Should a shortage of securities necessary for transaction settlement be declared, KDPW, during each



settlement session where transactions concluded on the regulated market or in the alternative trading system are settled, shall notify all of the participants in the lending and borrowing system, referred to in § 76 subpara. 1, of the demand for those securities.

2. A declaration of readiness to grant an automatic loan in response to the notification referred to in subpara. 1 shall be made by means of transferring securities for lending to registration accounts, referred to in § 76 subpara. 1.

#### **§ 81**

1. The required level of cover shall be 133% unless otherwise defined for particular securities in messages sent to direct participants for information purposes. The level of cover may be changed by KDPW in co-ordination with KDPW\_CCP. Such a change shall also apply to agreements for automatic securities loans, concluded before its introduction.

#### **§ 82**

The following shall be accepted or debited as collateral for securing an automatic securities loan and shall be taken in order until the value of the required collateral referred to in § 114 subpara. 4 of the KDPW Rules has been reached:

- 1) the borrower's cash for use as collateral, which has been deposited in the KDPW bank account;
- 2) securities kept in registration accounts used to register collateral for securities loans, managed for the borrower within a specific participation type;
- 3) securities kept in registration accounts used to register securities designated as collateral for securities loans, managed for the borrower within a specific participation type;
- 4) cash on a cash account belonging to a participant corresponding with the borrower, subject to the provisions of § 101 of the KDPW Rules;
- 5) securities deposited in the borrower's own securities accounts;
- 6) the borrower's own securities designated for automatic securities loans, held on the registration accounts, referred to in § 76 subpara. 1 of the KDPW Rules.

#### **§ 83**

1. Cash deposited as collateral securing an automatic loan shall be paid to the bank account of KDPW in the clearing bank.

2. Securities deposited as collateral securing an automatic loan shall be delivered by means of changing the status of such securities on the borrower's account to "blocked as collateral" on the basis of an instruction sent by the participant to the depository system.

#### **§ 84**

1. Collateral for the automatic securities loan, deposited in non-monetary form by participants shall only consist of Treasury bonds traded on the regulated market in the territory of the Republic of Poland, shares participating in the WIG20 index, or Treasury bills, if they are included on the list of securities determined by KDPW in co-ordination with KDPW\_CCP.

2. The part of the market value of securities recognised as collateral for an automatic securities loan shall be determined on the basis of the applicable haircut determined by KDPW in co-ordination with KDPW\_CCP.

3. The list of securities acceptable as collateral for automatic securities loans and the corresponding haircuts shall apply as of the moment of their publication for direct participants on the KDPW website.

4. A haircut of 100 assigned to securities marked with a specific identifier means that in the period of such assignment no part of the value of securities marked with this identifier shall be recognised in determining the value of collateral deposited by the borrower.

#### **§ 85**

1. No part of the value of bonds shall be recognised in determining the value of deposited collateral for the automatic securities loan, starting from the second day preceding the record date of entitlements from the redemption of bonds.

2. No part of the value of Treasury bills shall be recognised in determining the value of deposited collateral for the automatic securities loan, starting from the second day preceding the redemption date of the bills.

3. No part of the value of shares participating in the WIG20 index shall be recognised in determining the value of deposited collateral for the automatic securities loan, starting from the day on which such shares are excluded from the WIG20 index.

#### **§ 86**

1. Blocked securities whose value is no longer recognised in determining the value of deposited collateral for an automatic securities loan shall be released on the basis of a relevant registration certificate introduced into the depository system by the borrower, provided however that the value of the remaining assets recognised as part of the collateral is at least equal to the required value of the collateral.
2. Until they are released, blocked securities whose value is no longer recognised in determining the value of collateral for the automatic securities loan deposited by the borrower shall remain part of the collateral and may be used according to its designated purpose.
3. If blocked Treasury bonds or bills whose value is no longer recognised in determining the value of collateral of the automatic securities loan deposited by the borrower are not released by the date of payment of entitlements from their redemption, then such entitlements may be recognised as part of the collateral to the extent that the value of the remaining assets recognised as part of the collateral is lower than the required value of the collateral.

#### **§ 87**

1. After each settlement session within which an automatic loan was granted or returned or there was a decrease in the number of securities forming the automatic securities loan, or there was any type of change in the form or the value of the collateral posted, KDPW shall notify the borrower of the automatic securities loans the borrower has taken out at the time of the closing of the session, informing the borrower of the number and code of securities that form the automatic securities loan, their value on the given day, the dates on which particular loans need to be returned, if the latter have already been defined, as well as the actual value of the collateral for these loans posted by the borrower.
2. At the end of each accounting day, KDPW shall notify the borrower of the loans the borrower has taken out at the end of the day, informing the borrower of the number and code of securities that have been borrowed, their value on the given day, the dates on which particular loans need to be returned, if the latter have already been defined, as well as the value of the collateral required for these loans.
3. Participants shall supplement the submitted collateral for automatic securities loans up to the required value as specified by KDPW in the most recent update, not later than 15 minutes after the commencement of the first settlement session where transactions concluded on the regulated market or in the alternative trading system are settled.
4. At the end of each accounting day, KDPW shall notify the borrower of the collateral posted, its amount and form and of the valuation of securities making up the loan.

#### **§ 88**

If the value of submitted collateral for an automatic securities loan is higher than required then:

- 1) for cash – KDPW shall return their surplus amount during the first settlement session where transactions concluded on the regulated market or in the alternative trading system are settled;
- 2) for securities – the borrower may place an order to change their status – unblock the securities corresponding to the surplus collateral.

#### **§ 89**

1. If the borrower fails to provide collateral for the automatic loan up to the required value within the period defined in § 87 subpara. 3, KDPW shall initiate the procedures described in § 116 subpara. 2 of the KDPW Rules.
2. If, on the date set for the return of an automatic loan, there is a shortage of securities in the borrower's account, KDPW shall initiate the procedures described in § 116 subpara. 1 of the KDPW Rules.

#### **§ 90**

1. If a lender submits a request for the return of an automatic securities loan before the agreed date, the loan shall be terminated provided that KDPW finds another lender for the borrower concerned (lender substitution). Lender substitution shall take place not earlier than the day following the day the automatic securities loan was granted. In such instances the total duration of both loans for the same borrower may not exceed 5 days.

2. In order to return partially or in full securities forming an automatic loan, the securities borrower shall introduce into the depository system a settlement order with an instruction to return the loan. The instruction shall be executed on the intended settlement date specified in the order, on condition that it has been submitted to KDPW before the time referred to in § 36 subpara. 1 on that date. Should this deadline not be met, the return of the securities shall require the introduction of a new settlement order into the depository system, however, the return of all the securities forming the loan should take place not later than the fifth day of the loan, during the last settlement session where transactions concluded on the regulated market or alternative trading system are settled.

3. Borrowed securities shall be returned onto the lender's account from which those securities were borrowed.

#### **§ 91**

1. If the return of securities marked with a given code takes place in order to meet the obligations of securities borrowers arising from automatic securities loans granted by more than one securities lender and the number of securities having the same code, which on a given accounting date may be returned by the securities borrower is lower than the total number of such securities that formed these loans, the returned securities shall be allocated proportionally among each of the lenders according to the value of the loans made by them to the borrower.

2. If the allocation of the share of the collateral referred to in subpara. 1 is not possible owing to the impossibility of dividing securities making up the loan, KDPW shall transfer the indivisible portion of the securities to that lender with whom a securities lending agreement had been concluded for the largest amount of securities, and if it is not possible to determine such a lender, a lender shall be chosen at random.

#### **§ 92**

If the assets making up the collateral posted by a securities borrower should – in accordance with the provisions of § 116 subpara. 1, subpara. 2 point 2, or subpara. 3 of the KDPW Rules – be transferred to more than one securities lender, the assets shall be allocated proportionally among each of the lenders according to the value of the securities loans made by them to the lender. When allocating the share, collateral in the form of securities shall be considered to be of equal value as collateral in the form of cash. The provisions of § 91 subpara. 2 relating to the allocation of the collateral shall apply accordingly.

## **Section 7**

### **Negotiated securities loans**

#### **§ 93**

Loans granted as part of the negotiated securities lending and borrowing system organised by KDPW in co-operation with KDPW\_CCP shall be hereinafter referred to as negotiated loans.

#### **§ 94**

1. A direct participant seeking participation in the negotiated lending system shall submit to KDPW a written declaration concerning accession to the system according to the template available on the KDPW website.
2. A direct participant intending to operate in the negotiated lending system as a lender, should attach the following documents to the declaration:
  - 1) a power of attorney for KDPW to accept, on behalf of the participant, confirmations of acceptance of the terms of a loan, referred to in the first sentence of § 121 subpara. 6 of the KDPW Rules,
  - 2) an irrevocable power of attorney for KDPW to accept, on behalf of the participant, statements of will concerning:
    - a) acceptance of a request for partial return of a negotiated loan concluded for an indefinite period and acceptance of a request for change of the return date of a negotiated loan concluded for a definite period – on the basis of messages sent by it on such matters to KDPW and according to its will expressed in such messages, and
    - b) request for termination of a negotiated loan – in the case referred to in § 128 subpara. 1 point 4 of the KDPW Rules.
3. A direct participant intending to operate in the negotiated lending system only as a borrower, should attach to the declaration an irrevocable power of attorney for KDPW, referred to in subpara. 2 point 2.
4. A direct participant who fulfils the conditions referred to in § 76a subpara. 3 of the KDPW Rules and has submitted a declaration concerning participation in the negotiated lending system which fulfils the requirements referred to in subpara. 1-3, shall become a participant in the negotiated lending system upon receipt from KDPW of a notification of its acceptance into the system.
5. A direct participant may leave the negotiated lending system by way of a written revocation of its declaration concerning participation in the system (resignation).
6. In the event of a resignation submitted by a direct participant, KDPW shall no longer act as intermediary in concluding negotiated loans for such participant. The submission of a resignation shall be effective as of the next day following its delivery to KDPW.
7. Participation in the negotiated lending system of a direct participant who has submitted a resignation shall expire fully upon its payment of all liabilities arising from negotiated loans concluded by the participant.

#### **§ 95**

A negotiated loan may only concern shares which, at the time of conclusion of the loan agreement, are introduced to trading on the regulated market organised by the Warsaw Stock Exchange, unless an operation referred to in § 96 subpara. 1 or 2 or a reverse split has been initiated for such shares.

#### **§ 96**

1. If shares on loan under a negotiated loan are to be subject to an operation of exchange for shares of another company due to the merger or split of a public company, the loan agreement shall be terminated three days after the day that KDPW provides the parties to this loan with a termination request but not later than the reference date (day R) set for the purpose of the operation, unless the loan agreement provides for an earlier termination date.
2. If shares on loan under a negotiated loan are to be subject to an operation of withdrawal from the depository due to the occurrence of an event referred to in the second sentence of § 145 subpara. 1 of the KDPW Rules, the negotiated loan agreement shall be terminated three days after the day that KDPW provides the parties to this loan with a termination request but not later than the day preceding the operation date, unless the loan agreement provides for an earlier termination date.

#### **§ 97**

1. In order to conclude a negotiated loan agreement, a direct participant authorised to operate in the negotiated lending system as a borrower shall submit to the negotiated lending system a borrower's invitation, referred to in § 121 subpara. 1 of the KDPW Rules, wherein it shall specify at least the following:

- 1) ISIN code of the securities to be loaned in the negotiated loan;
- 2) the minimum and the maximum quantity of securities to be loaned in the negotiated loan;
- 3) a flag indicating whether the loan is to be concluded on own account or on the account of another person;
- 4) a flag indicating whether the loan is to be concluded for a definite or an indefinite period;
- 5) the expected date of settlement related to the grant of the negotiated loan;
- 6) the amount of the fee for the lender determined in accordance with § 125 subpara. 1 of the KDPW Rules;
- 7) in the case of a loan for a definite period, the proposed date of return of securities, which may not be later than 365 days after the date of the agreement.

2. A borrower's invitation shall be deleted from the negotiated lending system unless a loan agreement is concluded no later than 14:30 on the date specified in the invitation as the expected date of settlement related to the grant of the loan.

#### **§ 98**

1. KDPW shall provide a direct participant who has submitted a borrower's invitation with a proposal of concluding a loan, referred to in § 121 subpara. 3 of the KDPW Rules, provided that the proposal:

- 1) meets, subject to subpara. 2, the terms specified in the borrower's invitation, to the extent set out in § 97 subpara. 1, and
- 2) expresses the will of incorporating into the negotiated loan agreement the provisions referred to in § 121 subpara. 4 and § 114 subpara. 2 in conjunction with § 120 subpara. 3 of the KDPW Rules, by flagging a specially dedicated field.

2. A proposal of concluding a loan which specifies a maximum quantity of securities greater than the maximum quantity of securities specified in the borrower's invitation, shall be considered a proposal of concluding a loan of the maximum quantity of securities specified in the invitation.

3. A proposal of concluding a loan shall be deleted from the negotiated lending system unless a loan agreement is concluded no later than 14:30 on the date specified in the proposal as the expected date of settlement related to the grant of the loan.

#### **§ 99**

1. If a direct participant who has submitted a borrower's invitation to the negotiated lending system accepts the terms specified in a proposal of concluding a loan, then it shall send to KDPW a confirmation of acceptance of the terms of a loan, referred to in the first sentence of § 121 subpara. 6 of the KDPW Rules, in the form of a message which specifies such terms.

2. Sending a message referred to in subpara. 1 to KDPW shall be tantamount with the participant expressing the will of incorporating into the negotiated loan agreement the provisions referred to in § 98 subpara. 1 point 2.

3. If a negotiated loan agreement is concluded to the extent of a quantity of securities lower than the maximum quantity of securities specified in the borrower's invitation, KDPW shall continue to make the content of the invitation available to participants participating in the negotiated lending system as lenders, however, only to the extent of such quantity of securities which is the difference between the maximum quantity of securities specified in the invitation and the total quantity of securities subject to negotiated loans already concluded following its transmission, and provided that the difference is at least equal to the minimum quantity of securities specified in the invitation. The provisions of § 97 subpara. 1 and 2 shall apply accordingly.

#### **§ 100**

1. Subject to subpara. 2, a negotiated loan agreement shall be registered in the negotiated lending system on the accounting day of confirmation of acceptance of the terms specified in the proposal of concluding a loan, referred to in § 121 subpara. 6 of the KDPW Rules.

2. If the confirmation referred to in subpara. 1 takes place after 14:30, the negotiated loan shall be registered on the next accounting day.

3. If the confirmation referred to in subpara. 1 is submitted to KDPW after 14:30 on the day specified in the borrower's invitation as the expected date of settlement related to the grant of the loan, the negotiated loan agreement shall not be concluded.

**§ 101**

1. Settlement related to the grant of a negotiated loan shall take place on the basis of a settlement order introduced into the depository system by KDPW\_CCP.
2. The date of settlement related to the grant of a negotiated loan shall be not later than T+1.
3. Starting on the day of settlement related to the grant of a negotiated loan, the parties to a loan may submit the following in relevant messages:
  - 1) a request for the return of a negotiated loan concluded for an indefinite period;
  - 2) a request for a change of the date of the return of a negotiated loan concluded for a fixed period and acceptance of such a request;
  - 3) a request for a partial return of a negotiated loan concluded for an indefinite period and acceptance of such a request;
  - 4) a request for termination of a negotiated loan in instances that the events referred to in § 128 subpara. 1 point 4 of the KDPW Rules should occur.

**§ 102**

1. The amount of the required contractual collateral of a negotiated loan shall be equal to the present market value of the securities on loan.
2. The amount of the required contractual collateral shall be updated until the last accounting day before the negotiated loan agreement termination date, inclusive.
3. Marking to market between the parties to a negotiated loan related to the replenishment of contractual collateral up to its required amount by the borrower or the return of the surplus of the collateral above such amount by the lender, shall follow the algorithm defined below:

$$MTM_{j,t} = S_{j,t} \times \left( CR_{j,t} - CR_{j,t-1} \times \frac{LS_{j,t}}{MS_{j,t}} \right)$$

where:

- MTM – means the amount of a shortage or surplus of contractual collateral;
- CR – means the market value of a security on loan;
- S – means the quantity of securities;
- LS – means the quantity of shares of previous nominal value (before a split or reverse split operation);
- MS – means the quantity of shares of new nominal value (after a split or reverse split operation);
- t – means the accounting day index;
- j – means the ISIN code index;

whereas:

- the market value of securities shall be multiplied by the factor  $\frac{LS_{j,t}}{MS_{j,t}}$  only on the day of their split or reverse split operation;
  - if  $MTM_{j,t} > 0$ , this means that the borrower shall replenish the contractual collateral with such amount;
  - if  $MTM_{j,t} < 0$ , this means that the lender shall return the surplus of the contractual collateral in such amount;
  - if  $MTM_{j,t} = 0$ , this means that the amount of the required contractual collateral after the update remains unchanged.
4. Depending on the result of the calculations referred to in subpara. 3, KDPW shall issue payment instructions on the basis of which marking-to-market referred to in subpara. 3 shall be performed. Such instructions shall be sent for execution on the next accounting day.
  5. If it is not possible to perform simultaneously all settlement which should be performed on a given day with the participation of a direct participant in the negotiated lending system due to a shortage of a sufficient coverage in the cash account of the participant on in relevant registration accounts maintained for the participant, such settlement shall be performed according to the following rules:
    - 1) in the first place, settlement related to the return of a negotiated loan shall be performed;
    - 2) in the second place, marking-to-market referred to in subpara. 3 shall be performed;
    - 3) in the last place, settlement related to the grant of a loan shall be performed.

**§ 103**

1. In the event referred to in 124 subpara. 6 point 1, 2 or 3 of the KDPW Rules, KDPW shall, immediately upon the receipt from KDPW\_CCP of the instructions referred to in the second sentence of § 124 subpara. 7 of the KDPW Rules, issue to KDPW\_CCP a relevant payment instruction debiting the cash account of the participant acting for the lender with an amount equal to the amount of the contractual collateral of a loan provided to it.
2. If a negotiated loan agreement is terminated due to the lender's failure to return a surplus of the contractual collateral above the required amount or due to any breach by the lender or an entity representing it in the clearing system operated by KDPW\_CCP for transactions concluded in organised trading of any obligations arising from the clearing of transactions in the system, the negotiated securities loan and the contractual collateral received from by the lender shall be returned three days after the termination date of the negotiated loan agreement, unless the loan agreement provides for an earlier date of return of such things.
3. In the event referred to in § 128 subpara. 1 point 4 of the KDPW Rules, a negotiated loan agreement shall be terminated on the basis of a request for termination of the loan submitted by the authorised party to the loan and accepted by KDPW on behalf of the other party to this loan at the end of the day on which KDPW provides information on such request to the other party. KDPW shall provide such information immediately upon receipt of the relevant request.
4. If more than one event referred to in subpara. 2 and in the first sentence of subpara. 3 occurs on the same day, the securities forming the negotiated loan and the contractual collateral received by the lender shall be returned on the day following the termination date of the agreement of this loan.

**§ 104**

1. A negotiated loan agreement concluded for an indefinite period may be terminated by submitting a message with a request for the return of the loan concluded for an indefinite period, provided to the other party to the negotiated loan through the mediation of KDPW. Submission of such message shall create the obligation of the borrower to return the things on loan and the obligation of the lender to return an amount equal to the amount of the contractual collateral provided to it.
2. In the event referred to in subpara. 1, the parties to a negotiated loan shall be obliged mutually to return such things within the following time limit:
  - 1) one day after the date of submission of the request for return of the loan to the other party to the loan through the mediation of KDPW – where the request is made by the borrower, or
  - 2) three days after the date of submission of the request for return of the loan to the other party to the loan through the mediation of KDPW – where the request is made by the lender- whereas a request for termination of the loan shall be provided to the other party by KDPW immediately upon receipt of a message with the relevant request.
3. If neither party to a negotiated loan agreement concluded for an indefinite period submits a request for termination of this loan within a time limit necessary for the settlement of the loan's return before the end of a period of 365 calendar days after the date of the settlement related to the grant of the loan, the return of the loan shall be settled at the end of such period.

**§ 105**

1. The termination referred to in § 104 subpara. 1 may relate to some of the securities forming the negotiated loan.
2. In the event referred to in subpara. 1, the message with a request for return shall specify the quantity of securities concerned by the request, being lower than the quantity of securities forming the negotiated loan.
3. In response to the message with a request for return, referred to in subpara. 1, the other party to the negotiated loan may submit a message with acceptance or rejection of the request. Failure to submit an acceptance message, referred to in subpara. 1, within the validity period of the message, or submission of a message with rejection of the request within such time limit, shall result in lack of consent for partial return of the negotiated loan.
4. KDPW shall immediately inform the party which has requested partial return of the negotiated loan about consent or lack of consent for partial return of the loan by the other party to the negotiated loan.
5. A negotiated loan agreement shall expire to the extent of settlement of the return of the negotiated loan. The provisions of § 107 shall apply accordingly to partial settlement of the return of a negotiated loan.
6. To the extent of securities which have not been returned, a negotiated loan agreement shall be registered in



the negotiated lending system as a separate loan (partly returned loan).

7. For a partly returned loan, the time limit referred to in § 104 subpara. 3 shall commence on the day of settlement related to the grant of the original negotiated loan.

8. Contractual collateral established under the original negotiated loan shall become contractual collateral of a partly returned loan to the extent that it is not used for the settlement of the partial return of the original loan.

#### **§ 106**

1. Either party to a negotiated loan agreement concluded for a definite period may submit to the other party, through the mediation of KDPW, a request for change of the return date of the loan in a relevant message. The request should specify the proposed, earlier or later, return date of the loan, however, not later than 365 calendar days after the date of settlement related to the grant of the negotiated loan.

2. In response to a message with a request for change of the return date of a loan, the other party to the negotiated loan agreement may submit a message with acceptance or rejection of the request. Failure to submit an acceptance message, referred to in subpara. 1, within the validity period of the message, or submission of a message with rejection of the request within such time limit, shall result in lack of consent for change of the return date of the loan.

3. KDPW shall immediately inform the party which has submitted a request for change of the return date of a negotiated loan about consent or lack of consent for change of the return date of the loan by the other party.

4. In the event of acceptance of a request for change of the return date of a loan, KDPW shall commence the settlement of the return of the loan on the date specified in the request.

#### **§ 107**

1. Communication among participants in the negotiated lending system shall proceed through the mediation of KDPW in the form of electronic messages.

2. Messages may be recalled within their validity period unless they have been accepted or rejected.

3. A party to a loan may submit a new message, referred to in § 101 subpara. 3, only after the expiry of the validity of or after recalling a message it has submitted earlier on the same matter.

4. Messages referred to in § 101 subpara. 3 points 2 and 3 shall expire at the end of the next accounting day after the day of their submission to KDPW.

#### **§ 108**

1. Securities forming part of a negotiated loan shall be returned to the account of the lender used for the settlement related to the grant of this loan.

2. Partial settlement of the return of a negotiated loan shall not be permitted.

### **Section 8**

#### **Mandatory buyout of shares of a public company**

#### **§ 109**

1. The provisions of this Section shall apply to the mandatory buyout of shares of a public company, referred to in § 82 subpara. 1 of the Law on public offerings.

2. On the day of the announcement of a mandatory share buyout, the direct participant performing the role of buyout agent shall deliver to KDPW a written instruction to transfer the buyout shares, indicating:

- 1) the ID codes assigned to the mandatory buyout shares,
- 2) the day of the share buyout,
- 3) the price at which the mandatory buyout is to take place,
- 4) the number of the participant's entity account corresponding with the securities account, onto which the buyout shares are to be registered on the buyout date,
- 5) the number of shares that entitle the mandatory share buyout to be performed held by a shareholder of a public company and entities referred to in § 82 subpara. 1 of the Law on public offerings and a list of entity accounts kept in KDPW on which those shares are registered.

3. The direct participant referred to in subpara. 2 shall determine the buyout date in such a way that the settlement of transactions involving mandatory buyout shares concluded in organised trading on or before the day of announcing the mandatory buyout can take place before the buyout date.

4. Following the receipt of the information referred to in subpara. 2, KDPW shall inform the other direct participants managing securities accounts and omnibus securities accounts about the mandatory buyout of shares of a public company and on the basis of this information, direct participants shall block all shares of that company registered on those accounts until the buyout date. The shares shall be simultaneously blocked on securities accounts and omnibus securities accounts managed by KDPW.
5. The blocking of the shares referred to in subpara. 4 shall not prevent the registration of entries arising from the settlement of transactions carried out on the basis of settlement instructions introduced into the depository system before the day of the announcement of the mandatory buyout. In such instances, the participant managing the securities account or relevant omnibus securities account of the purchaser of the shares shall block these shares at the same time as they are registered on that account.
6. If the intended settlement date of the transaction involving mandatory buyout shares indicated in settlement instructions introduced into the depository system before the day of the announcement of the mandatory buyout is later than the buyout date, direct participants who are the settlement parties of such a transaction may, according to general principles, cancel these settlement instructions from the depository system and replace them with new settlement instructions indicating an earlier intended settlement date.
7. If the settlement instructions indicating an intended settlement date of the transaction involving the mandatory buyout shares on a day later than the buyout date are not effectively cancelled from the depository system before this date, no settlement shall take place on the basis of these instructions.
8. On the buyout date, on the basis of instructions referred to in subpara. 2, KDPW shall issue and introduce into the depository system the relevant registration certificates on the basis of which the settlement of the mandatory share buyout shall be performed. Settlement shall take place according to the simultaneous transfer principle referred to in § 98 subpara. 1 of the KDPW Rules.
9. In the event of a request from the buyer, referred to in § 6 subpara. 2 of the Regulation of the Minister of Finance, Funds and Regional Policy of February 11, 2021 on the acquisition of shares in a public company by mandatory buyout (Dz. U. (Journal of Laws) of 2021, item 294), an issuer who has concluded an agreement with KDPW for the registration of shares subject to mandatory repurchase in the depository under the conditions specified in § 69a of the KDPW Rules, shall submit to KDPW an annex to the issue letter relating to these shares indicating their number covered by this request, on the basis of which KDPW shall register them on the entity account, referred to in subpara. 2, item 4. The annex to the issue letter relating to these shares should also be signed by the direct participant acting as a intermediary.

#### **Section 8a**

#### **The mandatory buyout of shares of a non-public company**

#### **§ 109a**

1. The provisions of this Section shall apply to the mandatory buyout of shares of a non-public company, referred to in Article 418 of the Commercial Companies Code.
2. Not later than 7 days prior to the planned date of the settlement of a transaction involving the transfer of shares to an issuer as part of a mandatory share buyout, the issuer shall submit an application for the processing of the buyout operation that should indicate:
  - 1/ the direct participant managing the issuer's securities account that will be used to perform the share buyout, as well as the number of that participant's relevant entity account,
  - 2/ the number of shares that are to be subject to the mandatory buyout, assigned with separate id codes,
  - 3/ the numbers of the entity accounts of participants managing securities accounts or omnibus securities accounts onto which shares assigned with separate id codes that are not subject to the mandatory buyout operation, indicating the number of these shares registered on each entity account, as well as information enabling the accurate and correct identification of securities accounts or omnibus securities accounts onto which they are registered – and if this were to prove impossible: the numbers of the entity accounts of direct participants managing securities accounts or omnibus securities accounts onto which shares assigned with separate id codes that are subject to the mandatory buyout operation, indicating the number of these shares

registered on each entity account, as well as information enabling the accurate and correct identification of securities accounts or omnibus securities accounts onto which they are registered,

4/ the planned date of the settlement of a transaction involving the transfer of shares to an issuer as part of a mandatory share buyout,

5/ the price at which the mandatory share buyout is to be executed,

6/ the number of shares entitling the shareholders intending to perform the mandatory share buyout to carry out this operation and the list of entity accounts managed in KDPW on which these shares are registered.

3. Together with the application for the processing of the mandatory share buyout, the issuer shall attach a copy of the resolution of the general meeting providing the basis on which the buyout is to be performed.

4. After receiving and approving the information, referred to in subpara. 2, KDPW shall inform its direct participants managing securities accounts or omnibus securities accounts about the mandatory share buyout and shall accordingly amend the status of assets assigned in the depository system to those shares that are not subject to the mandatory buyout.

5. On the date agreed with the issuer as the settlement date, KDPW shall issue and shall introduce into the depository system the relevant registration documents, on the basis of which the transfer of shares subject to the mandatory buyout shall be performed onto the account indicated by the issuer in accordance with subpara. 2, point 1, in return for their buyout price. This settlement shall take place in accordance with the principle of delivery versus payment, described in § 98 subpara. 1 of the KDPW Rules.

6. The settlement of the transfer of shares subject to a mandatory buyout to shareholders participating in the buyout shall be performed according to the principles applicable to OTC transactions.

**Section 9**  
**Transaction settlement**  
**in exceptional situations**

**§ 110**

1. Securities that have been purchased or sold without a client's order shall be registered in the records of the participant managing securities accounts or omnibus securities accounts, on offsetting accounts used to register operations that are deemed to contain errors. Securities sold but not registered on the settlement date in the securities account, or omnibus securities account relevant for the client placing the order for their sale transaction shall also be registered on offsetting accounts.
2. Participants, described in subpara. 1, should make every effort to eliminate securities positions in offsetting accounts as soon as possible.

**§ 111**

1. Securities purchased in instances referred to in § 110 subpara. 1 shall be the property of the direct participant.
2. A securities sale transaction in instances referred to in § 110 subpara. 1 shall be a transaction concluded on the selling direct participant's account.

**§ 112**

1. Should a direct participant conclude a securities purchase transaction that has no legal basis in a client's order, then that participant may offset (compensate) the offsetting account on which these securities were registered against another offsetting account on condition that the balance in the other offsetting account allows for such an offset to be performed; the participant shall register the remaining securities in the participant's own securities account or issue a sale order in relation to those securities.
2. Should a direct participant conclude a securities sale transaction that has no legal basis in a client's order, then that participant shall immediately attempt to liquidate the balance on the offsetting account on which these securities were registered by means of offsetting (compensating) it against the offsetting account maintained for securities purchased without a client's order or against the participant's own securities account or by means of taking out an on-request securities loan. In the event that the aforementioned efforts do not liquidate the balance on the offsetting account, the direct participant shall issue a securities purchase order for a number of securities necessary to liquidate the balance, which should be able to be executed immediately.
3. The offsetting referred to in subparas. 1 and 2 shall mean the crediting of a particular account with the balance in another account, the latter being debited accordingly.

**§ 113**

1. Transactions which should have been settled on or before the day when rights to cash entitlements from securities are recorded but whose settlement was partially or fully suspended owing to a shortage of securities in the respective registration account kept for the direct participant, if the suspension remains in force after that day, shall be settled according to the principle that the value of the cash payment arising from the settlement order of that transaction shall be reduced with the value of entitlements from securities traded in the transaction before tax. If, however, the suspended transaction settlement takes place before day W-2, it shall take place according to general principles, on condition that the direct participant acting for the seller applies for this settlement procedure to KDPW not later than 8.00 a.m. on day D+1 and indicates to KDPW the registration accounts on which the sold securities were registered on the day when rights to the entitlements from securities are recorded, such indication being confirmed to KDPW by the direct participant for whom such accounts are kept no later than on the same date. In such instances, KDPW shall make the appropriate correction with respect to confirmations relating to the number of securities giving rights to entitlements, registered on accounts kept by KDPW for respective direct participants, and shall notify these participants.
2. If, where the settlement of transactions is suspended in accordance with subpara. 1, entitlements from securities traded in the transaction are non-cash entitlements involving individual subscription rights, KDPW shall reduce the liabilities of the buyer in accordance with § 86 subpara.1, second sentence, of the KDPW Rules.
3. The provisions of subparas. 1 and 2 shall apply on condition that the settlement of transactions performed in the depository system covers cash payments.

**§ 113a**

1. Securities transferred from registration accounts or onto registration accounts kept for a participant as a result of an error, as well as securities transferred onto registration accounts managed for a participant, if the participant has not previously received documents confirming the right of registering these securities onto the securities account or omnibus securities account kept by that participant, in connection with the performance of an operation other than a transaction executed in a trading system shall be registered in the participant's securities accounting system on the offsetting accounts, referred to in § 110 subpara. 1.
2. In instances referred to in subpara. 1, the provisions of § 110 subpara. 2 shall apply accordingly.

**Section 10****Crediting a securities account or omnibus securities account****§ 114**

1. The crediting of a securities account or an omnibus securities account shall take place by means of a transfer of securities from the registration account managed for a direct participant with the participation type of lead manager, onto the registration account managed for another direct participant, on the basis of an instruction delivered by a person with rights from these securities, relating to their transfer from the register managed within the participation type of lead manager onto the securities account of that person, or onto that person's relevant omnibus securities account.
2. Following the registration of securities in the depository, a direct participant acting as intermediary in the securities offering shall issue to entitled persons documents confirming the acquisition of those securities in a specific manner for the purpose of enabling them to credit a securities account or omnibus securities account.
3. On the basis of the documents referred to in subpara. 2, presented by clients, a direct participant keeping a securities account or omnibus securities account, which is to be credited, shall prepare a summary list of securities for confirmation and send it to the participant with the participation type of lead manager.
4. The summary list of securities for confirmation may also be prepared by a direct participant with the participation type of lead manager on the basis of an instruction to deposit securities in a securities account or omnibus securities account, sent by an entity with rights to these securities.
5. The direct participant with the participation type of lead manager shall verify whether the information contained in the summary list referred to in subpara. 3 corresponds with the data contained in the register of owners of securities kept by that lead manager. Where the verified data is proven to be correct, the direct participant with the participation type of lead manager shall send the summary list, referred to in subpara. 2, which it has confirmed, to the direct participant that has drawn it up.
6. After having verified the data, described in subpara. 5, the participant with the participation type of lead manager or the participant, referred to in subpara. 3, shall introduce into the depository system matching settlement orders containing instructions to transfer securities from the registration account kept for the participant with the participation type of lead manager onto the registration account of a participant keeping the relevant securities account or omnibus securities account. If the account to be credited is an omnibus securities account managed by KDPW, matching settlement instructions should be sent to the depository system by the participant that is the holder of this account and the participant with the participation type of lead manager.
7. The summary list described in subpara. 3, shall contain:
  - 1) the (company) name, registered head office and address of the issuer and the summary list number;
  - 2) the (company) name, registered head office and address of the participant with the participation type of lead manager;
  - 3) the type of securities and their code number;
  - 4) the registration account code of the participant managing the relevant securities account or omnibus securities account;
  - 5) the sequential number;
  - 6) the first and last name or the company name of the entitled person;
  - 7) the designation and number of the document referred to in subpara. 2 presented by the client;
  - 8) the date and place of issue of the summary list;

9) where an omnibus securities account is credited – this account shall be indicated.

#### **§ 115**

1. The principles defined in § 114 shall apply accordingly in instances where a direct participant applies to the participant with the participation type of lead manager for transfer of securities acquired by the first participant on the primary market or in the initial public offering onto the registration account managed for the participant in KDPW, subject to the provisions of subpara. 2.
2. A direct participant making the application described in subpara. 1 shall submit to the participant with the participation type of lead manager a summary of extracts from depository certificates, indicating the number of the registration account in KDPW onto which the securities should be transferred, and introduce the relevant settlement order to the depository system.

### **Section 11**

#### **Transfer of the issuer's share rights following a corporate resolution performed on the basis of a decision by the Bank Guarantee Fund**

#### **§ 115a**

1. In instances when the Bank Guarantee Fund issues a decision as part of the mandatory corporate resolution of the issuer on the acquisition by the acquiring entity of the share rights of the issuer in accordance with Article 174 subsection 1 point 3 of the Law on the Bank Guarantee Fund, the deposit guarantee system and mandatory resolution of 10 June 2016, (i.e. Dz. U. (Journal of Laws) of 2020, item 842), KDPW shall immediately upon receipt from the Bank Guarantee Fund of information on the issuance of this decision, notify direct participants of it.
2. On the date of the receipt of the notification, referred to in subpara. 1, participants managing securities accounts, or omnibus securities accounts on which are registered shares, subscription rights, rights to shares, subscription warrants or other share rights defined in the Law referred to in subpara. 1, specified in the decision of the Bank Guarantee Fund, shall block them on these accounts, until the date of execution of the instruction referred to in subpara. 4. At the same time, the blocking of these share rights shall be carried out on securities accounts and omnibus securities accounts managed in KDPW.
3. The blocking of the share rights referred to in subpara. 2 shall not prevent entries resulting from the settlement of transactions carried out on the basis of settlement orders entered into the depository system before the day on which KDPW received information from the Bank Guarantee Fund about the decision, referred to in subpara. 1. In such instances, the participant managing the securities account of the purchaser of the share rights shall block them simultaneously with their entry on this account.
4. A direct participant acting as an intermediary within the meaning of Art. 177 subpara. 1 of the Law referred to in subpara. 1 shall submit KDPW a written instruction to transfer the share rights specified in the decision of the Bank Guarantee Fund, indicating:
  - 1 / the id code or codes that these share rights were assigned,
  - 2 / the date of the execution of the instruction,
  - 3 / the number of the entity account managed for this participant in KDPW, which corresponds to the securities account of the entity acquiring these share rights,
  - 4 / an indication of the amount of remuneration, referred to in Article 174 subpara. 5 of the Law referred to in subpara. 1, due for the acquisition of each unit share right covered by the instruction - if the remuneration is in monetary form and the instruction is to be executed in the manner specified in Article 177 subpara. 4 of this Act.
5. The day of execution of the instruction referred to in subpara. 4 may not be earlier than 3 days:
  - 1 / after the date on which the instruction was submitted to KDPW, and
  - 2 / after the date on which the Bank Guarantee Fund provided KDPW with the information, respectively, on the amount of the monetary remuneration due for the acquisition of each unit share right to which the instruction relates; or information confirming the execution of the payment of the remuneration in non-monetary form by the acquiring entity.
6. Subject to the provisions of subpara. 5, on the date of the execution of the instruction, referred to in subpara. 4, KDPW shall on its basis issue and enter into the depository system the relevant registration documents on the basis of which the settlement of the transfer of the share rights onto the entity account of the direct participant

acting as the intermediary indicated in this instruction shall be performed. The settlement of the transfer of specific share rights shall take place in accordance with the principle of simultaneous delivery and payment, referred to in § 98 subpara. 1 herein, if the information, referred to in subpara 5 point 2, contains confirmation from the Bank Guarantee Fund of the amount of the monetary remuneration due for their acquisition, indicated in this instruction.

## **Section 12**

### **Cash penalties for failure to perform timely settlement of transactions for the reasons referred to in § 136a subpara. 1 of the KDPW Rules**

#### **§ 115b**

For the purposes of this Section, a PBD day (Penalties Business Day) shall be understood to mean any day that does not fall on a Saturday or a Sunday and does not fall on January 1 or December 25 of a given calendar year.

#### **§ 115c**

1. Cash penalties shall be rounded up to two decimal places.
2. An appeal may be filed against a cash penalty charged by KDPW within 10 PBDs following the end of the month in which KDPW applied the specific cash penalty. However, with respect to the adjustment resulting from the corrected daily cash penalties report provided to the participant on the last day of that period, provided that the adjustment was performed as a result of allowing the appeal submitted by another participant, the appeal may be submitted before the first business day, other than Saturday, following the expiry of the this term.
3. If the 10th PBD falls on a day recognized as a non-working day under the law, an appeal may be submitted before the last working day, which is not a Saturday, prior to that day, subject to the provisions of the second sentence of subpara. 2.

#### **§ 115d**

1. The reports referred to in § 136c subpara. 4 of the KDPW Rules shall be submitted by KDPW on the 14th PBD following the end of the calendar month to which they relate.
2. If the date determined in accordance with the principle described in subpara. 1 falls on a day recognized as a non-working day under the law, the monthly report shall be submitted on the last working day, other than a Saturday, prior to that date.

#### **§ 115e**

Amounts liable and receivables of direct participants due from cash penalties and deriving from instances referred to in § 136b subpara. 1 and 2 of the KDPW Rules, that need to be paid by a given date, are calculated separately for payments in PLN and for payments in EUR.

#### **§ 115f**

1. Payment of amounts liable and receivables, referred to in § 115e, calculated for the period of a given calendar month, shall be settled on the 18th PBD following the end of that month.
2. If the date determined in accordance with the principles described in subpara. 1 falls on a day recognized as a non-working day under the law, the payment, referred to in subpara. 1, shall take place on the first working day, other than a Saturday, following that date.
3. A direct participant shall be obliged to make available on its cash account the funds necessary for the performance of its obligations deriving from a given payment settlement, referred to in subpara. 1, no later than by 11.00 on the day determined in accordance with the provisions of subparas. 1 and 2.
4. The recalculation referred to in § 136e subpara. 1 of the KDPW Rules shall relate to participants' amounts liable and receivables expressed in the currency for which a shortage of funds has been determined on the participant's cash account.



**The processing of issuers' obligations, services related to the organisation of general meetings and to voting by management or supervisory boards, as well as services related to shareholder identification**

**Section 1  
General provisions**

**§ 116**

1. With respect to securities registered in the depository through an operational link with another CSD, KDPW shall determine, on the basis of information referred to in § 137 subpara. 3 of the KDPW Rules, the timetables and procedures of processing corporate events in which those persons holding rights from such securities shall have the right to participate.
2. KDPW shall provide the timetables and procedures, referred to in subpara. 1, to direct participants without delay, following their confirmation.
3. Where information has been received from an entity, described in § 67 subpara. 2 of the KDPW Rules, relating to a corporate action that will result in a reduction in the balance of securities assigned with a specific code on the relevant registration account managed by that entity for KDPW, KDPW shall block the settlement of transactions in these securities, starting on the date of the blocking of settlement by the CSD performing the role of issuer CSD, until such a time as the processing of the corporate action has been completed by that CSD.

**§ 117**

The provisions of this Part shall apply accordingly to the processing by KDPW of the performance of obligations arising from securities issued by an issuer with its registered head office outside the territory of the Republic of Poland, for which KDPW performs the role of issuer CSD, taking into account the rules arising from the document submitted by the issuer in accordance with the provisions of § 66 subpara. 1, point 5, item b of the KDPW Rules and of the relevant foreign regulations applicable to these securities, contained in the list published by the European Securities Market Authority in accordance with Article 49 subpara. 1 of CSDR.

**§ 118**

***Repealed***

**§ 119**

1. Subject to the provisions of subpara. 2, whenever the provisions of this Part refer to participants managing securities accounts or omnibus securities accounts, they shall apply accordingly to direct participants for which KDPW manages omnibus securities accounts, unless the provisions state otherwise.
2. Participants for which KDPW manages omnibus securities accounts shall not be obliged to block securities from which rights are exercised in their registration systems in instances where the provisions of this Part impose an obligation to perform such a blocking procedure on participants managing securities accounts or omnibus securities accounts. It is advised, however, that in such instances, direct participants for which KDPW manages omnibus securities accounts should also block such securities in their registration systems.

**§ 120**

The execution of a specific type of obligations of issuers shall be processed separately for securities designated with specific codes, from which such obligations arise.

**§ 120a**

1. Participants that are issuers of investment certificates, bonds or mortgage bonds registered in the depository shall be obliged to inform KDPW of every entitlement payment deadline relating to these securities, described in § 137 subpara. 5 of the KDPW Rules by completing and submitting a special form using the Entitlement Payment application available on the KDPW website.
2. The provisions of § 121 subpara.1, in relation to § 132 subpara.1 and § 134 subpara. 2 shall also apply in

instances where the payment to be executed at a given deadline is to be processed without KDPW being used as intermediary, as well as in instances where the payment is not to be processed within this deadline.

#### **§ 120b**

Activities performed within the participation type of payment agent may be carried out for payments of entitlements in PLN or EUR.

### **Section 2**

#### **Payment of dividend, advance dividend or payment of entitlements from investment certificates by a closed-end investment fund without redemption of the certificates**

#### **§ 121**

1. The issuer shall notify KDPW of the amount of the dividend allocated for each share as well as of dates D and W, not later than 5 days prior to Day D. This information shall be sent by completing and sending, by means of the Benefits Payment application, the notification form available in it. The issuer shall be liable for the authenticity of the information and for the manner in which it corresponds with the resolution of the relevant governing body of the company on the payment of a dividend.

2. Day W shall be no earlier than day D+3.

3. No later than Day D, the issuer in addition shall specify:

a/ to KDPW, no later than 17:00, by means of the Benefits Payment application, information on the number of shares for which the dividend shall not be paid or shall be paid without using KDPW as intermediary and the number of the entity account on which these shares are to be registered in KDPW,

b/ to participants managing the securities accounts or omnibus securities accounts for the issuer's own shares or other shares for which dividend shall not be paid or shall be paid without using KDPW as intermediary, the number of such shares.

#### **§ 122**

KDPW shall send to direct participants on whose registration accounts securities entitling to dividends are to be registered, or whose registration accounts are to be credited with such securities up to day D inclusively, the information referred to in § 121 subpara. 1, and shall also indicate the date commencing on which the execution of a transaction in the trading system that obliges the transfer of rights in such securities shall not in principle result in the transfer to the purchaser of the right to receive a dividend to which the information refers (ex date).

#### **§ 123**

1. Direct participants shall determine the number of securities entitling to dividends, registered in the securities accounts and omnibus securities accounts kept by the participants, according to the balances at the end of day D. Participants for which KDPW manages omnibus securities accounts shall not be obliged to perform this determination in their securities registration systems.

2. At the end of day D, KDPW shall determine the total number of securities that provide the right to dividends, where these securities are recorded on registration accounts kept in KDPW for separate direct participants.

#### **§ 124**

1. At the end of day D, KDPW shall notify direct participants of the results of the determination referred to in § 123 subpara. 2.

2. Direct participants shall clarify and eliminate any discrepancies between the results of the determination referred to in § 123 subpara. 1 and 2.

3. *[repealed]*

#### **§ 125**

1. Not later than 9:00 on day W-2, participants for which KDPW manages securities accounts, entitled to dividends from securities registered in such accounts, shall provide KDPW with any information and documents

which could impact KDPW's performance of the obligations of withholding agent of the corporate income tax arising in connection with the dividend payment, including documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate, prepared in writing or in other format as required under the applicable provisions of tax law.

2. Not later than 9:00 on day W-2, participants for which KDPW manages omnibus securities accounts shall provide KDPW with a list of names of persons entitled to dividends from securities registered on such accounts containing all the details relating to these persons necessary for the proper performance of the obligations imposed by provisions of law on their withholding tax agent relevant for the tax due on dividend income, and indicating the number of securities owned by each of them at the end of day D. If, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on dividend income, or are obliged to pay the income tax at a rate different than the basic rate, there should also be included together with the list the relevant documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate, prepared in writing or in other format as required by the applicable provisions of tax law.

3. Within the deadline referred to in subpara. 2, participants for which KDPW manages omnibus securities accounts may also provide information on the break-down of persons entitled to a dividend payment from securities depending on their income tax status, if such break-down is different from the break-down according to the balances in registration accounts, referred to in § 58 subpara. 2 point 5 of the KDPW Rules, at the end of day D.

#### **§ 126**

Not later than day D+1, KDPW shall provide the issuer, by means of the Benefits Payment application, with a request to deposit cash to be used when the right to the dividend is exercised.

#### **§ 127**

1. Not later than 11.30 a.m. on day W, the issuer shall provide KDPW with cash allocated for exercising the right to dividends in the bank account indicated by KDPW.

2. KDPW shall distribute the cash received from the issuer onto each participant's cash account according to the principles of the aforementioned provisions, according to which KDPW performs the role of withholding agent, having first retained the appropriate withholding tax.

3. If an issuer provides for exercising the right to dividends an amount of cash different from the amount set out in the request referred to in § 126, the issuer shall specify in detail in written form how the amount provided should be allocated.

#### **§ 128**

1. Not later than day W, inclusive, participants for which KDPW manages securities accounts, entitled to dividends from securities registered in these accounts, may submit the declarations referred to in Article 26 subpara. 1a of the Corporate Income Tax Act of 15 February 1992 (i.e. Dz. U. (Journal of Laws) 2019, item 865). Such declarations should be submitted to KDPW in the relevant tax return form.

2. If a declaration of a participant eligible to submit it is delivered to KDPW:

1/ on or before day W-2 – KDPW shall withhold no income tax on the dividend paid to that participant, described in subpara. 1, to the extent defined in the declaration,

2/ later than day W-2 – KDPW shall refund the withheld amount of income tax to the cash account of the participant not later than day W+2, to the extent defined in the contents of that declaration.

#### **§ 129**

1. Participants for which KDPW manages omnibus securities accounts may, in order to recover in whole or in part on behalf of taxpayers entitled from securities registered in such accounts the amount of income tax withheld by KDPW on the basis of information or documents delivered within the deadline defined in § 125 subpara. 2, provide KDPW, not later than the second business day of the calendar month following the month of payment of the dividend, with data or documents concerning taxpayers not disclosed on the list referred to in § 125 subpara. 2 together with information indicating the number of securities owned by each of them at the end of day D, or additional data or documents concerning taxpayers disclosed on the list (quick refund). The data concerning such taxpayers and information concerning their holding balances shall be provided by participants

in the form of an additional list of persons entitled to dividends, and such list should additionally include the data of all such taxpayers disclosed on the list referred to in § 125 subpara. 2 for which KDPW withheld the tax without any tax credit or exemption. The provisions of § 125 subpara. 2 shall apply accordingly to the additional list of persons entitled to dividends and to any documents provided together with the list.

2. KDPW shall recalculate the amount of income tax due from a taxpayer only if, in the light of information contained in the additional list of persons entitled to dividends and in the documents referred to in subpara. 1, the same or a lower rate of the same tax or a tax exemption should apply to the taxpayer. If such information indicates that the holder of the omnibus securities account has changed the tax classification of a person entitled to dividends as a corporate income taxpayer or as a personal income taxpayer, KDPW shall recalculate the tax due from such persons provided that the conditions referred to in the preceding sentence are met and that it involves the disclosure of the identity of the taxpayer.

3. Refunds of withheld tax amounts in full or in part shall only be made in PLN.

### **§ 130**

1. Participants for which KDPW manages omnibus securities accounts may submit to KDPW in the name of the taxpayer, or may provide a formal request prepared by the taxpayer for the purpose of issuing, respectively, a declaration, described in Article 8c subpara. 1 of the Law on Trading in financial instruments, or personal information relating to the amount of the income received by the taxpayer being at the same time a natural person without a place of residence in the Republic of Poland, as described in Article 42 subpara. 2 point 2 of the Personal Income Tax Act of 26 July 1991 (i.e. Dz. U. (Journal of Laws) 2018, item 1509, with later amendments), or information about payments made and taxes withheld, described in Article 26 subpara. 3 point 2 of the Corporate Income Tax Act of 15 February 1992 (i.e. Dz. U. (Journal of Laws) 2019, item 865, with later amendments).

2. The request to issue a declaration, described in subpara. 1, may be submitted in writing. The request to issue personal information, described in subpara. 1, shall be submitted in writing.

3. Together with the application described in subpara. 1, the participant for which KDPW manages an omnibus securities account shall submit to KDPW in electronic form information containing taxpayer details, necessary to prepare the declaration or the information described in subpara. 1.

4. Within 14 calendar days of the date of the submission or provision by the participant of the request described in subpara. 1, together with the details described in subpara. 3, KDPW shall send the participant, respectively, the declaration or the information described in subpara. 1.

### **§ 131**

In case of an advance dividends, the provisions of § 121 - § 130 shall apply accordingly.

### **§ 132**

1. The provisions of subparas. 2-9, as well as the provisions of § 121 - § 124 and § 130 shall apply where relevant to the payment of income of a closed-end investment fund without redemption of investment certificates. In instances where the issuer uses a payment agent as intermediary, the information described in § 121 subpara. 1 shall be submitted by the payment agent.

2. If entitlements are to be paid also from investment certificates registered on a securities account managed in KDPW for a direct participant, such participant shall, no later than 9:00 on day W-2, provide KDPW with all information and documents which may impact KDPW's performance of the obligations of the withholding agent of corporate income tax arising in connection with the payment of such entitlements, including documents confirming the right not to withhold such tax or to use a tax rate different than the basic rate, prepared in writing or in other format as required under the applicable provisions of tax law.

3. No later than 9:00 on day W-2, direct participants for which KDPW manages omnibus securities accounts shall send KDPW a list of names of persons entitled to receive the entitlement payment from investment certificates registered on omnibus securities accounts managed for them in KDPW, containing all the detailed information relating to these persons, which is necessary properly to perform the legal obligations imposed on income tax withholding agents, and indicating the number of investment certificates held by each of those persons on day D. If on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of income tax on such entitlements, or are obliged to pay the income tax at a rate different than the basic rate, there should

also be included together with the list the relevant documents prepared in writing or in other format as required under the applicable provisions of tax law, confirming the right not to withhold such tax or to use a tax rate different than the basic rate

4. No later than the date referred to in subpara. 3, participants for which KDPW manages omnibus securities accounts may also provide information on the allocation of persons entitled to the payment depending on their income tax status, if such an allocation is different from the allocation according to the balances in registration accounts, referred to in § 58 subpara. 2 point 5 of the KDPW Rules, at the end of day D.

5. No later than day D+1, KDPW shall provide the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about the cash amount to be used to pay out the entitlement.

6. Subject to the provisions of subpara. 7, no later than 11:30 on day W, the issuer shall provide KDPW with cash allocated for the payment of the entitlements in a cash account or KDPW bank account.

7. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 5, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 9, on day W, the payment agent should send the confirmation no later than 13.00 on day W.

8. If for the purpose of paying the entitlement the issuer transfers an amount other than the amount contained in the information described in subpara. 5, then it shall be obliged to indicate in detail in written form the method used for allocating the amount.

9. KDPW shall allocate the amount of entitlements received from the issuer or from the payment agent for payment to cash accounts of direct participants as determined according to the process described in § 123 subpara. 2., and taking into account the provisions of the preceding subparagraphs, having first withheld the relevant tax in respect of which KDPW performs the obligations of withholding agent.

**Section 3**  
**Payment of interest**  
**and redemption of bonds, mortgage bonds or bank securities**

**§ 133**

*Repealed*

**§ 134**

1. The provisions of this paragraph shall apply where day D is the same day for all securities assigned with such a code.

2. Not later than day D-2, the issuer – or in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW of the dates of days D and W, as well as the amount of entitlements (including entitlements deriving from redemption) for each security. Day W shall fall not earlier than on day D+3. This information shall be delivered by completing and sending, by means of the Benefits Payment application, the notification form available in it.

2a. In the event of an early full redemption of debt securities assigned a specific code, the issuer shall in addition before D-5 send KDPW a document confirming that they have the authority to perform this redemption or a declaration indicating the legal basis for the redemption and confirming that all the conditions have been met to permit the issuer to perform the redemption.

2b. No later than 17:00 on day D, the issuer – or, in instances where the issuer uses a payment agent as intermediary, then the payment agent may, by means of the Benefits Payment application, define the number of securities for which the interest payment or the execution of the redemption payment will be processed without using KDPW as intermediary. Such an announcement shall be deemed effective if the number of the entity account on which these securities are registered in KDPW is indicated.

2c. The provisions of subpara. 2b shall not apply in the case of partial payment of the nominal amount of debt securities.

3. The provisions of the second and third sentence of subpara. 2 shall not apply to payments of benefits from bonds issued by the State Treasury.

4. The information described in subpara. 2 shall be sent by KDPW to direct participants on whose registration accounts securities entitling to payments are registered or whose registration accounts will be credited with such securities on or before day D.
5. KDPW shall determine the number of securities from which entitlements are to be paid according to the balances in accounts of individual participants at the end of day D.
6. Direct participants shall determine the number of securities from which entitlements are to be paid and which are registered in securities accounts or omnibus securities accounts managed by them according to the balances at the end of day D. Participants for which KDPW manages omnibus securities accounts shall not be obliged to perform such determination as part of their securities registration systems.
7. At the end of day D, KDPW shall notify direct participants of the balances of the securities accounts to which the entitlements are to be paid. In the event of any discrepancy between the determined values referred to in points 5 and 6, a direct participant shall clarify and eliminate the discrepancy.
8. Not later than 9:00 on day W-2, participants for which KDPW manages securities accounts, who are entitled to interest / discount from securities registered on these accounts, shall provide KDPW with any information and documents which could impact KDPW's performance of the obligations of withholding agent of the corporate income tax arising in connection with the payment of interest / discount to foreign tax residents, including documents confirming that the right not to withhold the tax or to use a tax rate different than the basic rate while for discounts, confirming the price of the securities purchase in primary or secondary trading by the taxpayer, or the taxpayer's testator or donor, prepared in writing or in other format as required under the applicable provisions of tax law. If the entitlements are paid from bonds issued by the State Treasury, the information and documents referred to in the preceding sentence shall be provided to KDPW not later than 12:00 on day W-1.
9. Not later than 9:00 on day W-2, participants for which KDPW manages omnibus securities accounts shall send KDPW a list of names of persons entitled to receive interest / discount from securities registered on these accounts, containing all the detailed information relating to these persons, which is necessary properly to perform the legal obligations imposed on withholding agents for income taxes, and indicating the number of securities to which title is held by each of those persons at the end of day D. If on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on such income, or are obliged to pay the income tax at a rate different than the basic rate, there should also be included together with the list the relevant documents prepared in writing or in other format as required under the applicable provisions of tax law, confirming the right not to withhold the tax or to use a tax rate different than the basic rate, while for discounts, confirming the price of the securities purchase in primary or secondary trading by the taxpayer, or the taxpayer's testator or donor. If the entitlements are paid from bonds issued by the State Treasury, the information and documents referred to in the first and second sentence shall be provided to KDPW not later than 12:00 on day W-1.
10. Within the deadline set in subpara. 9, participants for which KDPW manages omnibus securities accounts may also provide information on the break-down of persons entitled to a payment of interest / discount depending on their income tax status, if such break-down is different from the break-down according to the balances in registration accounts, referred to in § 58 subpara. 2 point 5 of the KDPW Rules, at the end of day D.
11. Not later than day D+1, KDPW shall provide the issuer - or in instances where the issuer uses a payment agent as intermediary, then the payment agent - with information about the cash amount to be used to pay out the interest / discount, or redemption of securities by means of the Benefits Payment application. The provisions of the first sentence shall not apply in instances where the issuer is the State Treasury.
12. Subject to the provisions of subpara. 12a, not later than 11.30 on day W, the issuer shall be obliged to make available to KDPW on the relevant KDPW bank account, the cash amount to be paid out as entitlement. "12a. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 11, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 13, on day W, the payment agent should send the confirmation not later than 13.00 on day W.
13. KDPW shall distribute the amount of entitlements received from the issuer or from the payment agent for payment to cash accounts of participants as determined according to the subparas. above, having first withheld



the relevant tax with respect to which KDPW performs the obligations of withholding agent. The provisions of § 127 subpara. 3 shall apply accordingly, subject to the provisions of subpara. 13a.

13a. If in order to perform a partial repayment of the nominal value of debt securities assigned with a specific code, the issuer shall send KDPW an amount lower than the amount defined in the information described in subpara. 11, this repayment shall not be processed and the amount of the payment received shall be returned by KDPW to the issuer.

14. The issuer shall be liable for the accuracy of the information provided in accordance with the provisions of subpara. 2 and the manner in which the information conforms to the relevant documents, which should correspond to the payment of the entitlement.

14a. In instances where the provision of the notice, described in subpara. 2b, indicating that the processing of the payment following the redemption of a specific number of securities is to take place without using KDPW as intermediary, a pre-condition of the de-registration of these securities on day W from the entity account indicated in this notice is the delivery by the direct participant, for whom the account is managed, of a change of status instruction to blocking under this operation, not later than 15.30 on day W. The delivery by the direct participant of such an instruction to KDPW may only take place following the redemption of the securities to which the instruction relates, and if the payment for their redemption is not processed in full using this participant as intermediary, then the delivery of the aforementioned instruction may only take place following the receipt of confirmation of the execution of the payment from an entity authorised to receive it. In that case, subpara. 2 shall not apply.

15. In instances where the processing by the issuer of the securities redemption payment shall take place without KDPW acting as intermediary, and without submitting the information, described in subpara. 2b, the deregistration of these securities from the registration accounts managed in KDPW shall take place following the submission by the issuer of an annex to the issue letter or update document, indicating the number of securities redeemed and the number of the registration account on which these securities are registered and following the sending of a change of status instruction for these securities to blocked pending execution of the operation by the direct participant managing the securities account or the omnibus securities account on which these securities are registered. The provisions of the second sentence of subpara. 14a. shall apply to the sending of such instructions. In that case, subpara. 2 shall not apply.

16. The provisions of subpara. 1 - 14a shall not apply to the payment of cash benefits arising from the redemption of bonds which are paid after the redemption date. In that case, the issuer shall inform KDPW of the date of the cash transfer no later than the day preceding the cash transfer to KDPW. Such payment shall be made in accordance with Article 8 subpara. 6 and 7 of the Bond Act.

### § 135

1. If the redemption of securities takes place at the request of the owner and the amount of the payment is determined on the date the owner has submitted the relevant declaration (day Z), the issuer shall provide KDPW with an annex to the issue letter of these securities, or update document, indicating in particular the number of bonds the issuer will redeem, the amount of the payment, the date of the payment, and the direct participant's account from which the redeemed bonds are to be deregistered. The issuer shall provide such information to KDPW at least two days prior to the date of the transfer of funds for the redemption of the securities.

*2. Repealed.*

3. Direct participants receiving redemption orders shall deliver them to the issuer not later than day Z+1. At the same time, direct participants shall provide KDPW with instructions relating to the change of status of the securities to which the redemption orders relate, to blocked for the purpose of exercise.

*4. Repealed*

5. Together with the redemption orders for securities registered on securities accounts managed for them in KDPW, participants shall provide KDPW, not later than day Z+2, with any information and documents which could impact KDPW's performance of the obligations of withholding agent of the corporate income tax arising in connection with the payment of such entitlements to foreign tax residents, including documents confirming that the right not to withhold the tax or to use a tax rate different than the basic rate while for discounts, confirming the price of the securities purchase in primary or secondary trading by the taxpayer, or the taxpayer's inheritor or donor, prepared in writing or in other format as required under the applicable provisions of tax law.

6. Not later than day Z+2, participants for which KDPW manages omnibus securities accounts shall send KDPW a list of names of persons who submitted redemption orders for securities registered on such accounts, containing



all the detailed information relating to these persons, which is necessary properly to perform the legal obligations imposed on withholding agents for income taxes on interest / discount, and indicating the number of securities to which title is held by each of those persons at the end of day Z. If, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on such income or are obliged to pay the withholding tax at a rate different than the basic rate, there should also be included together with the list the relevant documents prepared according to the relevant requirements of tax law, confirming the right not to withhold the tax or to use a tax rate different than the basic rate, while for discounts, confirming the price of the securities purchase in primary or secondary trading by the taxpayer, or the taxpayer's inheritor or donor.

*7. Repealed*

8. The issuer shall be obliged to transfer to the control of KDPW the amount of the funds destined for the payment not later than 11.30 am on day W. This amount shall be transferred onto the cash accounts of participants indicated in documents received from the issuer, having verified that the number of bonds subject to the redemption corresponds to the number of bonds blocked on the accounts of participants.

**§ 136**

*Repealed*

**§ 137**

1. The provisions of this paragraph shall apply in instances of voluntary early redemption of securities other than the redemption described in § 135 subpara.1, performed on the basis of the declarations of entitled holders of those securities.

2. Not later than five days before the date when entitled holders may begin to declare securities for early redemption, the issuer – and in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW of the following:

- 1/ the id code of the securities subject to early redemption,
- 2/ the deadline until which entitled holders may present securities for early redemption,
- 3/ the unit amount of the payment,
- 4/ day W, and
- 5/ the maximum number of securities eligible for early redemption on day W.

Day W may not be earlier than the fifth day following the deadline for accepting notifications for early redemption.

3. The information described in subpara. 2 shall be delivered by completing and sending, by means of the Benefits Payment application, the notification form available in it.

4. The provisions of the second sentence of subpara. 2, or of subpara. 3, shall not apply to bonds issued by the State Treasury.

5. The issuer shall be held liable for the accuracy of the information provided in accordance with the provisions of subpara. 2 and the manner in which the information conforms to the relevant documents, which should correspond to the payment of the entitlement.

6. KDPW shall send the information, referred to in subpara. 2, to direct participants in whose registration accounts securities subject to early redemption are to be registered or whose registration accounts are to be credited with such securities up to the deadline for accepting notifications.

7. If a rights holder presents securities for voluntary early redemption, the participant shall block such securities on the securities account kept for that person, or on that person's relevant omnibus securities account.

8. On a date determined by KDPW, being not earlier than the second day following the deadline for accepting notifications, direct participants shall deliver to KDPW instructions relating to securities presented for early redemption on day W, on the basis of which the securities shall be blocked on the registration accounts managed in KDPW.

9. On the basis of information contained in the instructions referred to in subpara. 7, KDPW shall make available to the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about of the total number of securities presented for early redemption on day W, by means of the Benefits Payment application.

10. KDPW shall determine the number of securities that are subject to early redemption on day W. Where the

total number of securities presented for early redemption on day W exceeds the threshold indicated in accordance with the provisions of the first sentence of subpara. 2 point 5, KDPW shall commence performing the activities described in § 138.

11. Not later than day W-1, KDPW shall provide the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about the cash amount to be paid out for the early redemption of securities, providing the information by means of the Benefits Payment application. The provisions of the first sentence shall not apply in instances where the issuer is the State Treasury.

12. Not later than 11.30 on day W, the issuer shall be obliged to make available to KDPW on the relevant KDPW bank account, the cash amount to be paid out for the early redemption of securities.

13. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 11, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 14, on day W, the payment agent should send the confirmation not later than 13.00 on day W.

14. KDPW shall distribute the payment amount received from the issuer or from the payment agent for payment on cash accounts of participants, according to the principles described in the subparas. above, having first withheld the relevant tax with respect to which KDPW performs the obligations of withholding agent. KDPW then deregisters the redeemed securities from the registration accounts managed in KDPW.

15. The removal of the block on the securities presented for early redemption on day W, established on registration accounts managed in KDPW, shall take place after KDPW has determined that their redemption before that date shall not take place. KDPW shall determine this while taking into account the effects of the activities described in § 138.

### **§ 138**

1. KDPW shall process a reduction of the number of securities presented for early redemption on a given date on the basis of information contained in instructions sent by direct participants in accordance with the provisions of § 137 subpara. 8.

2. If the total number of securities presented for early redemption on a given redemption date is higher than the maximum number of securities indicated in accordance with the provisions of § 137 subpara. 2, the reduction of the presented securities shall take place according to the following principles:

1/ the reduction shall be made in proportion to the number of securities presented for voluntary early redemption from each securities account and each omnibus securities account;

2/ the reduction rate shall be determined in such a way that its application ensures the redemption of the highest possible number of securities presented from each securities account and each omnibus securities account, while avoiding a situation where the number of securities presented for redemption to the issuer is higher than the maximum number of securities indicated by the issuer or the payment agent,

3/ fractions of securities resulting from the application of the reduction rate referred to in point 2 shall be ignored,

4/ if the number of securities eligible for early redemption determined according to points 1-3 is lower than the maximum number of securities indicated by the issuer or the payment agent, one security shall be added to each reduced block of securities individually presented for early redemption from each securities account and omnibus securities account, in the order from the largest to the smallest block, until the number of securities eligible for early redemption is equal to the maximum number of securities indicated by the issuer or the payment agent,

5/ if it is not possible to increase all reduced blocks of securities individually presented for early redemption from each securities account and omnibus securities account in the manner described in point 4, and in particular if individual blocks contain the same number of securities, the block to be increased shall be selected at random.

### **§ 139**

1. The provisions of this paragraph shall apply in instances of mandatory early partial redemption of securities assigned with a given code, performed at the request of an issuer that is not the State Treasury.

2. Within the meaning of the provisions of this paragraph, day R shall be the day on which the balances of securities assigned with a given code on securities accounts and omnibus securities account are calculated for

the purpose of determining the number of securities to be presented for mandatory early redemption on day W from each of these accounts.

3. An issuer that intends to perform the early partial redemption of securities assigned with a given code, shall submit to the operator of the regulated market or the alternative trading system where these securities are traded, an application for suspension of trading in these securities starting from day R-2.

4. Not later than on day R-5, the issuer – and in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW of the following:

1/ the id code of the securities subject to early redemption,

2/ the unit amount of the payment,

3/ day R and day W,

4/ the number of securities subject to early redemption by the issuer on day W, and

5/ the legal basis entitling the issuer to perform the early redemption of securities on day W.

Day W may not be earlier than the fifth day following day R.

5. The information described in subpara. 2 shall be delivered by completing and sending, by means of the Benefits Payment application, the notification form available in it.

6. Before R-5, the issuer shall in addition send KDPW a document confirming that the issuer is entitled to perform the early redemption of securities on day W, or a declaration indicating the legal basis for the action, confirming that all the necessary conditions for the action to take place have been met.

7. The issuer shall be held liable for the accuracy of the information provided in accordance with the provisions of subpara. 2 and the manner in which the information conforms to the relevant documents, which should correspond to the payment of the entitlement.

8. The information, referred to in subpara. 4, shall be sent by KDPW to direct participants in whose registration accounts securities subject to early redemption are to be registered or whose registration accounts are to be credited with such securities up to day R inclusively.

6. If a rights holder presents securities for voluntary early redemption, the participant shall block such securities on the securities account kept for that person, or on that person's relevant omnibus securities account.

7. On a date determined by KDPW, being not earlier than the second day following the deadline for accepting notifications, direct participants shall deliver to KDPW instructions relating to securities presented for early redemption on day W, on the basis of which the securities shall be blocked on the registration accounts managed in KDPW.

8. On the basis of information contained in the instructions referred to in subpara. 7, KDPW shall make available to the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about of the total number of securities presented for early redemption on day W, using the dedicated application available on the KDPW website.

9. KDPW shall determine the balances on registration accounts managed for direct participants with respect to securities assigned for redemption, according to the balance at the end of day R.

10. Direct participants shall determine the balances of securities assigned for redemption on securities accounts and omnibus securities accounts managed by those participants, according to the balances at the end of day R. Participants for which KDPW manages omnibus securities accounts shall not be obliged to perform such actions for the securities accounting systems they manage.

11. At the end of Day R, KDPW shall notify direct participants of the balances of the securities accounts subject to redemption requests. In the event of any discrepancy between the determinations referred to in subparas. 9 and 10, the direct participant shall clarify and eliminate the discrepancy.

12. In the period between day R and the date of the blocking of securities selected for early redemption on day W, according to the provisions of subpara. 16, the only operations to be carried out in the depository system relating to the securities subject to the early redemption will be operations related to the early redemption procedure.

13. On day R+1, direct participants managing securities accounts or omnibus securities accounts shall send KDPW instructions indicating the balances of securities subject to the redemption request on each securities account or omnibus securities account, determined on day R. These instructions should be sent separately for each securities account or omnibus securities account managed for a participant.

14. On the basis of the information contained in the instructions described in the provisions of subpara. 13, as well as on the basis of the balances determined on day R on securities accounts and omnibus securities accounts managed in KDPW, KDPW shall determine the number of securities subject to early redemption by the issuer on

day W, registered on each securities account and each omnibus securities account. This shall be determined by applying a rate equal to the number of those securities indicated in subpara. 4, point 4, second sentence, multiplied by their total number registered in the central depository on day R, where:

1/ fractions of securities arising as a result of the application of this rate shall be ignored;

2/ if the total number of securities selected following the application of this rate for early redemption on day W is lower than the number of securities indicated by the issuer or payment agent, in accordance with the provisions of subpara. 4, point 4, second sentence, one security shall be added to the number of securities to be redeemed from each securities account and from each omnibus securities account in the order from the account on which their highest number was registered on day R to the account on which the lowest number of such securities was registered on day R until the total number of securities selected for early redemption on day W is equal to the number of securities described by the issuer or payment agent, in accordance with the provisions of subpara. 4, point 4, second sentence;

3/ if the increase in the number of securities to be redeemed from each securities account and from each omnibus securities account in the manner described in point 2, shall prevent the expected number of these securities to be selected, in particular due to identical balances of such securities on at least two such accounts on day R, the selection of those accounts for which such an increase was carried out shall take place at random.

15. In the event that no instruction, referred to in subpara. 13, is received by KDPW from a direct participant managing securities accounts or omnibus securities accounts, KDPW shall determine the total number of securities, which are subject to early redemption by the issuer on day W on all the securities accounts or omnibus securities accounts managed by that participant. This shall be performed by KDPW according to the provisions of subpara. 14, using as a basis for the operation the balances on the accounts managed for that participant on day R.

16. KDPW shall make available to direct participants information on the results of what it has determined according to the provisions of subpara. 14 and 15. At the same time, KDPW shall block securities selected for early redemption on day W on registration accounts managed for direct participants.

17. *Repealed*

18. Not later than day W-1, KDPW shall provide the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about the cash amount to be paid out for the early redemption of securities, by means of the Benefits Payment application.

19. Not later than 11.30 on day W, the issuer shall be obliged to make available to KDPW on the relevant KDPW bank account, the cash amount to be paid out for the early redemption of securities.

20. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 18, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 21, on day W, the payment agent should send the confirmation not later than 13.00 on day W.

21. KDPW shall distribute the payment amount received from the issuer or from the payment agent for payment on cash accounts of participants, according to the principles described in the subparas. above, having first withheld the relevant tax with respect to which KDPW performs the obligations of withholding agent. KDPW then deregisters the redeemed securities from the registration accounts managed in KDPW.

#### **§ 140**

*Repealed*

#### **§ 141**

*Repealed*

#### **§ 142**

*Repealed*

#### **§ 143**

1. Participants for which KDPW manages omnibus securities accounts may, in order to recover on behalf of taxpayers entitled from securities registered in such accounts in whole or in part the amount of income tax

withheld by KDPW on the basis of information or documents delivered within the deadline defined in § 134 subpara. 9, shall provide KDPW, not later than the second business day of the calendar month following the month of payment of the entitlement, with data or documents concerning taxpayers not disclosed on the list referred to in § 134 subpara. 9, together with information indicating the number of securities owned by each of them at the end of day D, or additional data or documents concerning taxpayers disclosed on the list (quick refund). The data concerning such taxpayers and information concerning their holding balances shall be provided by participants in the form of an additional list of persons entitled to interest / discount, and such list should additionally include the data of all such taxpayers disclosed on the list referred to in § 134 subpara. 9, for which KDPW withheld the tax without any tax credit or exemption. The provisions of § 134 subpara. 9 shall apply accordingly to the additional list of persons entitled to interest / discount and to any documents provided together with the list.

2. KDPW shall recalculate the amount of income tax due from a taxpayer only if, in the light of information contained in the additional list of persons entitled to interest / discount and in the documents referred to in subpara. 1, the same or a lower rate of the same tax or a tax exemption should apply to the taxpayer. If such information indicates that the holder of the omnibus securities account has changed the tax classification of a person entitled to interest / discount as a corporate income taxpayer or as a personal income taxpayer, KDPW shall recalculate the tax due from such persons provided that the conditions referred to in the preceding sentence are met and that it involves the disclosure of the identity of the taxpayer.

3. Refunds of withheld tax amounts in full or in part shall only be made in PLN.

4. The provisions of subparas. 1-3 shall not apply in instances where income tax has been charged and collected according to principles applied to anonymous taxpayers and KDPW does not perform the role of withholding agent for this tax with respect to taxpayers disclosed by the holder of the omnibus securities account.

#### § 144

1. Participants for which KDPW manages omnibus securities accounts may submit to KDPW in the name of the taxpayer, or may provide a formal request prepared by the taxpayer for the purpose of issuing, respectively, a declaration, described in Article 8c subpara. 1 of the Law on Trading in financial instruments, or personal information relating to the amount of the income received by the taxpayer being at the same time a natural person without a place of residence in the Republic of Poland, as described in Article 42 subpara. 2 point 2 of the Personal Income Tax Act of 26 July 1991 (Dz. U (Journal of Laws) 2018, item 1509, with later amendments), or information about payments made and taxes withheld, described in Article 26 subpara. 3 point 2 of the Corporate Income Tax Act of 15 February 1992 (Dz. U (Journal of Laws) 2019, item 865, or – if the request concerns income from interest on securities issued by the State Treasury – information relating to the amount of income received by the corporate income taxpayer without an establishment or management in the Republic of Poland.

2. The request to issue a declaration, described in subpara. 1, may be submitted in writing. The request to issue personal information, described in subpara. 1, shall be submitted in writing.

3. Together with the application described in subpara. 1, the participant for which KDPW manages an omnibus securities account shall submit to KDPW in electronic form information containing taxpayer details, necessary to prepare the declaration or the information described in subpara. 1.

4. Within 14 calendar days of the date of the submission or provision by the participant of the request described in subpara. 1, together with the details described in subpara. 3, KDPW shall send the participant, respectively, the declaration or the information described in subpara. 1.

**Section 4****The exercise of rights derived from convertible bonds, bonds with priority rights or subscription warrants to acquire or subscribe to shares of a new issue****§ 145**

1. The processing of the exercise of rights to acquire or to subscribe to shares of a new issue derived from convertible bonds, bonds with priority rights or subscription warrants shall take place on the basis of entries on registration accounts managed in KDPW of shares of a new issue with the simultaneous deregistration from these accounts of securities from which rights have been exercised.
2. The provisions of § 146 - § 148 shall apply to the processing of the exercise of rights to acquire shares of a new issue derived from convertible bonds, unless such processing takes place according to § 73 subpara. 1 of the KDPW Rules.
3. The processing of the exercise of rights to acquire shares of a new issue derived from bonds with priority rights or subscription warrants shall take place according to § 73 subpara. 1 of the KDPW Rules.

**§ 146**

1. If a declaration required to exercise rights to acquire shares of a new issue is submitted by the rights holder, the participant keeping a securities account for the rights holder or the relevant omnibus securities account, shall block the relevant number of convertible bonds from which rights are to be exercised and then send this declaration to the issuer and deliver to KDPW an instruction to change the status of the convertible bonds to "blocked for exercise of rights".
2. The provisions of subpara. 1 shall apply accordingly to KDPW if in a given instance the convertible bonds from which rights are to be exercised are registered in a securities account, or omnibus securities account managed in KDPW.

**§ 147**

1. The registration of shares of a new issue and the deregistration of convertible bonds from registration accounts shall take place on the basis of an application delivered by the issuer to KDPW together with an annex to the issue letter of the convertible bonds, or the update document and together with an annex to the issue letter of shares of a new issue, subject to the provisions of § 9.
2. Subject to the second sentence of § 9 subpara. 3, the operation described in subpara. 1 shall take place within three days of the date of the receipt by KDPW of the necessary documents required for it to be performed, on condition that the agreement for the registration of shares of a new issue has already been concluded and the number of convertible bonds blocked for exercise corresponds to the number of convertible bonds indicated in the issuer's application referred to in subpara. 1.

**§ 148**

1. If a rights holder who submitted the declaration referred to in § 146 subpara. 1 to the issuer did not acquire shares of a new issue, the issuer shall inform the participant which transmitted the declaration before the delivery of the application referred to in § 147 subpara. 1 to KDPW.
2. In instances referred to in subpara. 1, a direct participant shall immediately send an instruction to the depository system to unblock the convertible bonds from which rights were not exercised or from which shares of a new issue were not acquired.

**Section 5**  
**Exercising pre-emptive rights**  
**to acquire shares of a new issue**  
**(subscription rights)**

**§ 149**

1. "Current shareholder" shall in this Section mean a person who at the end of the subscription right event was the owner of shares conferring a subscription right.
2. "Primary subscription" shall in this Section mean a subscription for shares of a new issue performed by means of the exercise of subscription rights for those shares. "Additional subscription for shares" shall in this Section mean the subscription referred to in Article 436 § 2 of the Commercial Companies Code.
3. "Allocation of shares of a new issue" shall in this Section mean the process of determining the number of shares of a new issue to be allocated to additional subscriptions by current shareholders by means of indicating the number of transferable rights arising from these subscriptions, which are subject to the registration principles described in the provisions of § 141 subpara. 2 herein.

**§ 150**

1. Immediately on adopting by the company a resolution on the increase in share capital with subscription rights, however, not later than seven days before the subscription right event, the issuer shall deliver to KDPW:
  - 1) a certified copy of the company's resolution on increasing the authorised capital by means of subscription rights,
  - 2) an application to conclude an agreement to register individual subscription rights,
  - 3) an issue letter concerning individual subscription rights and rights arising from subscriptions for shares of a new issue.
2. An issue letter concerning individual subscription rights and rights arising from subscriptions for shares of a new issue shall indicate in particular:
  - 1) the number of shares of a new issue,
  - 2) the number of individual subscription rights entitling holders to acquire one share of the new issue or the number of shares of the new issue derived from one individual subscription right (the subscription ratio),
  - 3) the date of the subscription right event,
  - 4) the start date and the end date of subscription for shares of a new issue,
  - 5) the date when the allocation of the shares of a new issue is to be performed,
  - 6) the code numbers of shares from which subscription rights are to be exercised,
  - 7) indicating whether the payment of the issuer for payment for shares of a new issue may be deducted from the subscriber's payment,
  - 8) the issue price of shares of the new issue.
3. If the information referred to in subpara. 2 point 4, 5, 7 or 8 is not determined by the date when the issuer delivers the documents referred to in subpara. 1 to KDPW, the issuer shall indicate it in the content of the issue letter of individual subscription rights and the issue letter of rights arising from subscriptions for shares of a new issue. Once the missing information is determined, the issuer shall immediately submit it to KDPW by delivering an annex to the issue letter.
4. To enable the registration of individual subscription rights, the participant who is to perform the role of registration agent shall take actions necessary to open a technical entity account in KDPW.

**§ 151**

- KDPW shall inform direct participants on whose registration accounts shares from which subscription rights will be exercised are registered or whose registration accounts will be credited with such shares on or before the subscription date of the following:
- 1/ the subscription right date,
  - 2/ the code numbers of shares from which subscription rights are to be exercised,
  - 3/ the code numbers of individual subscription rights,
  - 4/ the start date and the end date of subscription for shares of a new issue in exercise of subscription rights,
  - 5/ the maximum number of shares of the new issue,



- 6/ the number of individual subscription rights entitling holders to acquire one share of the new issue or the number of shares of the new issue derived from one individual subscription right (the subscription ratio),
- 7/ the issue price of shares of the new issue,
- 8/ the code of the right arising from subscriptions for shares of the new issue,
- 9/ the date of the completion of the allocation of shares of the new issue,
- 10/ the date commencing on which the execution of a transaction in the trading system that obliges the transfer of rights in shares from which subscription rights shall be exercised shall not in principle result in the transfer of this right to the purchaser (ex date).

#### **§ 152**

1. On the date of the subscription rights event, at the end of that day, direct participants shall determine the balances of securities accounts and omnibus securities managed by them on which the shares (for which the subscription right derives) shall be registered.
2. Subject to the provisions of the first sentence of § 141 subpara. 1 of the KDPW Rules, the registration of individual subscription rights on technical accounts for depository accounts, omnibus accounts and securities accounts, managed by KDPW or by its direct participants shall take place on the date following the date of the subscription right event. Participants shall register individual subscription rights according to the balances described in subpara. 1.
3. Direct participants shall be obliged to verify the content of statements from technical accounts used to register individual subscription rights in KDPW against the balances of the relevant accounts on which these rights have been registered within the records kept by those participants.
4. Direct participants shall clarify and eliminate any discrepancy between the balances referred to in subpara. 3 within one day of the subscription right event date.
5. If the registration of individual subscription rights on technical accounts in KDPW shall take place, respectively on the date that these rights have been introduced to trading in the regulated market, or on the date of their first listing on an alternative trading market, a participant may register these rights directly on securities accounts, or omnibus accounts managed by that participant, however, not earlier than after having received a statement from the technical accounts. In such instances, the participant shall verify whether the balance of individual subscription rights registered in the participant's accounts corresponds to the balance in the statement, whereas the statement from registration accounts managed in KDPW, confirming that individual subscription rights have been registered on them, serve only for informational purposes.
6. KDPW shall transfer the individual subscription rights from the technical accounts onto registration accounts managed for direct participants as depository and securities accounts, or omnibus accounts, following the receipt of information, respectively, from the company managing the regulated market, confirming that they have been admitted to trading on this market, or from the entity organising the alternative trading system confirming that they have been admitted to trading. Direct participants shall perform the transfer of individual subscription rights onto securities accounts they manage on the basis of balance statements from registration accounts provided by KDPW, confirming the registration of individual subscription rights on these accounts, subject to the provisions of subpara. 5.
7. The provisions of subpara. 1-6 to the extent that these relate to activities performed by direct participants shall not apply to participants for which KDPW manages omnibus securities accounts.

#### **§ 153**

1. In the period set for exercising subscription rights, holders of individual subscription rights and persons entitled to additional subscriptions may subscribe and make the payment for the shares to direct participants managing the accounting system in which individual subscription rights are registered.
2. If individual subscription rights are entered in a registration system managed by a participant which is a custodian bank or in a registration system managed in relation to a securities account or omnibus securities account held by a participant in KDPW, subscriptions and payments made for shares in exercise of such individual subscription rights in the Republic of Poland should be delivered to a direct participant, which is an investment firm.

#### **§ 154**

1. After the rights holder subscribes for shares, the direct participant which accepted the subscription shall block the exercised individual subscription rights in the securities account of the rights holder, or on the relevant omnibus securities account, or in some cases in the technical account managed for this account.
2. If the subscription was made in exercise of a subscription right registered in a registration system managed by a participant which is a custodian bank or in a registration system managed in relation to a securities account or an omnibus securities account held by a participant in KDPW, KDPW shall transfer the exercised individual subscription rights to an appropriate registration account kept for the direct participant indicated, as described in § 153 subpara. 2, acting on the basis of matching settlement orders entered by such participants into the depository system.

#### § 155

1. Not later than three days after the expiry of the period set for exercising subscription rights, by 15.30, direct participants shall send to KDPW instructions relating to the exercise of individual subscription rights and instructions relating to subscriptions submitted for additional shares of a new issue. On the basis of instructions for the exercise of individual subscription rights, they are blocked pending exercise on registration accounts managed by KDPW.
2. In the instruction relating to the exercise of individual subscription rights, the direct participant shall indicate the total number of shares of a new issue which have been subscribed for in the primary phase, and may also indicate the number of individual subscription rights, which have been exercised and which need to be assigned a status of “blocked pending exercise” in the records maintained for that participant by KDPW. If the number of exercised individual subscription rights defined in the instruction sent by the participant is not sufficient to cover the number of shares of a new issue indicated in this instruction, the instruction shall be rejected. If the number of exercised subscription rights has not been defined in the instruction sent by the participant, KDPW shall block pending exercise a set amount of individual subscription rights entered on the participant’s registration accounts which may be determined on the basis of the defined subscription ratio, or – if the number of individual subscription rights entered on the participant’s registration accounts is insufficient – the participant’s instruction shall be rejected.
3. Instructions relating to additional subscriptions, which are applied for, should be sent separately for each securities account and omnibus account, however, this should be done in such a manner that there should be only one instruction issued for each entitled entity.
4. Cash accepted as payment for shares of a new issue, for which primary and additional subscriptions have been submitted, should be available on the participant’s cash account on the fourth day following the expiry of the deadline for exercise of the subscription rights, before 11.30 at the latest. On the basis of the information described in subpara. 1 and in § 150 subparas. 2 and 3, KDPW shall send a payment order debiting the cash account of the participant for the amount of cash.
5. If the direct participant makes payments in relation to participation in the depository system using a payment agent, this payment agent, not later than 11.00 on the fourth day following the expiry of the deadline of exercise of subscription rights, may indicate a debit limit, which the payment from the participant, as described in subpara. 4 above, should not exceed. In such instances, the provisions of § 84 of the KDPW Rules shall apply accordingly.

#### § 156

1. Within 5 days of the expiry of the deadline for the exercise of subscription rights, KDPW shall, based on information contained in instructions described in § 155 subpara. 1 received from direct participants, inform the issuer of the following:
  - 1/ the number of shares of a new issue taken up and paid for following the primary subscription, as well as the number of these subscriptions,
  - 2/ the number of shares of a new issue for which additional subscriptions have been applied for, as well as the number of these subscriptions,
  - 3/ the value of the shares paid for following debit of payment.
2. If all of the shares offered have been acquired in the exercise of subscription rights within the primary subscription, KDPW shall notify direct participants of this.

3. Within four days of receiving the information referred to in subpara. 2, direct participants shall send directly to the issuer lists of persons who have acquired the shares, referred to hereinafter as “buyer lists”.

#### **§ 157**

1. If not all of the shares offered have been acquired within the primary subscription, the issuer shall be obliged to inform KDPW, not later than 11.30 on the day preceding the day of the allocation of the shares of a new issue, of the number of shares to be allocated following additional subscription.
2. On the basis of the information described in subpara. 1, KDPW shall close the individual subscription rights accounts and credit the technical accounts for depository accounts with rights arising from the primary subscription for shares of a new issue, according to the participants’ instructions relating to the exercise of individual subscription rights, referred to in § 155 subpara. 2.

#### **§ 158**

1. . If, pursuant to Article 17(1) or Article 23(2) of Regulation (EU) 2917/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, subscribers acquire the right to rescind their subscriptions, the issuer shall immediately notify KDPW of this and indicate the date by which subscribers may submit statements on this matter.
2. On the basis of information obtained from the issuer, KDPW shall immediately inform direct participants on the deadline for sending KDPW the instruction on cancelled subscriptions.
3. If a subscriber submits a statement of rescission of subscription, direct participants shall, by 10.00 a.m. on the day immediately following the date mentioned in subpara 1., deliver to KDPW the instruction on cancelled subscriptions.
4. KDPW shall provide the issuer with corrected information referred to in § 156 subpara. 1 based on information in the instruction relating to cancelled subscriptions, sent by direct participants according to subpara. 3. In such instances, the issuer shall provide to KDPW information referred to in § 157 subpara. 1, which shall apply accordingly.
5. Within two days of the last date of the deadline indicated according to the provisions of subpara. 2, KDPW shall return to direct participants amounts obtained from the participants corresponding to payments made for subscriptions rescinded by subscribers.

#### **§ 159**

1. KDPW shall perform the allocation of shares of a new issue, not earlier than on the seventh day following the end of the period set for exercising subscription rights, on condition of receipt from the issuer of the information described in § 157 subpara. 1.
2. In instances referred to in § 158 subpara. 1, the allocation of shares of a new issue may take place not earlier than on the day following the day of receipt by KDPW, according to § 158 subpara. 4, of information referred to in § 157 subpara. 1.

#### **§ 160**

1. The allocation of shares of a new issue, shall take place according to the following principles:
  - 1) if rights holders make additional subscriptions for a number of shares not higher than the number of shares offered for acquisition in such subscriptions, shares shall be allocated in the number indicated in the additional subscriptions,
  - 2) if rights holders make additional subscriptions for a number of shares higher than the number of shares offered for acquisition in such subscriptions, shares shall be allocated according to the following principles:
    - a) the part of additional subscriptions representing the surplus over the number of all shares offered in the issue shall be ignored,
    - b) the share allocation shall take place in proportion to the size of the additional subscriptions taking into consideration the principle defined in item a,
    - c) fractional numbers of shares shall not be allocated,
  - 3) shares not allocated in an allocation taking place according to point 2 shall be allocated to persons who made additional subscriptions for the highest number of shares; shares shall be allocated to the rights holders in the order from the rights holders whose additional subscriptions are for the highest number of shares, one

share each, until all shares remaining after the non-allocation of fractional numbers of shares are allocated; if the foregoing criteria cannot be applied, in particular if additional subscriptions are for the same number of shares, shares shall be allocated at random.

2. In those instances described in subparas. 1 and 2, if the additional subscription has been partially paid for following the debit of the subscriber's payment, the value of this payment shall be used first in order to pay for the shares.

#### **§ 161**

1. On the date of the allocation of shares of a new issue performed by KDPW, participants shall receive information on the number of shares of a new issue allocated to individual subscribers. At the same time, KDPW shall send the issuer documents on the results of this allocation.

2. Having performed the allocation of the shares of a new issue, KDPW shall credit the technical accounts for depository accounts, omnibus accounts, or securities accounts managed on behalf of participants with rights arising from additional subscriptions submitted for shares of a new issue, correspondingly to the results of the allocation.

#### **§ 162**

1. In the event that the issue has not been successfully completed, the issuer shall be obliged immediately to inform KDPW of this fact, not later however, than before the deadline defined in Article 438 § 3 of the Commercial Companies Code.

2. KDPW shall return to direct participants the amounts debited from them, corresponding to the payments for shares of a new issue within two days after receiving from the issuer documents confirming that the issue of these shares has not been successfully concluded and shall deregister from direct participants' accounts the rights arising from subscriptions submitted for these shares.

3. In instances where the number of shares for which additional subscriptions were made is higher than the number of shares not acquired on the basis of primary subscriptions, KDPW shall return the excess payments to direct participants within two days of the allocation of shares of a new issue.

#### **§ 163**

Within four days of receiving the information concerning the number of allocated shares, direct participants shall deliver to the issuer the final list of persons who have acquired shares as part of the primary subscription and in additional subscriptions. The list shall take the form of a "buyer list".

#### **§ 164**

*Repealed*

#### **§ 165**

The transfer of rights arising from subscriptions for shares of the new issue or individual subscription rights registered on technical accounts kept in KDPW or by a direct participant, onto another account, shall not be permitted, unless this is unrelated to the transfer of these rights to another entity or its purpose is exclusively to reflect the consequences of a legal event that results in the statutory transfer of these rights to another entity.

#### **§ 166**

1. On the day of the registration of rights to shares, KDPW shall close the technical accounts of rights arising from subscriptions for shares of the new issue and shall credit the accounts of rights to shares according to the balances of the closed accounts.

2. If as part of the primary and additional subscription, not all the shares have been subscribed for and the issuer has performed the allocation of the remaining portion of the issue in accordance with the provisions of Article 436 § 4 of the Commercial Companies Code, the issuer shall then be obliged to indicate in the issue letter for the rights to shares, and should they not be registered in the depository, then in the issue letter for shares of a new issue, or annex to the share issue letter, the number of shares allocated by the issuer in this manner, as well as the number of the registration account of the participant on which, respectively, the rights to shares, or shares of a new issue are to be registered.

**§ 167**

1. The registration of shares of a new issue acquired in exercise of subscription rights shall consist in relevant changes to registration account balances made by KDPW and direct participants.
2. The relevant changes to account balances shall be made by means of closing the accounts used to register rights to shares, and in the event that they are not registered - rights arising from subscriptions for shares of a new issue, and crediting the accounts used to register shares of a new issue with the balances of the closed accounts.
3. If the shares of a new issue are to be marked with the same code number as the shares registered in the depository, the shares of the new issue shall be registered provided that all the shares assigned the same securities code are interchangeable (fungible).

**§ 168**

1. Cash paid as payment for shares of a new issue shall be transferred by KDPW to the issuer within two days of the receipt by KDPW of a declaration by the issuer that the increase of its share capital has been registered by the registry court together with a current transcript from the company register confirming that fact and a copy of the notarial deed containing a statement that the amount of the share capital is stated in the articles of association, if the issuer's board has made such a statement or, if the issuer made a declaration in the prospectus connected with the public offering to the effect that it intends to apply on the basis of the prospectus for the admission of the shares of a new issue to trading on the regulated market, then within two days after:

1/ the later of: the submission of the declaration and a transcript to KDPW or the admission of the shares to trading on the regulated market, or

2/ the later of: the submission of the declaration and a transcript to KDPW or the introduction of the shares to the alternative trading system, provided that the issuer made a declaration in the prospectus to the effect that, should the shares not be admitted to trading on the regulated market, it will seek the introduction of the shares to the alternative trading system.

The transfer of the cash shall take place onto the bank account indicated by the issuer.

2. The issuer shall provide KDPW with an application for the conclusion of an agreement for the registration of shares of a new issue, together with the documents required for the conclusion of the agreement, within two weeks of the submission of the declaration referred to in subpara. 1.

3. If the events which are, under subpara. 1 point 1 or 2, the conditions for the transfer of cash to the issuer, fail to occur within the validity period of the prospectus, KDPW shall pay such cash back to the direct participants who have paid it, unless a direct participant provides KDPW with a declaration confirming that the eligible investor of investors agree not to be paid back and specifying the aggregate amount of cash not to be paid back. In that case, KDPW shall transfer the cash in the amount specified in the declaration to the bank account specified by the issuer.

4. If the resolution concerning an increase of the issuer's share capital fails to be lodged with the registry court within the time limit set according to Article 431 § 4 of the Commercial Companies Code or the decision of the registry court refusing the registration of such increase becomes final, the issuer shall immediately notify KDPW thereof. KDPW shall pay back the cash referred to in subpara. 1 to the direct participants who have paid it within two days after the receipt of such notification.

5. KDPW may pay back the cash referred to in subpara. 1 to direct participants if it comes to its attention from other reliable sources that the time limit referred to in subpara. 4 has expired or an event referred to in subpara. 4 has occurred. In that case, KDPW shall call the issuer to make a relevant declaration, and the cash shall be paid back no earlier than two weeks after such call is issued, unless the issuer provides clarifications challenging the merit of the repayment within that time limit.

**Section 6**  
**Redemption of investment certificates**  
**at the request of entitled holders**

**§ 169**

Whenever the provisions of this Section refer to:

- 1/ Day U – this shall mean the date on which KDPW makes available to the issuer information on the number of investment certificates presented for redemption on a given date;
- 2/ Day T – this shall mean the redemption date of the certificates.

**§ 170**

1. The issuer – or in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW each time of the following:
  - 1/ day U, day T, the deadline until which entitled holders may submit requests for the redemption of investment certificates on day T, as well as on the potential need for KDPW to perform a reduction in the number of investment certificates subject to such requests - not later than the day preceding the date when holders may begin to submit such requests.
  - 2/ the number of investment certificates subject to redemption on day T, if this number may be reduced under the provisions of the issuer's articles of association – not later than on day W-2,
  - 3/ day W and the unit redemption price of the investment certificates – immediately once they have been determined, however, not later than on day D-2.
2. Day U shall not fall earlier than on the second day following the expiry of the deadline for holders to submit requests for redemption of investment certificates on day T.
3. The information described in subpara. 1 shall be submitted by completing and sending, by means of the Benefits Payment application, the notification form available in it.
4. The issuer shall be liable for the accuracy of the information provided in accordance with the provisions of subpara. 1 and the manner in which the information conforms to the relevant documents, which should correspond to the redemption process of the investment certificates.
5. KDPW shall provide the information, referred to in subpara. 1, each time on receipt to direct participants which hold investment certificates that are subject to redemption on registration accounts in KDPW, or whose registration accounts will be credited with these investment certificates, not later than the deadline on the last day for submitting redemption requests.

**§ 171**

Where an entitled holder submits a request for the redemption of investment certificates, the direct participant shall block them on the entitled holder's securities account, or on the applicable omnibus securities account.

**§ 172**

1. Not later than day U – 1, direct participants shall send KDPW instructions relating to investment certificates presented for redemption on day T. These instructions should be sent separately for the certificates presented for redemption from each securities account and from each omnibus securities account.
2. On the basis of the instructions described in subpara. 1, the investment certificates indicated in these instructions shall be blocked on the registration accounts managed in KDPW for direct participants.
3. Not later than on day T, direct participants, for which KDPW manages omnibus securities accounts shall provide KDPW with a list of names of natural persons, which have submitted on day T a request for redemption of investment certificates registered on these accounts, containing all the details relating to these persons necessary for the proper performance of the obligations imposed by provisions of law on their withholding tax agent relevant for the tax due on income from the redemption of investment certificates, and indicating the number of redeemed certificates presented for redemption by each of these persons. The relevant documents should be attached to the list, confirming the expenses incurred by these persons, or by their inheritors, or donors for the purchase of redeemed investment certificates and if, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation,

these persons are exempted from the payment of withholding tax on such income or are obliged to pay the income tax at a rate different than the basic rate, there should also be included the relevant documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate. Such documents shall be prepared in the format required by the applicable provisions of tax law.

#### **§ 173**

On day U, on the basis of information contained in the instruction described in § 172 subpara.1, KDPW shall provide the issuer - or in instances where the issuer uses a payment agent as intermediary, then the payment agent - with information on the total number of investment certificates presented for redemption on day T, by means of the Benefits Payment application.

#### **§ 174**

1. KDPW shall determine the number of investment certificates subject to redemption on day T. If the total number of investment certificates presented for redemption on day T exceeds the threshold indicated in accordance with the provisions of § 170 subpara.1 point 2, determining the number takes place following the performance of the activities described in subpara. 2.
2. The processing of the reduction of the number of investment certificates presented for redemption on day T shall take place according to the following principles:
  - 1/ the reduction shall be made in proportion to the number of investment certificates presented for redemption on day T from each securities account and each omnibus securities account;
  - 2/ the reduction rate shall be determined in such a way that its application ensures the redemption of the highest possible number of investment certificates presented from each securities account and each omnibus securities account while avoiding a situation where the number of investment certificates presented for redemption to the issuer is higher than the number of investment certificates indicated by the issuer or by the payment agent in accordance with the provisions of § 170 subpara.1 point 2,
  - 3/ fractions of investment certificates resulting from the application of the reduction rate referred to in point 2 shall be ignored,
  - 4/ if the number of investment certificates eligible for redemption on day T, determined according to points 1-3 is lower than the number of investment certificates indicated by the issuer or by the payment agent, in accordance with the provisions of § 170 subpara.1 point 2, one investment certificate shall be added to each reduced block of investment certificates being presented for redemption from each securities account and omnibus securities account, in the order from the largest to the smallest block until the number of investment certificates eligible for redemption is equal to the number indicated by the issuer or by the payment agent, in accordance with the provisions of § 170 subpara.1 point 2,
  - 5/ if it is not possible to increase in the manner described in point 4 all reduced blocks of investment certificates presented for redemption to the fund from each securities account and omnibus securities account, and in particular if individual blocks contain the same number of investment certificates, the block to be increased shall be selected at random.
3. The removal of the block on the investment certificates presented for redemption on day T, established on registration accounts managed in KDPW, shall take place after KDPW has determined that their redemption before that date shall not take place. KDPW shall determine this while taking into account the effects of the activities described in subpara. 2.

#### **§ 174a**

1. KDPW shall provide the issuer - or in instances where the issuer uses a payment agent as intermediary, then the payment agent - with information about the cash amount to be used to pay out the redemption of investment certificates, by means of the Benefits Payment application.
2. Not later than 11.30 a.m. on day W, the issuer shall be obliged to provide with cash for the entitlement payment at the disposal of KDPW, in a bank account identified by KDPW.
3. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 1, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that



KDPW shall be able to distribute the cash amount, described in subpara. , on day W, the payment agent should send the confirmation not later than 13.00 on day W.

4. KDPW shall distribute the cash received from the issuer or the payment agent onto the participants' cash accounts according to the principles described in the preceding subparagraphs, having first retained the appropriate withholding tax from the cash distribution in instances where KDPW performs the role of withholding agent; KDPW shall then deregister the redeemed investment certificates from the registration accounts managed in KDPW.

#### **§ 174b**

1. The provisions of this paragraph shall apply in instances of mandatory partial redemption of investment certificates assigned with a given code, performed irrespective of the request of a fund participant.

2. An issuer that intends to perform the mandatory partial redemption of investment certificates assigned with a given code, shall submit to the operator of the regulated market or the alternative trading system where these investment certificates are traded, an application for suspension of trading in these investment certificates starting from day T-2.

3. The issuer – and in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW of the following:

1/ the id code of the investment certificates subject to mandatory partial redemption – no later than on day T-5,

2/ day T – no later than on day T-5,

3/ the number of the investment certificates subject to redemption on day T – immediately when determined but no later than on day W-2,

4/ day W and the unit redemption price of the investment certificates – immediately when determined but no later than on day W-2,

5/ the legal basis entitling the issuer to perform the mandatory partial redemption of investment certificates on day T irrespective of the request of a fund participant.

4. Day W may not be earlier than the third day following day T.

5. The information described in subpara. 3 shall be delivered by completing and sending, by means of the Benefits Payment application, the notification form available in it.

6. Before T-5, the issuer shall in addition send KDPW a document confirming the existence of the entitlement to perform the mandatory partial redemption of investment certificates on day T irrespective of the request of a fund participant, or a declaration indicating the legal basis for the action, confirming that all the necessary conditions for the action to take place have been met.

7. The issuer shall be held liable for the accuracy of the information provided in accordance with the provisions of subpara. 3 and the manner in which the information conforms to the documents which should correspond to the payment of the entitlement.

8. The information, referred to in subpara. 3, shall be sent by KDPW to direct participants in whose registration accounts investment certificates subject to redemption are registered or whose registration accounts are to be credited with such investment certificates up to day T inclusively.

9. KDPW shall determine, at the end of day T, the balances on registration accounts managed for direct participants with respect to investment certificates for redemption.

10. Direct participants shall determine the balances of investment certificates for redemption on securities accounts and omnibus securities accounts managed by those participants, according to the balances at the end of day T. Participants for which KDPW manages omnibus securities accounts or securities accounts shall not be obliged to perform such actions.

11. At the end of Day T, KDPW shall notify direct participants of the balances of accounts of investment certificates subject to redemption. In the event of any discrepancy between the determinations referred to in subparas. 9 and 10, the direct participant shall clarify and eliminate the discrepancy.

12. In the period between day T and the date of the blocking of securities selected for redemption, according to the provisions of subpara. 16, the only operations to be carried out in the depository system relating to the investment certificates subject to redemption will be operations related to the redemption procedure.

13. On day T+1, direct participants managing securities accounts or omnibus securities accounts shall send KDPW instructions indicating the balances of investment certificates subject to the redemption request on each securities account or omnibus securities account, determined on day T. These instructions should be sent

separately for each securities account or omnibus securities account managed for a participant.

14. KDPW shall determine the number of investment certificates subject to redemption by the issuer, registered on each securities account and each omnibus securities account, on the basis of the information contained in the instructions described in the provisions of subpara. 13, as well as on the basis of the balances determined on day T on securities accounts and omnibus securities accounts managed in KDPW. This shall be determined by applying a rate equal to the number of those investment certificates indicated in subpara. 3, point 3, to their total number registered in the central depository on day T, where:

1/ fractions of investment certificates arising as a result of the application of this rate shall be ignored;  
2/ if the total number of investment certificates selected following the application of this rate for redemption on the given day is lower than the number of investment certificates indicated by the issuer or payment agent, in accordance with the provisions of subpara. 3, point 3, one investment certificate shall be added to the number of investment certificates to be redeemed from each securities account and from each omnibus securities account in the order from the account on which their highest number was registered on day T to the account on which the lowest number of such investment certificates was registered on day T until the total number of investment certificates selected for early redemption on the given day is equal to the number of investment certificates described by the issuer or payment agent, in accordance with the provisions of subpara. 3, point 3;  
3/ if the increase in the number of investment certificates to be redeemed from each securities account and from each omnibus securities account in the manner described in point 2, shall prevent the expected number of these investment certificates to be selected, in particular due to identical balances of such investment certificates on at least two such accounts on day T, the selection of those accounts for which such an increase was carried out shall take place at random.

15. In the event that no instruction, referred to in subpara. 13, is received by KDPW from a direct participant managing securities accounts or omnibus securities accounts, KDPW shall determine the total number of investment certificates, which are subject to redemption by the issuer on a given day on all the securities accounts or omnibus securities accounts managed by that participant. This shall be performed by KDPW according to the provisions of subpara. 14, using as a basis for the operation the balances on the accounts managed for that participant on day T.

16. KDPW shall make available to direct participants information on the results of what it has determined according to the provisions of subpara. 14 and 15. At the same time, KDPW shall block investment certificates selected for redemption on a given day on registration accounts managed for direct participants.

17. No later than on day T+1, direct participants for which KDPW manages omnibus securities accounts shall send KDPW a list of names of natural persons entitled to receive the entitlement payment from the redemption of investment certificates registered on such omnibus securities accounts, containing all the detailed information relating to these persons, which is necessary properly to perform the legal obligations imposed on tax withholding agents in respect of their income on the redemption of investment certificates, and indicating the number of investment certificates subject to redemption held by each of those persons at the end of day T. The relevant documents should be attached to the list, confirming the expenses incurred by these persons, or by their inheritors, or donors for the purchase of redeemed investment certificates and if, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on such income or are obliged to pay the income tax at a rate different than the basic rate, there should also be included the relevant documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate. Such documents shall be prepared in the format required by the applicable provisions of tax law.

18. No later than day W-1, KDPW shall provide the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about the cash amount to be transferred to KDPW, by means of the Benefits Payment application.

19. No later than 11.30 on day W, the issuer shall be obliged to make available to KDPW on the relevant KDPW bank account, the cash amount to be paid out for the redemption of investment certificates.

20. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 18, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 21, on day W, the payment agent should send the confirmation no later than 13.00 on day W.

21. KDPW shall distribute the payment amount received from the issuer or from the payment agent for payment on cash accounts of participants, according to the principles described in the subparas. above, having first withheld the relevant tax with respect to which KDPW performs the obligations of withholding agent; KDPW then deregisters the redeemed investment certificates from the registration accounts managed in KDPW.

#### **§ 174c**

1. The provisions of this paragraph shall apply in instances of mandatory redemption of all investment certificates assigned with a given code, which is not connected with the liquidation of the investment fund and is performed irrespective of the request of a fund participant.
2. No later than on day D-5, the issuer – and in instances where the issuer uses a payment agent as intermediary – the payment agent, shall inform KDPW of day D and day W and the unit redemption price of the investment certificates. Day W may not be earlier than the fifth day following day D. Such information shall be delivered by completing and sending, by means of the Benefits Payment application, the notification form available in it.
3. The issuer shall be held liable for the accuracy of the information provided in accordance with the provisions of subpara. 2 and the manner in which the information conforms to the documents which should correspond to the payment of the entitlement.
4. Before D-5, the issuer shall in addition send KDPW a document confirming the existence of the entitlement to perform the mandatory redemption of all investment certificates assigned with a given code, which is not connected with the liquidation of the investment fund and is performed irrespective of the request of a fund participant, or a declaration indicating the legal basis for the action, confirming that all the necessary conditions for the action to take place have been met.
5. No later than on day D, the issuer – and in instances where the issuer uses a payment agent as intermediary – the payment agent may define the number of investment certificates for which the execution of the redemption payment will be processed without using KDPW as intermediary, by means of the Benefits Payment application. Such an announcement shall be deemed effective if the number of the entity account on which these investment certificates are registered in KDPW is indicated.
6. The information, referred to in subpara. 2, shall be sent by KDPW to direct participants in whose registration accounts investment certificates subject to redemption are registered or whose registration accounts are to be credited with such investment certificates up to day D inclusively.
7. KDPW shall determine the number of investment certificates for redemption registered on registration accounts managed for direct participants at the end of day D.
8. Direct participants shall determine the number of investment certificates for redemption registered on securities accounts and omnibus securities accounts managed by those participants, according to the balances at the end of day D. Participants for which KDPW manages securities accounts or omnibus securities accounts shall not be obliged to perform such actions.
9. At the end of Day D, KDPW shall notify direct participants of the balances of accounts of investment certificates subject to redemption. In the event of any discrepancy between the determinations referred to in subparas. 7 and 8, the direct participant shall clarify and eliminate the discrepancy.
10. No later than 12:00 on day W-3, participants for which KDPW manages omnibus securities accounts shall send KDPW a list of names of natural persons entitled to receive the entitlement payment from the redemption of investment certificates registered on such omnibus securities accounts, containing all the detailed information relating to these persons, which is necessary properly to perform the legal obligations imposed on tax withholding agents in respect of their income on the redemption of investment certificates, and indicating the number of investment certificates subject to redemption held by each of them at the end of day D. The relevant documents should be attached to the list, confirming the expenses incurred by these persons, or by their inheritors, or donors for the purchase of redeemed investment certificates and if, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on such income or are obliged to pay the income tax at a rate different than the basic rate, there should also be included the relevant documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate. Such documents shall be prepared in the format required by the applicable provisions of tax law.
11. No later than day D+1, KDPW shall provide the issuer – or in instances where the issuer uses a payment agent as intermediary, then the payment agent – information about the cash amount to be paid out for the redemption of the investment securities, to be transferred to KDPW, by means of the Benefits Payment application.

12. Subject to subpara. 13, no later than 11.30 on day W, the issuer shall be obliged to make available to KDPW on the relevant KDPW bank account, the cash amount to be paid out.

13. In instances where the issuer uses a payment agent as intermediary, on day W, KDPW debits the payment amount defined in the information, described in subpara. 11, from the cash account of the participant associated with the relevant payment agent. The debit takes place on condition that the payment agent has first confirmed the ability for the debit to be performed, by means of the Benefits Payment application. In order to ensure that KDPW shall be able to distribute the cash amount, described in subpara. 14, on day W, the payment agent should send the confirmation no later than 13.00 on day W.

14. KDPW shall distribute the payment amount received from the issuer or from the payment agent for payment on cash accounts of participants, according to the principles described in the subparas. above, having first withheld the relevant tax with respect to which KDPW performs the obligations of withholding agent; KDPW then deregisters the redeemed investment certificates from the registration accounts managed in KDPW.

#### **§ 175**

1. Direct participants for which KDPW manages omnibus securities accounts may submit to KDPW in the name of the taxpayer, or may provide a formal request prepared by the taxpayer for the purpose of issuing, respectively, a declaration, described in Article 8c subpara. 1 of the Law on Trading in financial instruments, or personal information relating to the amount of the income received by the taxpayer being at the same time a natural person without a place of residence in the Republic of Poland, as described in Article 42 subpara. 2 point 2 of the Personal Income Tax Act of 26 July 1991 (Dz. U (Journal of Laws) 2018, item 1509, with later amendments).

2. The request to issue a declaration, described in subpara. 1, may be submitted in writing. The request to issue personal information, described in subpara. 1, shall be submitted in writing.

3. Together with the application described in subpara. 1, the direct participant for which KDPW manages an omnibus securities account shall submit to KDPW in electronic form information containing taxpayer details, necessary to prepare the declaration or the information described in subpara. 1.

4. Within 14 calendar days of the date of the submission or provision by the participant of the request described in subpara. 1, together with the details described in subpara. 3, KDPW shall send the participant, respectively, the declaration or the information described in subpara. 1.

#### **§ 176**

1. The provisions of § 169 - § 174a and § 175 shall not apply to the redemption of investment certificates performed on request of beneficiaries where investment certificates subject to such redemption are to be withdrawn from registration accounts managed in KDPW in accordance with § 73 subpara. 1 of the KDPW Rules. In that case, the redemption of investment certificates shall be performed in accordance with § 6 subparas. 5 and 6.

2. In instances described in subpara. 1, the issuer shall submit the documents, described in § 6 subpara. 5, items 1 and 2, to KDPW and shall inform KDPW in writing on the planned deadline for sending the registration certificates, described in § 6 subpara. 5 item 1, at least 5 days prior to this deadline.

3. If the withdrawal of the investment certificates from the central depository is to take place on the basis of registration certificates, which do not contain instructions to perform cash settlement by KDPW, the submission by the direct participant of such a registration certificate confirming the ability to withdraw the investment certificates from registration accounts managed for that participant by KDPW may only take place following payment by the issuer of the full amount of the entitlement payment from the redemption of these investment certificates, and if the payment for their redemption is not processed in full using this participant as intermediary, then following the receipt of confirmation of the execution of the payment from an entity authorised to receive it.

**Section 7****Cancellation of investment certificates following the liquidation of an investment fund****§ 177**

1. The cancellation of investment certificates following the liquidation of an investment fund shall consist in the payment of cash on the date and in the amount indicated by the liquidators in an application for the termination of a participation agreement, submitted to KDPW.
2. The application referred to in subpara. 1 shall in particular indicate days D and W, determined in accordance with the provisions of § 178, the amount of the cash to be paid out for each investment certificate and the reason for the liquidation of the fund.

**§ 178**

1. In the event of the liquidation of an investment fund, day D shall be no earlier than three days after the receipt by KDPW of the application referred to in § 177.
2. Day W shall be no earlier than two days after day D.

**§ 179**

1. The cancellation of investment certificates and the payment of cash shall take place according to the following principles:

1/ KDPW shall provide the information referred to in § 177 subpara 2 to direct participants, who hold on their registration accounts the cancelled investment certificates, or whose registration accounts shall be credited with such investment certificates until day D, inclusively;

2/ KDPW shall determine the balances of investment certificates in the accounts of each participant at the end of day D, while the direct participants shall in turn determine these balances on the securities accounts and omnibus securities accounts managed by them; direct participants for which KDPW manages omnibus securities accounts shall not be obliged to perform such determination within the securities registration system managed by them;

3/ at the end of day D, KDPW shall provide direct participants with information about balances on investment certificate accounts and the amount of the entitlements to be paid from their cancellation following the liquidation of an investment fund;

4/ direct participants shall immediately clarify and eliminate any discrepancy between the balances referred to in subpara. 2;

5/ on day D+1, KDPW shall send the liquidator information on the amount of the cash payment to be paid out;

6/ not later than 12:00 on day W-1, direct participants for which KDPW manages omnibus securities accounts may provide information on the break-down of persons entitled to securities depending on their tax status, and identify the holders if such identification is required due to provisions of law applicable in the country of establishment of the issuer or to obtain specific conditions of tax processing through the mediation of KDPW;

7/ not later than 12:00 on day W-1, direct participants for which KDPW manages omnibus securities accounts shall provide KDPW with a list of names of natural persons entitled to payments from investment certificates registered on these omnibus securities accounts, containing all the details relating to these persons necessary for the proper performance of the obligations imposed by provisions of law on their withholding tax agent relevant for the tax due on income from the redemption of investment certificates, and indicating the number of redeemed certificates owned by each of them. The relevant documents should be attached to the list, confirming the price of the purchase of the redeemed investment certificates by such persons and if, on the basis of the applicable provisions of law, and in particular according to the applicable international agreements on the avoidance of double taxation, these persons are exempted from the payment of withholding tax on such income or are obliged to pay the income tax at a rate different than the basic rate, there should also be included the relevant documents confirming the right not to withhold the tax or to use a tax rate different than the basic rate. Such documents shall be prepared in the format required by the applicable provisions of tax law;

8/ not later than 11.30 on day W, the investment fund under liquidation shall provide KDPW, onto the appropriate KDPW bank account, with the full amount of entitlement to be paid from the redemption of investment certificates following the liquidation of an investment fund;

- 9/ KDPW shall transfer the amounts of the entitlements to be paid out, according to the account balances referred to in point 2, while applying the provisions of point 5, having first withheld from these amounts the relevant income taxes due with respect to which KDPW performs the role of withholding agent, and shall deregister the investment certificates from the registration accounts of direct participants.
2. Direct participants for which KDPW manages omnibus securities accounts may submit to KDPW in the name of the taxpayer, or may provide a formal request prepared by the taxpayer for the purpose of issuing, respectively, a declaration, described in Article 8c subpara. 1 of the Law on Trading in financial instruments, or personal information relating to the amount of the income received by the taxpayer being at the same time a natural person without a place of residence in the Republic of Poland, as described in Article 42 subpara. 2 point 2 of the Personal Income Tax Act of 26 July 1991 (i.e. Dz. U (Journal of Laws) 2018, item 1509, with later amendments).
3. The request to issue a declaration, described in subpara. 2, may be submitted in writing. The request to issue personal information, described in subpara. 2, shall be submitted in writing.
4. Together with the application described in subpara. 2, a direct participant for which KDPW manages an omnibus securities account shall submit to KDPW in electronic form information containing taxpayer details, necessary to prepare the declaration or the information described in subpara. 2.
5. Within 14 calendar days of the date of the submission or provision by a direct participant of the request described in subpara. 2, together with the details described in subpara. 4, KDPW shall send the participant, respectively, the declaration or the information described in subpara. 2.

## **Section 8**

### **Redemption of structured certificates**

#### **§ 180**

1. Whenever the provisions of this Section refer to day S, this shall mean the date when the issuer determines the final redemption price of structured certificates marked with a given code number. Days following day S shall be referred to as S+n, where n is the number of days following day S.
2. Day D shall be no earlier than the second day after day S.
3. Day W shall be no earlier than the second day after day D.
4. The issuer shall provide KDPW with written information on day S, day D and day W not later than 2 days prior to day D.
5. An issuer may provide the information referred to in subpara. 4 to KDPW in a format other than in writing if previously agreed with KDPW.

#### **§ 181**

On day S+1, by 6.00 pm, the issuer shall provide KDPW with information on the final redemption price of the structured certificates.

#### **§ 182**

1. KDPW shall determine the balances of structured certificates from which entitlements are to be paid, registered in the accounts of each direct participant at end of day D, and direct participants shall determine their balances on securities accounts and omnibus securities accounts managed by them.
  - 1a. No later than on day D, direct participants may identify structured certificates for which cash entitlements on redemption shall not be paid by the issuer at the discretion of the beneficiaries (waiver of payment). Such identification shall be made by providing KDPW with instructions to change the assets status of structured certificates to blocked upon waiver of payment.
2. At the end of day D, KDPW shall provide direct participants with information on structured certificate account balances and the attributable redemption amount.
3. In the event of any discrepancy between structured certificate balances determined according to subparas. 1 and 1a by KDPW and by a direct participant, the direct participant shall immediately clarify and eliminate such discrepancy.
4. On day D + 1, KDPW shall inform the issuer of the aggregate redemption amount to be provided to KDPW for



the redemption of structured certificates.

#### **§ 183**

On day W, by 11.30 a.m., the issuer of the structured certificates shall be obliged to make available to KDPW, on the relevant KDPW bank account, with the redemption amount to be paid out. This amount shall be allocated and transferred onto the cash accounts of participants according to the balances referred to § 182, subpara.1, however, ignoring structured certificates covered by a waiver of payment referred to in § 182, subpara. 1a.

#### **§ 184**

On day W, KDPW shall remove the redeemed structured certificates from registration accounts managed in KDPW.

#### **§ 184a**

The provisions of § 169-§ 174a shall apply with respect to the processing of the early, voluntary redemption of structured certificates performed on the basis of declarations from entitled holders.

### **Section 9**

#### **Services related to the organisation of general meetings**

#### **§ 185**

1. Immediately after the publication of a notice convening a general meeting, however, in instances where this involves the general meeting of a listed company, then on the same business day and in the instance of another type of company, then not later than on the following day, the issuer shall inform KDPW thereof, indicating in particular the date of the publication, the date and time of the general meeting, the date of registration of participation in the general meeting (registration date), the website where the issuer has published the relevant notice, the location of the general meeting and the various methods available for attending the general meeting. This information shall be transmitted by completing and sending, by means of the General Meetings application, the notification available in it.

2. In addition to the information described in subpara. 1, an issuer that is a listed company may inform KDPW, within the issuer's deadline, as defined in Article 1 item 14 of Commission Implementing Regulation (EU) 2018/1212, with respect to voting at the general meeting according to various pre-defined participation categories and with respect to informing the issuer about the designation of proxies to participate in the general meeting, about the correct address or addresses for informing the issuer about the designation of these proxies, for submitting votes cast by correspondence or by means of electronic transmission to the issuer, on condition that the issuer has consented for such methods of participation at the general meeting, as well as submitting draft resolutions relating to matters on the agenda of the general meeting. The submission of this information shall take place according to the method described in the second sentence of subpara. 1

3. If a general meeting is cancelled, the issuer shall immediately inform KDPW thereof in the mode referred to in the second sentence of subpara. 1.

4. KDPW shall transmit the information referred to in subpara. 1-3 to direct participants.

#### **§ 186**

1. Direct participants shall determine the number of shares giving the right to participate in a convened general meeting, registered on securities accounts and omnibus securities accounts kept by the participants. Participants for which KDPW manages omnibus securities accounts shall not be obliged to perform such determination within the securities registration systems managed by them;

2. KDPW shall determine the number of shares giving the right to participate in a convened general meeting, registered in securities accounts kept for each direct participant.

3. At the end of the registration date, KDPW shall inform direct participants of the findings referred to in subpara. 2. In the event of any discrepancy in the findings referred to in subpara. 1 and 2, the direct participant shall immediately clarify and eliminate the discrepancy.

#### **§ 187**

At the request of an entitled participant holding a securities account kept in KDPW, submitted pursuant to Article



406 3 § 1 of the Code of Commercial Companies and Partnerships, KDPW shall issue to the issuer's name a certificate confirming the right of participation in the general meeting.

#### **§ 188**

1. The mandatory format and structure of the message containing the list of persons entitled to participate in the general meeting, referred to in § 142 subpara.1 or 2 of the KDPW Rules, and the message containing the notice, referred to in § 142b subpara.1, 2 or 3 of the KDPW Rules, as well as the rules for completing such a message shall be defined by KDPW on its website, in accordance with the provisions of § 8 subpara.1-3 of the KDPW Rules.
2. A direct participant, who has been issued a personal named certificate confirming the right to attend a general meeting, shall be obliged to send to KDPW, before the deadline defined in Article 406<sup>3</sup> § 5 of the Code of Commercial Companies and Partnerships, information relating to participation in that general meeting in accordance with the contents of the certificated issued, in the form of a message, referred to in subpara. 1.
3. Information containing data identifying proxies designated by individual persons entitled to attend a general meeting of an issuer that is a listed company may be submitted to KDPW by a direct participant after the participant has also submitted, respectively, the list referred to in § 142 subpara.1 or 2 of the KDPW Rules, or the information referred to in subpara. 2, or the notice, referred to in § 142b subpara.1, 2 or 3 of the KDPW Rules, however, not later than on the last date of the deadline indicated by the issuer and contained in the information, referred to in § 141a of the KDPW Rules, and if this information does not contain this date – then not later than until 14:00 on the date two days prior to the general meeting. This information shall be submitted in the form of a message, referred to in subpara. 1.
4. Information on the manner in which voting rights shall be exercised by each person entitled to participate in the general meeting of an issuer that is a listed company may be, subject to the provisions of the second sentence of § 142 subpara.3a of the KDPW Rules and the second sentence of § 142b subpara.1 of the KDPW Rules, sent to KDPW by a direct participant after the participant has also submitted, respectively, the list referred to in § 142 subpara.1 or 2 of the KDPW Rules, or the information referred to in subpara. 2, or the notice, referred to in § 142b subpara.1, 2 or 3 of the KDPW Rules, however, not later than on the last date of the deadline indicated by the issuer and contained in the information, referred to in § 141a of the KDPW Rules, and if this information does not contain this date – then not later than until 14:00 on the date two days prior to the general meeting. This information shall be submitted in the form of a message, referred to in subpara. 1.

#### **§ 189**

If information in the message containing the list, referred to in § 142 subpara. 1 or 2, the information referred to in § 188 subpara. 2, or the notice referred to in § 142b subpara. 1, 2 or 3 of the KDPW Rules has to be amended after being submitted by a direct participant to KDPW, then that participant shall send a relevant amendment message to KDPW not later than 14:00 on the day preceding, respectively, the last day of the deadline referred to in Article 406<sup>3</sup> § 6, first sentence of the Code of Commercial Companies and Partnerships, or the last date for submitting the notices, indicated by the issuer that is a listed company established outside the territory of the Republic of Poland in the information, referred to in § 141a of the KDPW Rules.

#### **§ 190**

1. If due to technical difficulties the issuer is unable to download from the KDPW website the summary list of persons entitled to attend a general meeting, referred to in § 142 subpara. 4 of the KDPW Rules, or the information referred to in § 142b subpara. 6 of the Rules, the issuer shall be obliged to notify KDPW of the difficulty not later than 15:00, respectively, on the expiry of the deadline referred to in Article 406<sup>3</sup> § 6, first sentence of the Code of Commercial Companies and Partnerships, or on the expiry of the deadline indicated by the issuer as part of the information, referred to in § 141a of the KDPW Rules.
2. On the basis of information on proxies designated by individual persons to attend a general meeting of an issuer that is a listed company contained, respectively, in the lists referred to in § 142 subpara.3a of the KDPW Rules, and the information referred to in § 188 subpara. 2, or in the notices, referred to in § 142b subpara.1-3 of the KDPW Rules, and submitted to KDPW in accordance with the provisions of § 188 subpara.3, KDPW shall prepare a summary list containing information on these proxies and shall make it available to the issuer that is a listed company by means of the General Meetings application.
3. On the basis of information on the manner in which votes are exercised by each authorised person, contained,

respectively, in the lists referred to in § 142 subpara.3a of the KDPW Rules, and the information referred to in § 188 subpara. 2, or in the notices, referred to in § 142b subpara.1-3 of the KDPW Rules, and submitted to KDPW in accordance with the provisions of § 188 subpara.4, KDPW shall prepare a summary list containing information on the manner in which votes are exercised by each authorised person and shall make it available to the issuer that is a listed company by means of the General Meetings application.

4. On the basis of information on the manner each authorised person will be participating in the general meeting, contained, respectively, in the lists referred to in § 142 subpara.3a of the KDPW Rules, and the information referred to in § 188 subpara. 2, or in the notices, referred to in § 142b subpara.1-3 of the KDPW Rules, KDPW shall prepare a summary list containing information on the declared manner in which the right to attend in the general meeting by each authorised person shall be exercised and shall make it available to the issuer that is a listed company by means of the General Meetings application.

5. KDPW shall cease to make available the summary list of persons entitled to participate in the general meeting, referred to in § 142 subpara.4 of the KDPW Rules, or the information, referred to in § 142b subpara.6 of the KDPW Rules, as well as the summary lists referred to in subparas. 2-4, after the deadline of 105 days have passed following the general meeting. In order to calculate this deadline, the provisions of § 9 subpara.1 of the KDPW Rules shall not be applicable.

#### **§ 190a**

1. An issuer that intends to use the IT system described in § 142a subpara. 1 of the KDPW Rules to enable remote voting at a general meeting shall inform KDPW of this by completing and sending, by means of the General Meetings application, the notification form, described in § 185 subpara. 1, containing additional information necessary to perform such voting.

2. Applications for participation in remote voting using the IT system described in § 142a subpara. 1 of the KDPW Rules may only be submitted by persons included on the list described in § 142 subpara. 1 or 2 of the KDPW Rules, or the information referred to in § 188 subpara. 2, or the notices referred to in § 142b subparas 1-3 of the KDPW Rules, containing in addition supplementary information in accordance with the provisions of § 142a subpara. 3 of the KDPW Rules, or proxies empowered by those persons using this system.

3. Verification of the identity of persons with rights from shares, pledgors and users of shares, entitled to voting rights, together with their proxies, who vote using the IT system described in § 84b subpara. 1 of the KDPW Rules, shall take place on the basis of a unique number identifier of a personal certificate or a document with equal legal status to the certificate, issued to the given entitled person.

4. A person with rights from shares, a pledgor or user of shares, entitled to voting rights, or their authorised proxy, determined using the IT system described in § 142a subpara. 1 of the KDPW Rules, shall obtain access to the IT system on the basis of an authorisation code sent by KDPW, respectively, to the email address of the entitled person, indicated by the participant, in accordance with the provisions of § 142a subpara. 3, point 2 of the KDPW Rules, or to the email address of the proxy indicated by the entitled person in the electronic form empowering the proxy.

#### **§ 190b**

1. The IT system, described in § 142a subpara. 1 of the KDPW Rules, shall enable communication between issuers and persons with rights from shares, pledgors, or share users, entitled to voting rights, or their authorised proxies, in particular as regards:

1/ providing information on the convening of a general meeting and relevant details about the event, including the venue and the date and time of the general meeting,

2/ providing information on the cancellation of a general meeting,

3/ providing information on how rights related to participation in the general meeting are to be exercised,

4/ providing information on the agenda and draft resolutions of the general meeting,

5/ providing information on amendments to the agenda and draft resolutions of the general meeting,

6/ providing information on conferring/modifying/rescinding the right to participate in the general meeting,

7/ providing information on the rejection of the existing power of attorney or substitution of the power of attorney,

8/ confirmation of the voting procedure applicable for each draft resolution,

9/ providing information on the approval or non-approval of resolutions by the general meeting and on the

results of the general meeting,

2. The IT system, described in § 142a subpara. 1 of the KDPW Rules, shall enable communication between persons with rights from shares, pledgors, or share users, entitled to voting rights, or their authorised proxies and issuers, in particular as regards:

- 1/ providing information on participation in a general meeting,
- 2/ providing information on participation in a general meeting by a proxy and details of the empowered proxy,
- 3/ providing information on the withdrawal of the declaration of participation in the general meeting,
- 4/ providing information on the withdrawal of the proxy,
- 5/ submitting requests for specific matters to be included in the agenda of the general meeting,
- 6/ submitting proposals for draft resolutions to be included in the agenda of the general meeting,
- 7/ addressing questions to the company management board,
- 8/ providing information on the voting procedure for each draft resolution,
- 9/ submitting requests for the official registration of refusals to approve to resolutions of the general meeting.

### **§ 190c**

1. An issuer that is a company domiciled in the Republic of Poland, however, that is not a listed company, may take advantage of the possibility of using KDPW as an intermediary for sending to the shareholder, pledgor, or share user, entitled to voting rights, or their authorised proxy, a confirmation that its votes have been correctly registered and counted only in instances where voting at the general meeting was carried out by means of the IT system referred to in § 142a subpara.1 of the KDPW Rules, and the confirmation relates to votes cast using this system.

2. KDPW shall cease to accept the confirmations from the issuer, referred to in subpara. 1, after the deadline of 105 days have passed following the general meeting. In order to calculate this deadline, the provisions of § 9 subpara.1 of the KDPW Rules shall not be applicable.

### **Section 9a**

#### **The processing of votes cast at management or supervisory board meetings**

### **§ 190ca**

In order for an issuer to be able to use the IT system, described in § 142e subpara.1 of the KDPW Rules, for the purpose of casting votes at a management or supervisory board meeting, the issuer must first complete an application form made available in the Board – Voting application.

### **§ 190cb**

1. Participation in remote voting using the IT system, described in § 142e subpara.1 of the KDPW Rules is only permitted for those persons indicated by the issuer in the application form, described in § 190ca subpara.1.

2. A person authorised to vote, indicated by the issuer in the application form described in § 190ca subpara.1, shall obtain access to the IT system, described in § 142e subpara.1 of the KDPW Rules, on the basis of an authorisation code sent by KDPW to the relevant email address indicated by the issuer in this application form.

3. The IT system, described in § 142e subpara.1 of the KDPW Rules, enables in particular persons entitled to vote, described in subpara. 2, to be informed of the following:

- 1/ the ability to vote, including voting deadlines,
- 2/ voting cancellation,
- 3/ to confer/withdraw rights to participate in voting,
- 4/ the list of IDs of resolutions, which will be voted on, taking into account the provisions of subpara. 5,
- 5/ the method of voting on specific resolutions,
- 6/ the voting results for each resolution.

4. the information, described in subpara. 3 points 5 and 6, shall be available to entitled persons only up until the moment that voting on items covered by the list, described in subpara. 3 point 4, shall be completed.

5. The issuer shall be obliged to provide each person entitled to vote the information necessary to identify the contents of each resolution being voted on, which have been assigned within the application, described in §

190ca subpara.1, with an ID, described in subpara. 3 point 4. This information shall be provided by the issuer without using the application.

6. The issuer shall be exclusively liable for the content of the information uploaded to the application, described in § 190ca subpara.1, including liability for any consequences related to uploading to the application of any confidential material.

**Section 10**  
**Services related to the identification of shareholders of listed companies**

**§ 190d**

1. An issuer that is a listed company and which intends to collect information enabling the identification of shareholders and determining the numbers of shares they hold according to the balance on a given date, using KDPW as intermediary in accordance with Article 68j subpara. 3 of the Law on trading in financial instruments, shall submit a request to KDPW for making this information available. The submission of such a request may only take place by completing and sending, by means of the Shareholder Identification application, the notification form available in it.
2. A request to collect information on shareholders using KDPW as intermediary should in particular indicate the following:
  - 1) The share id code, to which the request relates,
  - 2) The date on which the balance is determined in order to prepare information on shareholders,
  - 3) The issuer's deadline, as defined in Commission Implementing Regulation (EU) 2018/1212,
  - 4) That the request is intended to be sent on by KDPW and by direct participants,
  - 5) The ownership threshold of the shareholder with respect to the total number of shares or total number of votes in the company which, when exceeded, results in mandatory shareholder disclosure – on condition that the request is submitted by the issuer that is a listed company established outside the Republic of Poland, to which such a threshold shall be applied,
  - 6) KDPW as the authorised receiver of shareholder information.
3. Within the request, referred to in subpara. 2, the issuer may in addition apply for the disclosure of information on the date, starting on which each shareholder, whose identity shall be disclosed to the issuer in response to the request, has held continuously one or more shares assigned the same ID code.
4. The issuer's deadline, referred to in subpara. 2 point 3, should be determined in such a way that it falls not earlier than the 10th day following the date of the submission of the request and at the same time, not earlier than the 3rd day following the date referred to in subpara. 2 point 2.

**§ 190e**

1. Any amendments made to the request, referred to in § 190d subpara.2, may only relate to the issuer's deadline indicated therein and may only involve the postponement of the existing deadline to a later date.
2. The issuer may make the amendment, referred to in subpara. 1, not later than the issuer's deadline to which the amendment refers in the request.
3. The issuer may cancel the request, referred to in § 190d subpara.2, not later than the date indicated in the request as the date on which the balance is determined in order to prepare information on shareholders.

**§ 190f**

1. In their responses to the request, referred to in § 190d subpara.2, sent to KDPW, direct participants shall be obliged to indicate, in addition to the information determined according to the provisions of Article 3 subpara. 2 of Commission Implementing Regulation (EU) 2018/1212, the following information:
  - 1) the numbers of the entity accounts managed for these direct participants in KDPW, on which were registered shares assigned with the id code indicated in the aforementioned request and according to the balance on the date indicated therein, as well as the number of these shares registered on each of these accounts according to the balance on that date,
  - 2) the relevant contact email addresses of these direct participants for matters related to the processing of this request.
2. The reconciliation of the shareholding balances, disclosed in responses sent to KDPW at the request of the issuer, with the share balances on depository accounts and omnibus securities accounts managed in KDPW, described in § 142d subpara.4 of the KDPW Rules, shall consist of the verification of the balance, indicated by the participant in response to the issuer's request, on the entity account managed in KDPW with the balance of that entity account determined by KDPW, as well as the verification of the sum of the balances, indicated in that response, on the securities accounts and omnibus securities accounts managed by the participant, corresponding to that entity account, with the balance of that account determined by KDPW.
3. In instances where the result of the verification, described in subpara. 2, is negative, the response to the

request, referred to in § 190d subpara.2, shall be rejected and will not be made available to the issuer.

#### **§ 190g**

1. Information enabling the identification of shareholders and determining the number of shares held by them, collected by KDPW in connection with the request, referred to in § 190d subpara.2, as well as information prepared by KDPW in response to such a request on the basis of balances on securities accounts managed by KDPW, shall be made available to the issuer that is a listed company by means of the Shareholder Identification application. In instances referred to in § 190f subpara.3, this information shall enable the identification of the direct participant, whose response to the issuer's request was rejected.
2. The information, referred to in subpara. 1, shall be made available in the format determined according to the provisions of Article 3 subpara. 2 of Commission Implementing Regulation (EU) 2018/1212.
3. The information, referred to in subpara. 1, shall be made available for a period of 30 calendar days, however, in instances referred to in § 190h subpara.1, this period shall commence from the date that the last piece of information, prepared or received by KDPW, made available to the issuer in connection with the request, referred to in § 192h subpara.1 submitted by that issuer.

#### **§ 190h**

1. An issuer being a listed company may submit a request for the correction of incomplete or incorrect information, referred to in § 190g subpara.1, within a period of 30 calendar days from the date that this information has been made available to the issuer by KDPW. The provisions of the second sentence of § 190d subpara.1 shall apply accordingly to such requests.
2. A request for the correction of incomplete or incorrect information should indicate the details that require amending, the entity or entities which have provided this information, as well as the deadline, not shorter than 10 days, within which the response to this request should be prepared.
3. KDPW shall send the request for the correction of incomplete or incorrect information to the direct participant, or to another entity indicated in the request.
4. In response to the request for the correction of incomplete or incorrect information, the direct participant shall once more prepare a full response to the request of the issuer, referred to in § 190d subpara.2, and shall send it to KDPW within the deadline indicated in the request for correction. The provisions of § 190f subpara.1, 2 and 3 shall apply accordingly with respect to the renewed response, however:
  - 1) the verification, referred to in § 190f subpara.2, shall only consist of performing the reconciliation between the balance on entity account managed in KDPW, indicated therein, and the balance of that entity account determined by KDPW,
  - 2) if the number of shares, indicated therein, assigned with the same ID code and registered on securities accounts or omnibus securities accounts managed by a direct participant does not correspond with the number of these shares registered on the relevant entity account managed for that participant in KDPW, KDPW may request that the participant provide an explanation of the discrepancy.
5. KDPW shall make available to the issuer information that it has received or prepared in connection with the request submitted by the issuer for the correction of incomplete or incorrect information, on the next business day following the deadline, referred to subpara. 2, indicated by the issuer in the request.

#### **§ 190i**

1. In instances where the request by the issuer relating to the disclosure of information enabling the identification of shareholders and determining the number of shares held by them according to the balance on a given date does not contain any instruction for forwarding that request or indicates another entity, instead of KDPW, as the authorised receiver of this information, then the provisions of §§ 190d-190h shall apply respectively.
2. If the request of the issuer does not contain any instruction for forwarding that request, this shall be understood to mean that the request only relates to making information available to the issuer about those shareholders who hold shares assigned a specific ID code and registered on securities accounts managed in KDPW.

### **Section 10a**

#### **Services relating to shareholder identification, pledgors and users of shares of non-public companies**

### § 190j

1. The submission of a request to provide the information referred to in Article 32813 § 1 point 1-4 and in § 2 of the Commercial Company Code has been submitted by an issuer that is a company established in the territory of the Republic of Poland that is not a public company, or by a direct participant being the shareholder of such a company and authorised to receive this information on the basis of shares registered on the securities account managed in KDPW, as well as the preparation and submission by a direct participant of the instruction, referred to in § 142f subpara.2 of the KDPW Rules, may only take place by completing and sending, by means of the Shareholder Identification application, the notification form available in it.
2. The instruction, referred to in § 142f subpara.2 of the KDPW Rules, in addition to containing the information referred to in § 142f subpara. 4 of the KDPW Rules, should also contain:
  - 1/ the name and surname or company name of the shareholder submitting the request, referred to in subpara. 1,
  - 2/ the residential address or business address of the shareholder,
  - 3/ a description of the method to be used to provide the shareholder with the information referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, selected by the shareholder from among the following options:
    - a/ using the application, referred to in subpara. 1 – in such instances, the instruction should indicate the email address of the shareholder, or
    - b/ by post – in such instances, the instruction should indicate the correspondence address of this shareholder.
3. A direct participant preparing the instruction referred to in § 142f subpara.2 of the KDPW Rules, shall be obliged, prior to sending it to KDPW, to verify the accuracy of the shareholder information indicated in it, respectively, with the shareholder information held by the direct participant in connection with the management of a securities account for the shareholder, or with the shareholder information submitted to the direct participant by the holder of the omnibus securities account managed by that direct participant.

### § 190k

1. The request, referred to in § 190j subpara.1, as well as the instruction, referred to in § 142f subpara. 2 of the KDPW Rules, may be cancelled not later than on the date indicated in them as the date on which the information referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code are to be prepared.
2. The cancellation shall be performed exclusively using the application referred to in § 190j subpara.1.

### § 190l

1. KDPW shall send direct participants the request, referred to in § 190j subpara.1, or the instruction, referred to in § 142f subpara.2 of the KDPW Rules, on the date of their receipt, if they were sent to KDPW before 16.00 on a business day, whereas in other instances – on the next business day not later than 10.00.
2. The provisions of subpara. 1 shall apply accordingly to the provision of information to direct participants by KDPW on the cancellation of the request, referred to in § 190j subpara.1, or the instruction, referred to in § 142f subpara.2 of the KDPW Rules.

### § 190t

1. In their responses to the request, referred to in § 190j subpara.2, or to the instruction, referred to in § 142f subpara.2 of the KDPW Rules, submitted to KDPW, direct participants shall be obliged to indicate the following:
  - 1/ the number of shares to which the request or instruction refers, assigned separate id codes, and recorded according to the balance on the date indicated in them on each securities account managed by them, on condition that the amount is greater than zero,
  - 2/ the names and surnames or company name of the holders of each securities account, referred to in point 1, and in instances of joint-ownership – the names and surnames or company name of each of the joint-owners,
  - 3/ the residential addresses or business addresses or delivery addresses of each holder of a securities account, referred to in point 1, and in instances of joint-ownership - the residential addresses or business addresses or delivery addresses of each of the joint-owners,
  - 4/ for shares that have been pledged or subject to use:
    - a) the name and surname or company name of the pledgor or user,
    - b) the residential address or business address or delivery address of the pledgor or user,



c) whether a given person is a pledgor or a user of shares, and whether that person has been authorised to exercise their voting rights from the encumbered securities,

d) the number of shares to which the request or instruction refers, assigned separate id codes, that have been pledged or used in favour of a given person,

5/ the total number of shares to which the request or instruction refers, assigned separate id codes, and recorded according to the balance on the date indicated in them on all omnibus securities accounts managed by a given participant, on condition that the amount is greater than zero,

6/ the numbers of the entity accounts managed for a given participant in KDPW, on which were registered shares assigned with the id code indicated in the request or instruction and according to the balance on the date indicated therein, as well as the number of these shares registered on each of these accounts according to the balance on that date.

2. A direct participant may only cancel the response to a request, referred to in § 190j subpara. 2, or to the instruction, referred to in § 142f subpara.2 of the KDPW Rules, that they have sent and may send in its place a new response prior to the deadline referred to in § 142f subpara. 7 of the KDPW Rules.

#### **§ 190m**

1. The reconciliation of the shareholding balances disclosed in responses submitted to KDPW to a request, referred to in § 190j subpara. 2, or to the instruction, referred to in § 142f subpara.2 of the KDPW Rules with their balances on depository accounts and omnibus securities accounts managed in KDPW shall consist of the verification of the balance, indicated by the participant in response to the request or instruction, on the entity account managed in KDPW with the balance of that entity account determined by KDPW, as well as the verification of the sum of the balances, indicated in that response, on the securities accounts and omnibus securities accounts managed by the participant, corresponding to that entity account, with the balance of that account determined by KDPW.

2. In instances where the result of the verification, described in subpara. 1, is negative, the information, referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, provided by the direct participant shall be rejected and shall not be made available respectively to the issuer or shareholder.

#### **§ 190n**

1. The information, referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, collected by KDPW from direct participants, as well as information prepared by KDPW on the basis of balances on securities accounts and omnibus securities accounts managed by KDPW, shall be made available to the issuer, the shareholder that is a direct participant, as well as to the shareholder that in accordance with the contents of the instruction, referred to in § 142f subpara.2 of the KDPW Rules, has selected the option to receive the information via the application referred to in § 190j subpara.1.

2. A shareholder that in accordance with the contents of the instruction, referred to in § 142f subpara.2 of the KDPW Rules, has selected the option to receive the information, referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, via the application referred to in § 190j subpara.1., shall obtain access to this information on the basis of an authorisation code sent to that shareholder to the email address indicated in that instruction in accordance with the provisions of § 190j subpara. 2 point 3 (a).

3. The information, referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, collected by KDPW from direct participants, as well as information prepared by KDPW on the basis of balances on securities accounts and omnibus securities accounts managed by KDPW, shall be made available to the shareholder that in accordance with the contents of the instruction, referred to in § 142f subpara.2 of the KDPW Rules, has selected the option to receive the information via recorded delivery post to the correspondence address indicated in that instruction in accordance with the provisions of § 190j subpara.2 point 3 (b).

4. In instances, referred to in subpara. 1, the information, referred to in Article 328<sup>13</sup> § 1 point 1-4 and in § 2 of the Commercial Company Code, shall be made available via the application referred to in § 190j subpara.1., for a period of 30 calendar days.

**Part Five****Corporate actions****Section 1****Exchange of securities – share splits****§ 191**

Within the meaning of the following provisions, the date of the securities split shall be the date of the processing of the operation in the depository system.

**§ 192**

1. Seven days prior to the date of the securities split at the latest, the issuer shall submit an application for the performance of a securities split operation, in which the date of the split shall be indicated, as well as the securities split ratio.
2. The ratio of the securities split shall be implied to mean the ratio of the initial number of securities to the number of securities following the split operation in the depository system.
3. The issuer shall submit the following together with the application described in subpara. 1:
  - 1/ a document confirming the legal basis for the performance of the securities split,
  - 2/ a valid excerpt from the relevant register, should the securities split require an entry record in this register,
  - 3/ an issue letter relating to the securities split.

**§ 193**

On the basis of the application, described in § 192 subpara. 1, and appended documents, KDPW shall make a decision on the performance of the securities split operation and shall inform without delay direct participants of the date of the securities split and the securities split ratio.

**§ 194**

1. A securities split operation registered in the depository system shall consist of recording changes in registration account balances, on which securities with a given ID code are registered, resulting in the increase in the number of securities with this given ID code registered on these accounts, in connection with the reduction in their nominal value, performed in accordance with the securities split ratio indicated by the issuer.
2. A securities split operation should be performed as the first registration procedure at the moment of the opening of the accounting day on the securities split date, based on the registration account balances determined at the end of the day preceding the securities split date.
3. The securities split operation also involves the recalculation, in accordance with the split ratio, of the number of securities included in this operation corresponding to settlement instructions and other registration documents for operations which have not been processed prior to the securities split date, on condition that these have been introduced to the depository system not later than the day preceding the securities split date.
4. Direct participants shall record changes in balances on securities accounts and omnibus securities accounts that they manage on the basis of and in accordance with a KDPW decision, described in § 193. In these instances, a statement from the registration account shall be used to verify that the direct participant has performed the required operation correctly.

**Section 2****Exchange of securities – share reverse split****§ 195**

1. Within the meaning of the following provisions:
  - 1/ day R shall be the day on which the balances are used to determine the number of shares held that are subject to a reverse split in order to calculate the number of shares that will be registered in their place in the

depository system following the reverse split.

2/ the reverse split day is the date of the performance of the reverse share split operation in the depository system.

2. The calculation referred to in subpara. 1 shall take place according to the exchange ratio, which shall be understood to mean the ratio of the initial number of shares to the number of shares following the reverse split operation.

3. KDPW shall perform the processing of share reverse splits following the suspension of trading in these shares in the relevant regulated market or alternative trading system, for a period lasting at least until the date of the reverse split.

4. Day R may not fall earlier than the second day after the intended settlement date of the transactions involving the shares subject to the reverse split, executed in organised trading prior to the date of suspension of trading in these shares.

5. The reverse split day may not fall earlier than on R+5.

6. In the period between day R and the date of the performance of the reverse split, only those operations related to the performance of the reverse split operation are permitted within the depository system.

7. The issuer shall submit an application to the regulated market operator, or alternative trading system operator, where the shares subject to the reverse split are traded, for the suspension of trading in these shares commencing on R-3.

#### **§ 196**

1. Not later than on day R-7, the issuer shall submit to KDPW an application for the shares that will be subject to the reverse split to be incorporated into a global share note in such a way that the number of shares incorporated into one global share note corresponds to the number of shares subject to the reverse split to become one share according to the exchange ratio and the balances on day R. The issuer shall indicate in the application in particular day R and shall apply for the shares which cannot be incorporated into global share notes to be separated and assigned a separate code number.

2. Along with the application referred to in subpara. 1, the issuer shall also include:

- 1) a certified copy of the resolution of the general meeting concerning the reverse split, defining in particular the exchange ratio and day R, or the principles for determining day R;
- 2) the issue letter for incorporating the shares into global notes.

#### **§ 197**

1. Following the receipt of the documents referred to in § 196 subpara. 1 and 2, KDPW shall make a decision concerning the incorporation of the shares that are subject to the reverse split into global share notes and separating and assigning a separate code number to the shares which cannot be incorporated into global share notes.

2. KDPW shall provide direct participants with information on day R and the exchange ratio.

#### **§ 198**

1. Direct participants managing securities accounts or omnibus securities accounts shall determine the number of shares subject to the reverse split on the basis of the balances of these accounts at the end of day R and shall determine the number of global share notes into which these shares shall be incorporated and the number of shares which cannot be incorporated into global share notes.

2. KDPW shall determine the number of shares subject to the reverse split on the basis of the balances of omnibus securities accounts and securities accounts managed by KDPW at the end of day R and shall determine the number of global share notes into which these shares shall be incorporated and the number of shares which cannot be incorporated into global share notes.

#### **§ 199**

1. On day R+2, direct participants shall deliver to KDPW instructions to change the status of shares which cannot be incorporated into global share notes to "blocked for corporate action".

2. In the event of the need to correct errors in calculations on the basis of which the instructions referred to in subpara. 1 were issued, participants shall deliver to KDPW the relevant correction documents not later than by 10.30 a.m. on day R+3.

**§ 200**

1. On day R+4, on the basis of information provided by direct participants according to § 199 and its own calculations referred to in § 198 subpara. 2, KDPW shall incorporate in the depository system the shares that are subject to the reverse split into global share notes and shall assign a separate code number to shares which cannot be incorporated into global share notes and at the same time unblock such shares.
2. On the same day, KDPW shall inform the issuer about the number of global share notes into which shares subject to the reverse split were incorporated and the number of shares which could not be incorporated into global share notes.

**§ 201**

1. Following the registration of amendments of the statute relating to the reverse split and the cancellation of those shares, which could not be incorporated into global share notes, the issuer shall submit to KDPW:
  - 1) an application to perform the reverse split of the shares and to withdraw cancelled shares from the depository,
  - 2) an issue letter for the reverse split of the shares,
  - 3) an issue letter for the cancellation of the shares,
  - 4) certified copies of resolutions of the general meeting which are the basis for these operations to be performed,
  - 5) a valid excerpt from the companies register confirming the registration of the reverse split of the shares incorporated into global share notes and the cancellation of shares which could not be incorporated into global share notes.
2. The reverse split of shares incorporated into global share notes and the withdrawal from the depository of shares which could not be incorporated into global share notes shall be performed simultaneously.

**§ 202**

1. If the payment of entitlements to the holders of cancelled shares is to be performed with the participation of KDPW, the issuer shall submit to KDPW, in addition to the documents referred to in § 201 subpara. 1, information on the amount of entitlements for each cancelled share and days D and W.
2. The provisions of § 122 and § 125 - § 130 shall apply accordingly to KDPW's processing of the payment of entitlements for cancelled shares and the related liabilities of direct participants and the issuer, subject to the provisions of subpara. 3-5.
3. Day W shall be no earlier than five days after day D.
4. The information referred to in § 125 subpara. 1, 2 and 2a relating to entitlements for cancelled shares and the persons entitled to obtain them shall be sent by participants not later than on day D+2.
5. Together with the information referred to in subpara. 1, direct participants for which KDPW manages securities accounts or omnibus securities accounts shall send to KDPW documents confirming the amount of expenditures incurred by persons eligible to receive entitlements for cancelled shares, or their inheritors or donors, to buy or take up cancelled shares, prepared in writing or in other format as required under the applicable provisions of tax law.
6. In instances referred to in subpara. 1, the reverse split of shares incorporated into global share notes and the withdrawal from the depository of shares that could not be incorporated into global share notes shall be performed not earlier than on day D+1.

**§ 203**

1. The provisions of § 196 - § 202 shall not apply where performing a reverse split operation in instances where a Resolution of the general meeting of shareholders of the issuer's company, adopted in relation to the reverse share split, contains provisions indicating that the reverse share split operation shall be performed by eliminating fractional shortages at the expense of the share rights of a shareholder, who has renounced these rights in favour of other shareholders at no charge, in order to enable them to be given one share of the new nominal value in exchange for shares of the previous nominal value, whose number according to the agreed exchange ratio does not correspond to one whole share with a new nominal value.
2. A fractional shortage shall mean the number of shares with the previous nominal value, which in accordance with the applicable exchange ratio, would enable the increase of the number of these shares registered on a

given securities account, or on the omnibus securities account, in such a manner that following the performance of the reverse share split operation, a full and fractionless number of shares with the new nominal value would be registered on this account.

#### **§ 204**

1. In the event described in § 203 subpara. 1, not later than on R-7, the issuer shall submit to KDPW an application for the performance of the reverse share split, indicating in particular the date of R and the reverse split date.
2. Together with the application described in subpara. 1, the issuer shall submit the following:
  - 1) a copy of the Resolution of the general meeting of shareholders regarding the reverse share split, describing in particular the exchange ratio and day R, or the rules for setting this date, as well as the rules for eliminating fractional shortages;
  - 2) a valid copy of the company register confirming the registration of the reverse share split;
  - 3) a registration letter relating to the reverse share split indicating in particular the account of the direct participant relevant for the securities account or the omnibus securities account on which the shares, which are to be used to eliminate fractional shortages, are registered.
3. Before the deadline defined in subpara. 1, the issuer shall provide the participant managing the relevant securities account or omnibus securities account on behalf of the shareholder, described in § 203 subpara. 1, the information on the number of shares allocated for eliminating fractional shortages.
4. KDPW shall initiate the performance of the reverse share split operation after the direct participant managing the securities account or omnibus securities account on which the shares that are to be used to eliminate fractional shortages are registered, has sent instructions changing the status of these shares to blocked for the purpose of eliminating fractional shortages. The instructions shall be sent not later than on R-7.

#### **§ 205**

1. Following the receipt of the documents, described in § 204, subpara. 2, as well as initiating the blocking procedure described in § 204, subpara. 4, KDPW shall make a decision relating to the reverse share split indicating day R, the exchange ratio and the date of the reverse split.
2. KDPW shall provide direct participants with information on the rules for performing the share reverse split operation.

#### **§ 206**

1. On the basis of balances at the end of day R in the securities accounts and omnibus securities accounts managed by direct participants, those participants shall calculate the balances of shares subject to the reverse split, the number of fractional shortages, as well as the total number of shares with the new nominal value which, in connection with the elimination of fractional shortages, shall then be registered on securities accounts and omnibus securities accounts managed by them following the share reverse split. These calculations shall not include the shares designated to be used to eliminate fractional shortages, which are blocked as described in § 204, subpara. 4.
2. KDPW shall make the calculations, described in subpara. 1, on the basis of balances on securities accounts and omnibus securities accounts managed in KDPW at the end of day R.

#### **§ 207**

1. On R+2, participants making the calculations described in § 206, subpara. 1 shall send KDPW, separate for each account, instructions indicating:
  - 1/ the number of shares with the new nominal value that is to be registered on their accounts following the reverse share split operation after the elimination of fractional shortages,
  - 2/ the number of fractional shortages arising in the balances on the securities accounts and omnibus securities accounts managed by those participants,
  - 3/ the number of shares with a new nominal value that could be registered on their accounts following the performance of the reverse share split operation without the elimination of fractional shortages.
2. The participant managing the securities account, or omnibus securities account on which the shares that are intended to be used to eliminate fractional shortages are to be registered, shall not include in the instruction described in subpara. 1, the shares intended to be used to eliminate these shortages that have been blocked, as described in § 204, subpara. 4.

3. On R+2, on the basis of the calculations described in § 206 subpara. 2, KDPW shall determine the number of shares that are to be registered following the performance of the reverse share split operation after the elimination of fractional shortages and the number of fractional shortages in relation to each securities account or omnibus securities account KDPW manages.

4. On R+3, KDPW shall send information on the total number of fractional shares to the issuer and to the participant managing the relevant securities account or omnibus securities account for the shareholder described in § 203, subpara. 1, or holding the omnibus securities account relevant for that shareholder and managed in KDPW.

5. On R+4, KDPW shall determine the number of shares with a new nominal value that are to be registered on the securities account, or omnibus securities account, on which shares that are to be used to eliminate fractional shortages are registered following the reverse share split operation for shares that are blocked, described in § 204 subpara. 4.

#### **§ 208**

Not later than 12.00 on the date prior to the reverse split date, the issuer shall submit to KDPW an annex to the issue letter for the share reverse split, confirming the terms and conditions of the performance of the operation.

#### **§ 209**

On the day of the reverse split operation, KDPW shall reregister the balances of the registration accounts, on which shares that are subject to the reverse split are registered, on the basis of the instruction described in § 207 subpara. 1 and the provisions described in § 207, subparas. 3 and 5.

### **Section 3 Assimilation of securities**

#### **§ 210**

1. The issuer's application for assimilation along with documents necessary to determine whether the assimilation is permissible and the assimilation issue letter shall be submitted to KDPW at least seven days before the assimilation date. The document containing the decision to give the same status to securities being given the same securities code number in organised trading shall be submitted to KDPW not later than four days before the assimilation date.

2. If assimilation concerns securities which, according to the balances on the day preceding the assimilation date, are registered in registration accounts kept for a participant with the participation status type Lead Manager, the assimilation of such securities shall take place on condition that the participant has been assigned, within the same type of activity described in § 24 subpara. 1 or 2 of the KDPW Rules, the participation status type Lead Manager for the securities marked with the code number of the basic issue.

3. Basic issue shall mean securities marked with the code number to be assigned to other securities of the same issuer.

#### **§ 211**

1. If assimilation is to include only some securities marked with a given code number, the issuer shall indicate, in the issue letter of the assimilation, the registration accounts in KDPW where the securities subject to the assimilation are registered and indicate the number of securities to be assimilated registered in individual accounts indicated by the issuer.

2. In instances referred to in subpara. 1, the issuer shall be obliged to provide all direct participants holding accounts in which securities that are to be subject to the assimilation are registered, not later than ten days before the assimilation date, with information necessary to identify these securities and the accounts in which they are registered. Sending this information to direct participants for which KDPW manages omnibus securities accounts shall take place through KDPW.

3. On the basis of the information described in subpara. 2, direct participants shall not later than seven days prior to the assimilation operation provide KDPW with instructions relating to the change in the status of the securities subject to the assimilation procedure to "blocked for corporate action".

4. In instances referred to in subpara. 1, KDPW shall perform the assimilation on the basis of the application of

the issuer and the issue letter of the assimilation submitted by the issuer and on the basis of instructions delivered by participants according to subpara. 2, second sentence, following the clarification of any discrepancy between these documents.

#### **§ 212**

KDPW shall notify direct participants of the assimilation date not later than three days before that date, if it relates to securities listed on a regulated market or alternative trading system.

#### **§ 213**

If all of the conditions for assimilation are met, the securities indicated in the application shall bear the code number of the basic issue from the assimilation date onwards.

#### **§ 214**

1. Assimilation shall consist in performing relevant changes to registration account balances made by KDPW and participants.
2. The relevant changes to registration account balances shall be made by means of closing the accounts used to register securities receiving the code of the basic issue and crediting the accounts used to register securities assigned the code of the basic issue with the balances of the closed accounts.

#### **§ 215**

1. Activities related to assimilation shall be the first to be carried out at the opening of the accounting day on the assimilation date.
2. Direct participants shall make the relevant changes to registration account balances in securities records kept by them on the basis of a decision of the KDPW Management Board concerning assimilation. In such instances, registration account statements shall be used to verify whether the relevant actions taken by the participants were correct.

#### **§ 216**

1. All documents relating to registration activities issued starting on the assimilation date shall contain the securities code number of the basic issue if they refer to securities marked with the same code number. Documents that do not contain the said code number shall be rejected.
2. KDPW shall reregister settlement instructions that have not been executed prior to the assimilation date or other registration certificates related to securities that are the subject of these operations, on condition that they were introduced to the depository system not later than on the day preceding the assimilation date. While making the relevant changes for the registration certificates, KDPW shall replace the previous securities code number with the code number of the principal issue.

### **Section 4**

#### **Withdrawal of securities from the Depository**

#### **§ 217**

Withdrawal of securities from the depository shall consist in their deregistration from registration accounts kept in KDPW.

#### **§ 218**

1. The withdrawal of shares from the depository shall be performed on the basis of a request submitted by an issuer, following the termination of the agreement for their registration in the depository.
2. Together with the application, referred to in subpara. 1, the issuer shall in addition submit where relevant:
  - 1/ a copy of the authorisation from the Polish Financial Supervision Authority confirming that the obligations applicable to public companies defined in the Law on public offerings shall no longer apply with respect to the issuer – for issuers referred to in Article 27 of the Act of 16 October 2019 amending the Law on public offerings and the conditions of introducing financial instruments to an organised trading system and on public companies and certain other Acts (Dz.U. (Journal of Laws) of 2019, item 2217), or,
  - 2/ a copy of the authorisation from the Polish Financial Supervision Authority for the withdrawal of shares



from trading in the regulated market or alternative trading system, or a copy of an official decision by the Polish Financial Supervision Authority on the exclusion of shares from trading in the regulated market or alternative trading system – for issuers whose shares were traded in an organised trading system, or

3/ a copy of a legally-binding declaration of the issuer's bankruptcy or a rejection of the petition to declare the issuer bankrupt owing to holding insufficient assets or barely sufficient assets to cover only the costs of the bankruptcy procedure – for issuers that are public companies on the date of the issue of such a declaration, or

4/ a copy of the resolution of the general meeting relating to the registration of shares in the shareholder register – for issuers that are not public companies on the date of the approval of such a resolution.

3. In instances described in subpara. 2 point 2 and 4, the termination of an agreement for the registration of shares shall take place 14 calendar days from the date of the submission by the issuer of the application, referred to in subpara. 1.

4. Six months after the court decision declaring the bankruptcy of the issuer that is a public company or rejecting the petition to declare such an issuer bankrupt owing to holding insufficient assets or barely sufficient assets to cover only the costs of the bankruptcy proceedings, becomes final, the withdrawal from the depository of shares of an issuer may take place even where the application, referred to in subpara. 1, has not been submitted, on the basis of a unilateral declaration of intent sent by KDPW to the issuer.

5. In the event of the withdrawal of shares from the depository, KDPW shall send a request to direct participants managing securities accounts or omnibus securities accounts, as well as to participants being holders of omnibus securities accounts in KDPW, to provide the issuer within 10 days the personal data on persons with rights to these shares, the balances of their holdings in these shares, encumbrances in such shares and personal data of persons in whose favour the shares are so encumbered, according to the balances on the day they are withdrawn from the depository, and shall also inform the issuer of the number of shares to which this information relates for each participant. In especially justified circumstances, KDPW may, at the request of the issuer, request direct participants to provide this information within a shorter deadline, however not earlier than five days.

6. Participants for whom KDPW manages omnibus securities accounts shall be required to establish their relations with entities on whose behalf they register outside the Republic of Poland shares recorded on omnibus securities accounts managed for them, in such a manner as to ensure that the obligations described in subpara. 5 may be performed.

7. To the extent that shares withdrawn from the depository are registered on a securities account managed by KDPW, the information referred to in subpara. 5 shall be provided to the issuer referred to in subpara. 1 by KDPW.

#### **§ 219**

1. The withdrawal from the depository of securities whose legal existence is not dependent on being entered in the relevant court or administrative register and whose legal existence is terminated on their buyout by the issuer, shall take place on the basis of an application submitted by the issuer and the issue letter relevant to those securities, or an document updating the information contained in the form described in § 65 subpara. 5 of the KDPW Rules, indicating the number of securities purchased by the issuer and the number of the registration account on which they are registered, managed by KDPW on behalf of a direct participant managing a securities account for the issuer, or the relevant omnibus securities account, or for direct participants for which KDPW manages omnibus securities accounts, if the relevant account for the issuer is the omnibus securities account of that participant managed in KDPW.

2. The issuer shall be obliged to submit to the direct participant, referred to in subpara. 1, an instruction to block the cancelled securities.

3. The direct participant, referred to in subpara. 1, shall without delay send an instruction to the depository system to change the status of the cancelled securities to blocked awaiting execution of operation.

4. The withdrawal of securities from the depository shall be performed following the reconciliation of the number of cancelled securities deriving from documents submitted by the issuer, with the number of these securities blocked awaiting cancellation, described in subpara. 3.

#### **§ 220**

In the event of cancellation of shares, the issuer shall submit to KDPW, within the deadline referred to in § 145 subpara. 3 of the KDPW Rules, an application to withdraw the shares from the depository together with an annex

to the issue letter of the shares, a valid excerpt from the companies register confirming the registration of the cancellation of shares, and a certified copy of the document which forms the legal basis for the cancellation. If relevant provisions of the issuer's statutes form the legal basis for the cancellation, the issuer shall indicate these provisions in the application to withdraw the cancelled shares from the depository.

#### **§ 221**

1. If the shares to be cancelled are shares other than own shares bought back by the issuer, KDPW shall perform their withdrawal from the Depository provided that the issuer indicates, in an annex to the issue letter of the shares attached to the application for their withdrawal from the depository, a method enabling:
  - 1) the correct identification, on the date of this withdrawal operation performed in the depository system, of securities accounts or omnibus securities accounts on which shares to be cancelled are registered,
  - 2) determining, on the aforementioned date, the correct number of shares to be cancelled from each of the accounts referred to in point 1.
2. In instances referred to in subpara. 1, KDPW shall provide the information referred to in subpara. 1 point 1 and 2 to direct participants which hold registration accounts in KDPW where shares to be cancelled are registered.
3. Direct participants shall deliver to the depository system, within the deadlines indicated in the information referred to in subpara. 2, instructions to change the status of the shares to be cancelled to "blocked for corporate action".
4. The provisions of subpara. 3 shall apply accordingly in instances where shares to be cancelled are registered on the securities account or omnibus securities account managed in KDPW.
5. The provisions of § 122 and § 125 - § 130 shall apply accordingly to the payment of entitlements for cancelled shares, whereas together with the information referred to in § 125 subpara. 1 and 2, concerning the persons eligible to receive such entitlements, participants for which KDPW manages securities accounts or omnibus securities accounts shall also send to KDPW documents confirming the amount of expenditures incurred by those persons, or their inheritors or donors, to buy or take up cancelled shares, prepared in writing or in other format as required under the applicable provisions of tax law.

#### **§ 222**

If the shares to be cancelled are own shares acquired by the issuer, the issuer shall indicate in the annex to the issue letter for those shares filed in accordance with § 220 the number of the registration account on which they are registered, managed in KDPW for the direct participant managing a securities account for the issuer, or the relevant omnibus securities account, or for a direct participant for which KDPW manages an omnibus securities account, if the relevant account for the issuer is the omnibus securities account of that participant managed in KDPW. In such a case, the provisions of § 219 subpara. 2-4 shall apply.

### **Section 5 Conversion of securities**

#### **§ 223**

If conversion concerns securities which, according to the balances on the day preceding the conversion date, are registered in registration accounts kept for a participant with the participation status type Lead Manager, the conversion of such securities shall take place on condition that the participant has been assigned, within the same type of activity described in § 24 subpara. 1 or 2 of the KDPW Rules, the participation status type Lead Manager for the securities arising from the conversion.

#### **§ 224**

1. In instances where an entitled entity submits an application for conversion of securities, the direct participant which keeps the securities account or omnibus securities account on which they are registered shall block them on this account, provide the information on the submission of the application to the issuer, and send to the depository system an instruction relating to the change the status of the securities subject to this request to "blocked for corporate action". The provisions of the previous sentence shall also apply to direct participants for which KDPW manages omnibus securities accounts, however, such participants shall provide the issuer through

- KDPW with information on the submission of the application to perform the conversion by the entitled entity.
2. In order to perform the conversion of the securities blocked in accordance with the provisions of subpara. 1, the issuer shall submit an application to KDPW for performing this operation, together with an issue letter, not later than seven days prior to the conversion date defined in these documents.
  3. Should the General Shareholders Meeting of the issuer's company adopt a resolution to convert all of the shares marked with a specific code number, the issuer shall submit an application for their conversion to KDPW, appending to it an issue letter and copy of this resolution. The provisions of subpara. 2 shall apply accordingly.

### **Section 6**

#### **Exchange of securities in connection with a change of the nominal value of the securities without a change of the number of securities**

##### **§ 225**

1. If the nominal value of securities is changed but the number of the securities is not changed, the issuer shall provide KDPW with an application for the related operation of exchange of such securities.
2. The issuer shall attach the following to the application referred to in subpara. 1:
  - 1/ a document forming the legal basis of the change of the nominal value of the securities,
  - 2/ a valid copy of an entry in the relevant register if the change of the nominal value of the securities requires an entry into the register,
  - 3/ an annex to the issue letter of the securities, or an document updating the information contained in the form described in § 65 subpara. 5 of the KDPW Rules.
3. If the nominal value is changed in connection with a partial redemption by the issuer without the intermediation of the KDPW, the issuer shall also attach information or documents confirming that the actions required to carry out the redemption have been completed and confirming that the cash benefits arising from the redemption of the bonds have been paid.

### **Section 7**

#### **Replacement of shares following mergers or divisions of public companies**

##### **§ 226**

The replacement of shares following the merger of public companies by means of a transfer of all the assets of the acquired company to the acquiring company in exchange for its shares or following the division of a public company by means of a transfer of the whole or part of the assets of the divided company to another public company (acquiring company) in return for its shares shall consist in the allocation of a specific proportion of the shares of the acquiring company to the shareholders of the acquired or divided company by making the relevant changes to the balances of accounts in which shares of those companies are registered, according to their holding balances on a specific date referred to as the "reference date".

##### **§ 227**

1. KDPW shall replace the shares of the acquired or divided company with shares of the acquiring company according to the holding balances of the shares of the acquired or divided company on the reference date on the basis of documents submitted for the purpose of the registration of shares of the acquiring company allocated to the shareholders of the acquired or divided company, including an issue letter indicating the terms of the replacement of shares, and on the basis of documents confirming:
    - 1/ for company mergers – the registration of the merger in the companies register appropriate to the registered address of the acquiring company;
    - 2/ for company divisions:
      - a/ the deletion of the divided company from the companies register, if the division takes place through a takeover, or
      - b/ the registration of the increase in the authorised capital of the acquiring company carried out in order to replace the shares of the divided company, if the division takes place through a separation.
- The provisions of § 3 subpara. 2 shall apply to the issue letter.

2. Resolutions adopted by the General Meetings of the acquired or divided company and of the acquiring company concerning the merger or division shall be enclosed to the documents referred to in subpara. 1.
3. If a replacement following the division of a public company through separation does not concern all the shares of that company, KDPW shall replace shares on condition that the companies participating in the division indicate a method enabling:
  - 1) the correct identification, on the reference date, of securities accounts or omnibus securities accounts on which shares of the divided company to be replaced are registered,
  - 2) determining, on the aforementioned date, the correct number of shares of the divided company to be replaced from each of the accounts referred to in point 1.

#### **§ 228**

1. The reference date shall be a business day.
2. The reference date shall be indicated, respectively, by the acquiring company and the acquired company or by the acquiring company and the divided company. The reference date may also be indicated only by the acquiring company if it produces the document referred to, respectively, in § 227 subpara. 1 point 1 or § 227 subpara. 1 point 2 item a and the situation referred to in § 227 subpara. 3 does not occur. The reference date indicated by the companies (company) shall be no earlier than the day following the day when KDPW receives the documents referred to in § 227 and not earlier than the intended settlement date of a transaction involving the shares of the acquired company or the shares of the divided company to be replaced concluded in organised trading before trading in these shares is suspended.
3. Should the companies (company) fail to indicate the reference date or indicate it in breach of the conditions defined in subpara. 1 and 2, the reference date shall be the nearest business day that meets the conditions defined in subpara. 2, third sentence.

#### **§ 229**

1. KDPW shall provide information on the terms of the replacement of shares and the reference date to direct participants.
2. Direct participants managing securities accounts, or omnibus securities accounts shall calculate the holding balances of shares of the acquired or divided company on the basis of the balances of these accounts kept by them at the end of the reference date and shall also determine the number of shares of the acquiring company to be allocated to the holders of such accounts and the amount of any supplementary cash payments, due to those holders following the merger or the division.
3. KDPW shall make the calculations, described in subpara. 2, on the basis of balances on securities accounts and omnibus securities accounts, which it manages, at the end of the reference date.
4. Within the deadlines indicated in the information referred to in subpara. 1, participants managing securities accounts or omnibus securities accounts shall provide KDPW with information indicating:
  - 1) the number of shares of the acquiring company to be allocated following the replacement through the given participant,
  - 2) the total amount of cash payments, if any, to be paid following the merger or the division through the given participant.
4. In instances where cash payments are to be made, the provisions of § 125 - § 130 shall apply accordingly.

#### **§ 230**

1. The shares of the acquired company or the shares of the divided company shall be withdrawn from the depository the moment the share replacement operation has taken place.
2. The shares of the acquiring company to be allocated to the shareholders of the acquired or divided company shall be registered in technical accounts kept for direct participants. Direct participants shall immediately transfer those shares to the appropriate entity accounts.

### **Section 8**

#### **Subscription to securities of a new issue**

#### **§ 231**

1. KDPW may participate in conducting a subscription to shares of a new issue as part of a public offering in

instances where it is performed using the IT system of the Warsaw Stock Exchange.

2. Subscription referred to in subpara. 1 shall mean the offer of shares by the issuer where the current shareholders' subscription rights have been excluded.

3. The participation of KDPW in a subscription shall consist in particular in carrying out the appropriate cash settlements arising from it.

#### **§ 232**

Not later than two days before the intended settlement date of the transactions executed as part of the share subscription, described in § 231 subpara. 1, the issuer shall submit to KDPW an issue letter of rights arising from subscriptions to shares of a new issue. The issue letter shall indicate in particular the following:

- a) the number of the technical account of the direct participant taking part in offering new issue shares, on which rights arising from subscriptions to shares of a new issue are to be registered,
- b) the number and the issue price of shares offered,

#### **§ 233**

1. KDPW shall, on the basis of an issue letter for rights arising from subscriptions for shares of a new issue, register these rights on the technical account managed for a direct participant taking part in the new share issue.

2. In instances where the issue of the offered shares has been successfully concluded and transferable rights to shares are to be registered in the securities depository, the issuer, having performed the allocation of these shares shall submit to KDPW documents required to conclude an agreement to register the transferable rights to those shares, and if the issuer is not a party to a participation agreement with KDPW with the participation type of issuer, then the necessary documents to conclude such an agreement shall be submitted.

3. Transferable rights to shares shall be registered according to the provisions of § 166, which shall apply accordingly.

4. If the documents described in subpara. 2 are not be submitted to KDPW within two weeks of the date of the settlement of the transactions executed as part of a share subscription, described in § 231 subpara. 1, KDPW shall close the technical accounts for rights arising from subscriptions for new issue shares.

#### **§ 234**

1. The provisions of § 231 - § 233 shall apply accordingly to subscriptions for bonds carried out as part of a public offering, subject to the provisions of § 235 - § 244.

2. The provisions of § 231 - § 233 shall apply accordingly where subscriptions performed using the Warsaw Stock Exchange IT system relate to securities other than shares.

### **APPENDIX 1**

to the Detailed Rules of Operation  
of KDPW

#### **Alphanumeric codes of registration account attributes and other codes used in the depository system**

##### **1. Individual entity codes**

A code consisting of four alphanumeric characters is assigned by KDPW to participants, entities which are not participants but may execute transactions in trading systems, and other entities, organisational units, groups of assets, etc., which need to be separated for the purpose of proper operation of the depository system, where:

1/ 0001 – designates KDPW;

2/ 0011 – designates the clearing fund;

3/ 0013 – designates KDPW\_CCP as the transaction counterparty, created following clearing novation, described in Art. 45h subpara. 2 of the Law on Trading in financial instruments, or as the technical counterparty which ensures mutual anonymity to parties of a negotiated loan.

## **2. Type of activity codes**

1/ 01 – designates the type of activity referred to in § 24 subpara. 1 of the KDPW Rules;

2/ 02 – designates the type of activity referred to in § 24 subpara. 2 of the KDPW Rules;

3/ 05 – designates the activity performed by an issuer;

4/ 07 – designates the type of activity referred to in § 24 subpara. 6 of the KDPW Rules;

5/ 09 – designates the activity described in § 24 subpara. 5 of the KDPW Rules;

6/19 - designates the type of activity referred to in § 24 subpara. 3 of the KDPW Rules;

7/20 - designates the type of activity referred to in § 24 subpara. 4 of the KDPW Rules;

8/ 21 - designates the type of activity referred to in § 24 subpara. 7, point 1 of the KDPW Rules

9/ 22- designates the type of activity referred to in § 24 subpara. 7, point 2 of the KDPW Rules

## **3. Ownership type codes**

1/ 0 – not applicable;

2/ 1 – own securities registered on depository accounts;

3/ 2 - securities of a client (clients) registered on depository accounts;

4/ 3 - securities account kept in KDPW.

5/ 4 – omnibus securities account kept in KDPW

## **4. Participation status type codes**

1/ 01 – primary activity;

2/ 02 – primary activity of entity, which keeps a separate registration account in KDPW, used to record market maker organised trading transactions;

3/ 03 – lead manager;

4/05 – central counterparty

5/ 06 – technical agent.

## **5. Code of the relationship between the participant and the entity represented by the participant in the clearing and settlement of transactions.**

KDPW assigns a code consisting of two characters to designate the relationship between a direct participant and an entity represented by the direct participant in the settlement of transactions performed in the depository system.

## **6. Registration account type codes**

1/ basic accounts used to record securities registered in securities accounts or omnibus securities accounts managed by direct participants or by KDPW, or recorded in registers managed by direct participants with the participation type of lead manager;

2/ 01 - transaction accounts used to register securities exclusively as a result of the performance of the settlement of a transaction in order to transfer them onto the account of the entity sending the transaction order, in particular securities forming part of a transaction executed on the basis of an order placed by an entity not having a securities account nor an omnibus securities account with the participant executing the transaction;

3/ 02 - suspense accounts used to register securities that are part of special operations;

4/ 03 - accounts used to register securities offered in a public offering in primary trading or in an initial public offering;

5/ 99 – issue accounts.

## **7. Defining the attributes of a client, or a group of clients**

1/ for direct participants, excluding those holding a participation type that involves keeping an omnibus securities account in KDPW:

a/ RESI – resident,

b/ NRES – a non-resident within the meaning of the provisions of § 58 subpara. 2 point 2 of the KDPW Rules

c/ OMNI – holder of an omnibus securities account,

2/ for participants with a participation type that involves keeping an omnibus securities account in KDPW:

a/ OMNL – corporate income tax payers,

b/ OMNN – personal income tax payers.

### 8. Portfolio code

The portfolio code consists of not more than two alphanumeric characters; KDPW may limit or exclude the use of specific characters or types of characters.

### 9. Assets status codes

1/ AVAI available without limitation;

2/ AVCO available as collateral for securities loans;

3/ AVLE available for securities loans;

4/ AVRE for performing settlement as part of tri-party repo services;

5/ BLCA blocked for exercise of rights from securities or in relation to an operation performed in the depository system;

6/ BLOK blocked for a purpose other than specified in other items;

7/ BLPW blocked in connection with the blocking by a KDPW participant of securities on the securities account, or omnibus securities account, if this blocking is not performed in connection with operations performed by KDPW within the depository system, nor in connection with any agreements concluded with the involvement of KDPW;

8/ BLRD blocked in connection with the issuer's payment of benefits in respect of redemption of debt instruments, without the intermediation of KDPW;

9/ BLWY shares not subject to mandatory buyout referred to, accordingly, in Article 82(1) of the Law on public offerings or in Article 418 of the Commercial Companies Code;

10/ BLWR blocked in order to deregister securities from the depository system following their deregistration from appropriate accounts kept for KDPW by the entity referred to in § 67 subpara. 2 of the KDPW Rules or by the National Bank of Poland as part of the Securities Register;

11/ COLE blocked as collateral for a securities loan;

12/ BLCO blocked for the purpose of eliminating fractional shortages in connection with the performance of a reverse share split operation;

13/ FOSG used as contribution to the guaranteed asset protection fund created by the participant on the basis of the provisions of the Law on the Bank Guarantee Fund;

14/ PBFG blocked and pledged on behalf of the Bank Guarantee Fund for the purpose of securing its assets as assistance to the Bank Guarantee on the basis of the Act on the Bank Guarantee Fund, on the deposit guarantee scheme and mandatory restructuring of 10 June 2016, or on the basis of refundable financial assistance provided to the Bank Guarantee Fund in accordance with the Act on the functioning of cooperative banks, their process of affiliation and affiliated banks, of 7 December 2000;

15/ PCCO blocked under pledge in favour of Credit Cooperatif;

16/ PCEB blocked under pledge in favour of the Council of Europe Development Bank;

17/ PEBI blocked under pledge in favour of the European Investment Bank;

18/ PKFW blocked under pledge in favour of KfW;

19/ PLED blocked for collateralisation other than referred to in other items (only for the participant's securities);

20/ PLLO blocked under pledge for the collateralisation of refinancing Lombard credit granted by the National Bank of Poland;

21/ PLMF blocked under pledge in favour of the State Treasury represented by the Minister of Finance;

22/ TECH technical accounts used to register instruments, which are not dematerialised securities;



23/ BLTE	technical accounts used to perform operations within the depository system, in connection with instruments, which are not dematerialised securities;
24/ BLFG	blocked under pledge to secure payment in relation to contributions to the guarantee fund in the form of payment obligations;
25/ BLPR	blocked under pledge to secure payment in relation to contributions for the mandatory recovery fund in the form of payment obligations;
26/ COBI	blocked, forming financial collateral posted by a direct participant in favour of another direct participant,
27/ BLRZ	blocked upon waiver of payment of entitlements on redemption of structured certificates.

**10. Codes indicating consent for performing partial transaction settlement using the account:**

1/ PART – partial settlement permitted,

2/NPAR - partial settlement not permitted in the event of lack of consent indicated in the settlement instruction.

**APPENDIX 2**  
to the Detailed Rules of Operation  
of KDPW

**Accounting day timetable and operation codes**

**§ 1**

**1. Framework timetable of the accounting day in the multibatch system**

Settlement session number	Time of commencement of settlement session	Types of operations executed during settlement session
R	7.30	Technical session
1	10.30	Operations referred to in § 2 - § 5 with cash settlement in KDPW or without cash settlement in KDPW
2	13.00	Operations referred to in § 2 - § 5 with cash settlement in PLN or EUR in KDPW or without cash settlement in KDPW
3	15.30	Operations referred to in § 2 - § 5 with cash settlement in PLN or EUR in KDPW or without cash settlement in KDPW
4	18.30	Operations referred to in § 2 - § 5 without cash settlement in KDPW
W	18.45	Technical session

**2. Framework timetable of the accounting day in the real-time settlement system**

Hours of settlement in the real-time settlement system	Types of operations executed
8.00 – 18.30	Operations referred to in § 2 - § 5 without cash settlement in KDPW
8.00 – 17.00	Operations referred to in § 2 - § 5 with cash settlement in PLN in KDPW
8.00 – 16.00	Operations referred to in § 2 - § 5 with cash settlement in EUR in KDPW

## § 2

Codes of types of operations, which do not require the confirmation of settlement details

No.	Operation	Operation type	Market code	Trading mode	Number of settlement session for the operation and definition of the scope of its settlement (DvP/FoP)	Hours of settlement of the type of operations in the real-time settlement system (if available in the system) and definition of the scope of their settlement (DvP/FoP)	Eligibility of partial settlement

1.	<p>a) Transaction concluded outside a trading system;</p> <p>b) Notification of securities for deregistration in connection with their intersystem transfer to another CSD in instances other than those described in point 5, or in connection with the retransfer of Treasury bills from the depository system, registered in accordance with § 64 subpara. 2 point 2 of the KDPW Rules;</p> <p>c) Notification of securities for registration in connection with their transfer between systems from another CSD in instances other than those described in Point 4, or in connection with the registration of Treasury bills, in accordance with § 64 subpara. 2 point 2 of the KDPW Rules;</p> <p>NOTE: for operations described in Point b) and Point c), the place of settlement must be indicated</p>	TRAD	KDPW/XPX X (non- mandatory designatio n)		DvP: 1-3 FoP: 1-4	DvP: 8.00-17.00 FoP: 8.00 – 18.30  FoP: 8.00 – 18.30  FoP: 8.00 – 18.30	Yes  No  No
2.	Transfer of securities in connection with post-transaction settlement of a transaction executed in organised trading	TRAD		BISO	DvP: 1-3 FoP: 1-4	DvP: 8.00-17.00 FoP: 8.00-18.30	Yes
3.	Transaction executed as part of a Treasury bond sale auction, or as part of the sale of additional Treasury bonds, organised by the National Bank of Poland in connection with their sale	TRAD	PRIM/NBP X			DvP: 10.00-15.45	No

	at auction, or as part of an auction for the sale of bonds, underwritten or guaranteed by the State Treasury, where the party to the transaction is an auction participant that is not a direct participant.						
4.	Notification of securities for registration in connection with their transfer between another system where they are to be registered in another CSD in the form of Depository Interests (DI)	MKUP				FoP: 8.00-18.30	No
5.	Notification of securities for deregistration in connection with their transfer between another system where they are to be registered in another CSD in the form of Depository Interests (DI)	MKDW				FoP: 8.00-18.30	No
6.	Transfer of securities between accounts managed for different participants, or for the same participant, however, within different types of activities performed by that participant, other than the transfer described in other points, including the registration of securities on the correct account following a registration performed in error.	OWNE			FoP: 1-4	FoP: 8.00-18.30	Yes
7.	The transfer of instruments that are not dematerialised securities between technical accounts managed for various participants, or for the same participant however, within different types of activities performed by that participant, which does not result in a change of ownership, or is only meant	OWNE		TECH	FoP: 1-4	FoP: 8.00-18.30	Yes

	to reflect the effect of a legal event which under the law causes the transfer of these rights to another person						
8.	Transfer of securities between accounts managed for the same participant, within one type of activity performed by that participant, other than the transfer described in other points, including the registration of securities on the correct account following a registration performed in error.	OWNI			FoP: 1-4	FoP: 8.00-18.30	Yes
9.	The transfer of instruments that are not dematerialised securities between technical accounts managed for the same participant, within one type of activity performed by that participant, which does not result in a change of ownership, or is only meant to reflect the effect of a legal event which under the law causes the transfer of these rights to another person.	OWNI		TECH	FoP: 1-4	FoP: 8.00-18.30	Yes
10.	Transfer of securities which does not result in a transfer of ownership.	PORT			FoP: 1-4	FoP: 8.00-18.30	Yes
11.	Repo transaction	REPU/ RVPO			DvP: 1-3	DvP: 8.00-17.00	Yes
12.	Transfer of securities as a result of marking to market of collateral for a repo transaction.	COLO/ COLI		REPU	FoP: 1-3	FoP: 8.00-17.00	Yes
13.	Sell/Buy-back transaction	SBBK/ BSBK			DvP: 1-3	DvP: 8.00-17.00	Yes
14.	Repo transaction performed as part of the tri-party repo service, including the transfer of cash, also performed as part of this service.	TRPO/ TRVO			DvP: 1-3		No

15.	Transfer of securities as a result of marking to market of collateral for a tri-party repo transaction, including the transfer of cash, performed as part of this service.	COLO/ COLI		TRPO	DvP: 1-3		No
16.	Transfer of securities as a result of a lending agreement concluded outside the securities lending system organised by KDPW.	SECL/ SECB			DvP: 1-3 FoP: 1-4	DvP: 8.00-17.00 FoP: 8.00-18.30	Yes
17.	Registration of securities on participants' accounts, performed as part of the procedure described in § 73 subpara.1 of the Rules.	TRAD	PRIM		DvP: 1-3 FoP: 1-4		No
18.	Deregistration of securities from participants' accounts, performed as part of the procedure described in § 73 subpara.1 of the Rules.	REDI			DvP: 1-3 FoP: 1-4		No
19.	<i>Repealed</i>						
20.	Transfer of securities following: a) a transfer of ownership in favour of KDPW_CCP of securities contributed as margin or their return, b) contributing securities to the clearing fund, or their return	COLO/ COLI		CCPT	FoP: 1-3	FoP: 8.00-18.15	Yes
21.	Transfer of securities used as financial collateral and blocking them, or removing their block in favour of another participant.	COLO/ COLI		BILA	FoP: 1-4	FoP: 8.00-18.30	No
22.	Transfer of securities used as financial collateral and removing their block, in order to compensate the collateral taker.	COLO/ COLI		BIEX	FoP: 1-4	FoP: 8.00-18.30	No
23.	Transfer of securities contributed as maintenance margin by order of a participant	COLO/ COLI		MARG	FoP: 1-3	FoP: 8.00-18.30	Yes



**§ 3**

Codes of types of operations which require the confirmation (matching) of settlement details by BondSpot S.A. and both settlement parties shall have the following attributes:

No.	Operation	Operation type	Market code	Trading mode	Number of settlement session for the operation and definition of the scope of its settlement (DvP/FoP)	Hours of settlement of the type of operations in the real-time settlement system (if available in the system) and definition of the scope of their settlement (DvP/FoP)	Eligibility of partial settlement
24.	<i>Repealed</i>						
25.	<i>Repealed</i>						
26.	Sell/buy-back transaction concluded as part of trading on the electronic Treasury securities market organised by BondSpot S.A.	SBBK / BSBK	EXCH/TBSP		DvP: 1-3		Yes
27.	<i>Repealed</i>						
28.	<i>Repealed</i>						

**§ 4**

Codes of types of operations which do not require the confirmation (matching) of settlement details shall have the following attributes:

No.	Operation	Operation type	Market code	Trading mode	Number of settlement session for the operation and definition of the scope of its settlement (DvP/FoP)	Hours of settlement of the type of operations in the real-time settlement system (if available in the system) and definition of the scope of their settlement (DvP/FoP)	Eligibility of partial settlement
29.	Transaction executed on the regulated market organised by the Warsaw Stock Exchange guaranteed by the Clearing Fund	TRAD	EXCH/XWAR		DvP: 1-3		Yes
30.	Block transaction, or significant acquisition of shares, executed on the regulated market organised by the Warsaw Stock Exchange	TRAD	EXCH/XWAR	TRPK	DvP: 1-3		Yes
31.	Transaction executed in secondary trading, using the Warsaw Stock Exchange trading system	TRAD	SECM/WIPO or SECM/XOFF or SECM/XXXX		DvP: 1-3		Yes

32.	A buy-in or sell-out securities transaction executed on the regulated market organised by the Warsaw Stock Exchange for the purpose of correct performance of obligations arising from the clearing of other transactions	TRAD	EXCH/XWAR	BISO	DvP: 1-3		Yes
33.	Transaction executed in primary trading, using the Warsaw Stock Exchange trading system	TRAD	PRIM/WIPO or PRIM/XOFF or PRIM/XXXX		DvP: 1-3		Yes
34.	Transaction executed in the alternative trading system organised by the Warsaw Stock Exchange guaranteed by the clearing fund	TRAD	EXCH/XNCO or EXCH/XGLO		DvP: 1-3		Yes
35.	Block transaction or significant acquisition of shares, executed in the alternative trading system organised by the Warsaw Stock Exchange	TRAD	EXCH/XNCO or EXCH/XGLO	TRPK	DvP: 1-3		Yes
36.	A buy-in or sell-out securities transaction executed in the alternative trading system organised by the Warsaw Stock Exchange for the purpose of correct performance of obligations arising from the clearing of other transactions	TRAD	EXCH/XNCO or EXCH/XGLO	BISO	DvP: 1-3		Yes
37.	Transaction executed on the regulated market organised by Bondspot S.A. guaranteed by the clearing fund	TRAD	EXCH/RPWC		DvP: 1-3		Yes
38.	Block transaction executed on the regulated market organised by Bondspot S.A.	TRAD	EXCH/RPWC	TRPK	DvP: 1-3		Yes

39.	Transaction executed in the alternative trading system organised by BondSpot S.A. guaranteed by the clearing fund	TRAD	EXCH/BOSP		DvP: 1-3		Yes
40.	Block transaction executed in the alternative trading system organised by BondSpot S.A.	TRAD	EXCH/BOSP	TRPK	DvP: 1-3		Yes
41.	a) Transaction executed as part of a Treasury bond repurchase auction or a repurchase auction bonds, organised by the National Bank of Poland, underwritten or guaranteed by the State Treasury. b) Transaction executed as part of a Treasury bond roll-over auction or a roll-over auction of bonds, organised by the National Bank of Poland, underwritten or guaranteed by the State Treasury (repurchase).	TRAD	SECM/NBPX		DvP: 1-2  FoP: 1-4		No  No
42.	Unconditional transaction executed by the National Bank of Poland as part of open market operations	TRAD	SECM/NBPX	TRPP	DvP: 1		Yes
43.	a) Transaction executed as part of a Treasury bond roll-over auction or a roll-over auction of bonds, organised by the National Bank of Poland, underwritten or guaranteed by the State Treasury (sale). b) Transaction executed as part of a Treasury bond sale auction, as part of a sale of additional Treasury bonds by auction, or as part of a sale auction of bonds, organised by the National Bank of Poland,	TRAD	PRIM/NBPX		FoP: 1-4	DvP: 10.00-15.45	No  No

	underwritten or guaranteed by the State Treasury (repurchase).						
43a.	Transaction executed in secondary trading on the electronic Treasury securities market managed by BondSpot S.A., guaranteed by the clearing fund	TRAD	EXCH/TBSP		DvP: 1-3		Yes
43b	Transaction executed in secondary trading on the electronic Treasury securities market managed by BondSpot S.A., whose terms and conditions have been determined by the parties outside this market.	TRAD	EXCH/TBSP	TRPK	DvP: 1-3		Yes
43c	Mandatory buyout (repurchase) of shares of a public company referred to in § 82 subpara. 1 of the Law on public offerings, or the mandatory buyout of shares of a non-public company, referred to in Article 418 of the Commercial Companies Code, or the transfer of the issuer's share rights as part of a corporate resolution on the basis of a decision by the Bank Guarantee Fund	TRAD			DvP: 1-3		Yes
44.	Repo transaction concluded outside of organised trading, which are settled on the basis of a settlement instruction sent by KDPW_CCP	REPU / RVPO	OTCO/CCPX		DvP: 1-3		Yes
44a	Repo transaction executed in trading on the electronic Treasury securities market managed by BondSpot S.A., guaranteed by the clearing fund	REPU/ RVPO	EXCH/TBSP		DvP: 1-3		Yes

44b	Repo transaction executed in trading on the electronic Treasury securities market managed by BondSpot S.A., whose terms and conditions have been determined by the parties outside this market.	REPU/ RVPO	EXCH/TBSP	TRPK	DvP: 1-3		Yes
44c	Repo transaction executed by KDPW_CCP as part of an auction, guaranteed by the clearing fund.	REPU/ RVPO	OTCO/CCPX	BISO	DvP: 1-3		No
45.	Sell/buy-back transactions concluded outside of organised trading, which are settled on the basis of a settlement instruction sent by KDPW_CCP	SBBK / BSBK	OTCO/CCPX		DvP: 1-3		Yes
46.	Transaction performed as part of a repo executed between the National Bank of Poland and a bank	REPU / RVPO	OTCO/NBPX		DVP: 1	Opening: 8.00-17.00 Closing: 8.00-11.00	Yes
47.	Transfer of securities in connection with marking to market for repo transactions concluded between the National Bank of Poland and a bank	COLO/COLI	OTCO/NBPX	REPU		FoP: 8.00-15.30	Yes
48.	Lending and return of an automatic securities loan	SECL / SECB		AUTO	Execution: FoP: 3 Return: FoP: 1-3		No
49.	Settlement following the lending or return of a securities loan as part of the negotiated securities lending system	SECL / SECB		PNEG	DVP: 1-3		No
50.	Lender substitution	SECL		SUBS	FoP: 1-3		No
51.	Transfer of the collateral for a securities loan to the lender	COLI		AUTO	FoP: 1-3		No

52.	Transfer of securities a) onto the account of the National Bank of Poland for the purpose of collateralising technical credit, b) onto a direct participant's account from the account of the National Bank of Poland in connection with the repayment of technical credit	CNCB			Posting: FoP: 1-3 Return: FoP: 1-4	Posting: FoP: 8.00-17.15 Return: FoP: 8.00-18.30	Yes
53.	Delivery of underlying instrument in connection with exercise of derivatives instrument	OWNE	SECM/CCPX		FoP: 1-3		No
54.	Settlement instruction generated following the processing of a corporate action	CORP			FoP: R, 1-4	FoP: 8.00-18.30	No
55.	Registration of securities in the depository, including the registration of securities on the account of a technical agent	PLAC			FoP: 1-4	FoP: 8.00-18.30	No
56.	Withdrawal of securities from the depository, including the deregistration of securities from the account of a technical agent	REDI		CLOS	FoP: R, 1-4	FoP: 8.00-18.30	No
57.	Change of asset status	INTP			FoP: 1-4	FoP: 8.00-18.30	No



## Codes of types of operations involving only cash transfers

No.	Operation	Operation type	Market code	Trading mode	Number of settlement session for the operation	Hours of settlement of the type of operations in the real-time settlement system (if available in the system)
58.	a) Cash transfer in connection with the settlement of a transaction according to § 86 of the KDPW Rules, or  b) Cash transfer related to the processing of compensation referred to in § 112 of the KDPW Rules, or  c) Cash transfer related to the refund by a direct participant of a cash payment, or such a payment being transferred to this participant by KDPW in accordance with the provisions of § 89a of the KDPW Rules (market claims).	CLAI			1-3	
59.	Cash transfer in connection with a fee charged as a result of the refusal by a participant to accept a transaction concluded as part of a Treasury bond redemption or exchange tender organised by the Ministry of Finance	OWNE		INTR		8.00-15.45
60.	Cash transfer in connection with: - replenishment of a shortage or return of a surplus of contractual collateral of a negotiated loan, or - take-over of contractual collateral of a negotiated loan by KDPW_CCP	COLO/COLI		PNEG	1-3	

61.	Cash transfer in connection with the processing of collateral of automatic securities loans	COLO/COLI		AUTO	1-3	
62.	Cash transfer in connection with the execution of a cash payment arising from a transaction executed outside organised trading, determined on the basis of an instruction sent by KDPW_CCP	COLO/COLI		CCPT	1-3	
63.	Cash transfer related to the processing of payments of cash penalties for failure to perform timely settlement.	PAIR				8.00-17.00

**APPENDIX 3**

to the Detailed Rules of Operation  
of KDPW

**A description of codes used in the depository system****1. TYPES OF SETTLEMENT INSTRUCTIONS (ORDERS) / OTHER DOCUMENTS**

- 1/ DN – settlement instruction for delivery of financial instruments without cash settlement;
- 2/ DP – settlement instruction for delivery of financial instruments with cash settlement;
- 3/ MN – document generated by KDPW on the basis of matched settlement instructions delivered for delivery of financial instruments without cash settlement;
- 4/ MP – document generated by KDPW on the basis of matched settlement instructions delivered for delivery of financial instruments with cash settlement;
- 5/ PN – settlement instruction for receipt of financial instruments without cash settlement;
- 6/ PP – settlement instruction for receipt of financial instruments with cash settlement;
- 7/ ZN – settlement instruction for a transaction without cash settlement in KDPW where it is the only or an additional document, apart from settlement instructions from the settlement parties, whose delivery is required for the settlement;
- 8/ ZP - settlement instruction for a transaction with cash settlement in KDPW where it is the only or an additional document, apart from settlement instructions from the settlement parties, whose delivery is required for the settlement;
- 9/ ZS – settlement instruction - instruction to change assets status;
- 10/ ZO – settlement instruction for a transaction, where the cash account of the participant is debited/credited at the same time as, accordingly, the registration account managed for that participant.

**2. SETTLEMENT INSTRUCTION (ORDER) MATCHING MODES**

- 1/ B – instruction matched with another instruction according to general principles without the application of the principle referred to in § 90 of the KDPW Rules (matching without tolerance limit);
- 2/ N – document not matched with another document;
- 3/ T – instruction matched with another instruction within tolerance limits, according to the principles described in § 90 of the KDPW Rules (consent to use of tolerance limit);
- 4/ 3 – instruction matched with two other instructions (trilateral matching);
- 5/ 0 – Lack of instruction matching scheme indicated (no objection to matching according to the rules described in § 28, subpara. 1, point 2).

**3. SETTLEMENT SYSTEMS**

- 1/ MB – multi-batch system;
- 2/ RTGS – real-time settlement system.

**4. CASH SETTLEMENT MODES**

- 1/ GROS – gross settlement;
- 2/ NETT – net settlement.

5. *Repealed*

6. *Repealed*

7. *Repealed*

**8. SETTLEMENT INSTRUCTION (ORDER) FUNCTIONS**

- 1/ NEWM – settlement instruction;
- 2/ PREA –settlement instruction with the status “on hold”.

**9. COMPOUND TRANSACTION TYPES**

- 1/ UNIL – unilaterally declared compound transaction;
- 2/ BILA - bilaterally declared compound transaction.

**10. RELATIONSHIPS BETWEEN COMPONENT TRANSACTIONS IN A COMPOUND TRANSACTION**

- 1/ BEFO –the settlement of this component transaction shall take place before the settlement of another component transaction;
- 2/ AFTE - the settlement of this component transaction shall take place after the settlement of another component transaction;
- 3/ WITH - the settlement of this component transaction shall take place simultaneously with the settlement of another component transaction.

**11. TRI-PARTY REPO INSTRUCTION TYPES**

- 1/ INIT – order to include the transaction in the tri-party repo service;
- 2/ CADJ – substitution / replacement of securities;
- 3/ CDTA – change of repo closing settlement date;
- 4/ RATA – change of repo rate.

**APPENDIX 4**  
to the Detailed Rules of Operation  
of KDPW**Types of registration certificates**

The following registration certificates are identified:

- 1) KDPW\_CCP settlement instruction (settlement order), being a document delivered by KDPW\_CCP, on the basis of which entries are made on registration accounts managed in KDPW arising from transactions executed in a trading system, conditional transactions and securities lending transactions concluded as part of the negotiated securities lending scheme; also entries made following the delivery of securities, which form the underlying instrument for derivatives, executed in order to carry out the rights and obligations arising from these derivatives;
- 2) settlement instruction (settlement order) from the market, which is a document confirming the conclusion of a transaction in secondary trading on the electronic market of Treasury securities operated by BondSpot S.A., as well as the conclusion of a transaction on the basis of an order submitted as part of a securities subscription sent using the WSE trading system;
- 3) settlement instruction (settlement order), which is a document issued by a participant for the purpose of making on registration accounts kept in KDPW registration entries as a result of operations which are performed at the initiative of the participant and do not require the confirmation of settlement details;
- 4) matched settlement instructions (settlement order), on the basis of which on registration accounts kept in KDPW registration entries are made as a result of operations which require the confirmation of settlement details;
- 5) KDPW instruction, which is a document issued by KDPW on the basis of which on registration accounts kept in KDPW registration entries are made as a result of operations which are not performed at the initiative of the participant or require additional processing by KDPW;
- 6) instruction to change the status of assets, being a settlement instruction, on the basis of which registration entries are made to cause or register limited availability of securities or to remove such limitation (change of availability of securities);
- 7) internal accounting note, which is a document prepared by a participant in order to record internal operations carried out by the participant;
- 8) status change message, which is a document issued by KDPW confirming the settlement of an operation in the depository system on the basis of which a participant may make registration entries in securities accounts or omnibus securities accounts;
- 9) registration account statement, which is a document issued by KDPW containing a list of all operations carried out on a given registration account during a given settlement session or in a given day in the multibatch system or confirming the registration on the given account of a single operation in the real-time settlement system, as well as the opening and closing account balance;
- 10) analytical report for a statement, which is a document issued by KDPW in the event of settlement of transactions on the basis of settlement instructions, referred to in § 96 of the KDPW Rules, and itemises settled transactions, on the basis of which a participant may make registration entries in securities accounts or omnibus securities accounts.